

RELATIONSHIPS SCOTLAND
(Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2019



RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT

For the year ended 31 March 2019

The directors have pleasure in presenting their report and financial statements for the year ended 31 March 2019.

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
M O'Donnell
J Shepherd
E Turner
R Waterston
M MacLeod
S Sutherland
S Maxwell
N Gilchrist

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 2019

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 Certificate in Couple Counselling
- a Diploma in Sex & Relationship Therapy
- a Diploma in Casework Supervision
- 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 2019

Achievements and performance

Funding of £ 1.53m was secured from The Children, Young Persons and Families Early Intervention Fund and Adult Learning & Empowering Communities Fund (CYPFEIF & ALEC) for 2018-2019, the Fund has now been extended for another year until the end of March 2020. The amount of funding for 2019-2020 has been confirmed at £ 1.53m. With effect from 1 April 2020, funding will be provided from the new Families and Communities Fund. The Board will submit a funding application to them during the current financial year.

Income in the Training Department was 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, a Diploma in Sex and Relationship Therapy 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 2018/2019	Previous Years Students still being supported to Course Completion
Diploma in Relationship Counselling (DiRC)	24	-
Certificate in Couple Counselling (Cert CC)	10	12
Diploma in Sex and Relationship Therapy (Dip SRT)	12	10
Certificate in Family Mediation (Accredited)	9	6
Certificate in Family Mediation (Registered)	5	2

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

Date	Event	Attendees
Apr 20	Innovative Models for Working with Domestic Abuse	25
Jun 9	Self-care, Resilience and Vicarious Trauma	16
Sep 15	Working with Risk and Suicidal Ideation	19
Sep 28	Counselling Supervisor's Forum	15
Oct 11	Mediator Supervisor's Forum	12
Oct 27	Reflexive Supervision	16
Nov 3	Conversational Intelligence	26
Mar 1	Reflective Parenting: Bringing a Mentalizing Stance to Parenting	19
Mar 2	Mentalization based work with Individuals & Families	16
	Total	164

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2019

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 £112,339 of which £63,287 related to restricted funds and £49,052 was a deficit on unrestricted funds.

Reserves policy

Our unrestricted reserves at 31 March 2019 were £180,316. 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 2019 were £19,306. 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.

The Board are particularly aware of the potential changes in future funding levels due to the change in core funding with effect from 1 April 2020 to the new Families and Communities Fund. They are in the process of considering various differing scenarios depending upon the level of funding that is secured.

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 2019

Plans for future periods

The key plans for the coming years are detailed in the new Relationships Scotland Network Strategy for 2018 – 2021. These include the vision for *'Positive and Respectful Relationships to be at the Heart of Scotland'*.

Together with our network of 21 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
Fiona Cook	Head of Practice for Mediation
Rosanne Cubitt	Head of Practice for Counselling
Heather Lickley	Head of Network Services
Eileen Brownlie	Head of Practice for Child Contact Centres

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2019

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.

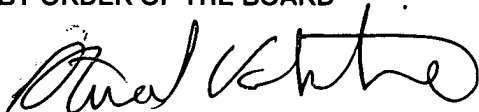
In so far as the directors are aware:

- 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.

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

21.08.2019

Opinion

We have audited the financial statements of Relationships Scotland (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2019, 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for 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 charitable company 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 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.

Material uncertainty related to going concern

We draw attention to note 19 in the financial statements, which indicates that the future funding of the charitable company beyond March 2020 is uncertain as no decisions have currently been made either as to those organisations that will receive funding or the amount of funding that they will receive. As stated in note 19, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 DIRECTORS AND MEMBERS OF
RELATIONSHIPS SCOTLAND (Cont'd)**



Opinions 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 charitable 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of Directors

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, and for such internal control as the Directors 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 Directors are responsible for assessing the charitable company'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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF
RELATIONSHIPS SCOTLAND (Cont'd)**



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 charitable company's Directors, 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 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 charitable company, the charitable company's members as a body and the charitable company's Directors as a body, for our audit work, for this report, or for the opinions we have formed

Malcolm A Beveridge

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

9 SEPTEMBER 2019

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 2019

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Incoming and endowments from:						
Donations and legacies:						
Grants and donations		1,534,000	-	-	1,534,000	1,500,099
Charitable activities		156,487	-	60,000	216,487	240,699
Investments – interest received		165	-	-	165	584
Total income	5	<u>1,690,652</u>	<u>-</u>	<u>60,000</u>	<u>1,750,652</u>	<u>1,741,382</u>
Expenditure on:						
Charitable activities	6	<u>1,735,704</u>	<u>-</u>	<u>127,287</u>	<u>1,862,991</u>	<u>1,879,856</u>
Total resources expended		<u>1,735,704</u>	<u>-</u>	<u>127,287</u>	<u>1,862,991</u>	<u>1,879,856</u>
Net expenditure and net movement in funds before transfers		(45,052)	-	(67,287)	(112,339)	(138,474)
Gross transfers between funds	13	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>
Net expenditure and net movement in funds for the year		(49,052)	-	(63,287)	(112,339)	(138,474)
Reconciliation of funds						
Total funds brought forward		<u>217,009</u>	<u>12,359</u>	<u>82,592</u>	<u>311,960</u>	<u>450,434</u>
Total funds carried forward		<u><u>167,957</u></u>	<u><u>12,359</u></u>	<u><u>19,305</u></u>	<u><u>199,621</u></u>	<u><u>311,960</u></u>

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

All activities are continuing.

The notes on pages 13 to 23 form part of these financial statements.


RELATIONSHIPS SCOTLAND

BALANCE SHEET

As at 31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	9	-	-
Current assets			
Debtors	10	38,621	59,799
Cash at bank and in hand		267,123	329,687
		305,744	389,486
Creditors: Amounts falling due within one year	11	(106,123)	(77,526)
Net current assets		199,621	311,960
Total net assets		199,621	311,960
Funds			
Restricted funds	13	19,305	82,592
Designated funds	14	12,359	12,359
General unrestricted funds		167,957	217,009
		199,621	311,960

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 21.8.19.



K Darwent

Chair 21.8.19

Company No. SC297368

The notes on pages 13 to 23 form part of these financial statements.

RELATIONSHIPS SCOTLAND
STATEMENT OF CASHFLOWS

As at 31 March 2019

	Notes	2019 £	2018 £
Cash (used in) operating activities	18	(62,729)	(156,984)
		-----	-----
Cash flows from investing activities			
Bank interest income		165	584
		-----	-----
Cash from investing activities		165	584
		-----	-----
Decrease in cash and cash equivalents in the year		(62,564)	(156,400)
Cash and cash equivalents at the beginning of the year		329,687	486,087
		-----	-----
Cash and cash equivalents at the end of the year		267,123	329,687
		=====	=====

The notes on pages 13 to 23 form part of these financial statements.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

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, as noted in note 19, they 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 2019

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 2019

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	2019 £	2018 £
(Deficit)/surplus for the year is stated after charging:		
Auditors' remuneration in respect of audit services	3,311	2,981
	=====	=====

4. Staff numbers and costs	2019 £	2018 £
Wages and salaries	402,599	377,663
Social security costs	34,792	32,870
Pension costs	38,452	33,889
	-----	-----
	475,843	444,422
	=====	=====

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

	2019 No.	2018 No.
The average number of employees during the year was:-		
Corporate Services	3	3
Professional Practice	10	10
Network Services	1	1
Contact Centres	1	1
Public Affairs	1	1
	-----	-----
	16	16
	=====	=====

No director received any remuneration for services as a director (2018: £Nil). During the year, 4 directors were reimbursed £574 (2018: £749) for travel expenses incurred in attending Board meetings.

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 £252,129 (2018: £214,816).

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

5. Incoming resources	2019	2018
	£	£
Donations and legacies		
Scottish Government - CYPFEIF Fund & ALEC Fund	1,530,000	1,500,000
Donations	4,000	99
	-----	-----
	1,534,000	1,500,288
	-----	-----
Income from charitable activities		
Scottish Government - Parenting Apart	60,000	70,000
Diploma in Casework Supervision	2,016	10,080
Continuous Professional Development fees	8,405	10,720
Certificate in Family Mediation (Accredited)	8,280	7,758
Certificate in Family Mediation (Registered)	400	880
DiRC Cohorts	43,008	55,104
The Dulverton Trust – CCC project	-	-
The Robertson Trust – CCC project	-	-
Direct Consultation with Children	86	2,600
Certificate in Mediator Supervision	-	-
Diploma in Sex & Relationship Therapy	33,150	21,000
Short Counselling Skills Course	-	-
External Courses	930	-
Verifiers training income	384	684
Certificate in Couple Counselling	18,000	20,586
Room hire	32,363	31,477
Membership fees	6,450	6,750
Miscellaneous income	3,015	3,060
	-----	-----
	216,487	240,699
	-----	-----
Investment income		
Bank interest	165	584
	-----	-----
Total income	1,750,652	1,741,382
	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

6. Charitable activities

	Communications	Network Services	Professional Practice	Child Contact	Corporate Services	2019	2018
	£	£	£	£	£	£	£
Salary costs	7,947	43,777	261,856	27,003	135,260	475,843	444,422
CFM (A) direct costs	-	-	1,068	-	-	1,068	2,854
CFM (R) direct costs	-	-	20	-	-	20	513
CPD direct costs	-	-	5,107	-	-	5,107	9,068
Supervisor Forum costs	-	-	335	-	-	335	63
DIRC Cohort	-	-	6,742	-	-	6,742	8,405
Accreditation	-	-	239	-	-	239	256
External training	-	-	794	-	-	794	-
Diploma in supervision	-	-	730	-	-	730	1,686
Verifiers training expenses	-	-	466	-	-	466	828
Certificate in Couple Counselling	-	-	868	-	-	868	1,927
Diploma in Sex & Relationship Therapy	-	-	3,466	-	-	3,466	1,739
Prostate cancer project	-	-	2,496	-	-	2,496	1,392
Direct consultation with children in mediation	-	-	86	-	-	86	1,181
Network of Member Services	-	-	-	-	1,071,427	1,071,427	1,071,427
Member services rebranding	-	-	-	-	57	57	111
Parenting Apart Project	-	-	71,463	-	-	71,463	71,913
Parenting Agreement Plan	-	-	38,432	-	-	38,432	87,204
	7,947	43,777	394,168	27,003	1,206,744	1,679,639	1,704,989
Support costs (Note 7)	5,812	3,533	8,084	4,359	161,564	183,352	174,867
Total	13,759	47,310	402,252	31,362	1,368,308	1,862,991	1,879,856

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

7. Support costs

	Communications	Network Services	Professional Practice	Child Contact	Corporate Services	2019	2018
	£	£	£	£	£	£	£
Staff travel and training	-	123	926	876	620	2,545	4,361
Property costs	-	-	-	-	109,402	109,402	94,394
Office costs	-	-	-	-	15,200	15,200	12,590
Office equipment and repairs	-	-	-	-	14,681	14,681	21,985
Legal fees	-	-	-	-	4,643	4,643	10,443
Consultancy expenses	-	-	3,000	-	2,250	5,250	2,321
Subscriptions	-	-	1,583	-	2,251	3,834	3,608
Publications	-	-	-	-	10	10	154
Recruitment	-	-	-	-	-	-	938
Conference attendance	-	-	215	126	1,052	1,393	1,774
Meeting expenses	-	3,410	2,360	3,357	5,251	14,378	9,093
Publicity	5,812	-	-	-	-	5,812	6,849
Board expenses	-	-	-	-	898	898	1,073
Other expenses	-	-	-	-	970	970	1,309
Governance costs:	-	-	-	-	-	-	-
Audit and accountancy fees	-	-	-	-	4,336	4,336	3,975
Total	5,812	3,533	8,084	4,359	161,564	183,352	174,867

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

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 2018 and 31 March 2019	7,848	7,848
	-----	-----
Depreciation		
As at 31 March 2018	7,848	7,848
Charge for the year	-	-
	-----	-----
As at 31 March 2019	7,848	7,848
	-----	-----
Net book value as at 31 March 2019	-	-
	=====	=====
Net book value as at 31 March 2018	-	-
	=====	=====

10. Debtors

	2019 £	2018 £
Trade debtors	5,095	16,715
Prepayments and accrued income	33,526	43,084
	-----	-----
	38,621	59,799
	=====	=====

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	24,187	19,777
Other creditors	-	5,496
Other taxes and social security	21,708	7,937
Accruals	52,014	16,672
Deferred income (see below)	8,214	27,644
	-----	-----
	106,123	77,526
	=====	=====

Deferred income at the year end comprises:

Diploma in Casework Supervision	1,800	2,016
Direct Consultation with Children	414	500
Diploma in Relationship Counselling	-	16,128
Diploma in Sex and Relationship Therapy	6,000	9,000
	-----	-----
	8,214	27,644
	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

12. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Less than one year		
Buildings	76,000	67,901
Two to five years		
Buildings	304,000	304,000
Greater than five years		
Buildings	342,000	437,000
	=====	=====

	Balance at 31 March 2018 £	Incoming resources during year £	Transfers during year £	Outgoing resources during year £	Balance at 31 March 2019 £
13. Restricted funds					
Funds to be applied for the purposes specified by the donors					
PAS Grant Booklets	815	-	-	-	815
PAS Grant PAG Groups	2,714	-	-	-	2,714
Change Agenda Service Bids	306	-	-	-	306
Prostate Cancer UK	13,966	-	-	(2,496)	11,470
Parenting Apart Programme	26,359	60,000	-	(86,359)	-
Parenting Agreement Project	38,432	-	-	(38,432)	-
SCVO Cyber Essentials	-	-	1,000	-	1,000
Souter Foundation	-	-	3,000	-	3,000
	<u>82,592</u>	<u>60,000</u>	<u>4,000</u>	<u>(127,287)</u>	<u>19,305</u>
	Balance at 31 March 2017 £	Incoming resources during year £	Transfers during year £	Outgoing resources during year £	Balance at 31 March 2018 £
SACCC	861	-	-	(861)	-
Child Contact Centres - Tudor	1,434	-	-	(1,434)	-
Child Contact Centres - Dulverton	2,501	-	-	(2,501)	-
Child Contact Centres - Robertson	2,333	-	-	(2,333)	-
PAS Grant Booklets	815	-	-	-	815
PAS Grant PAG Groups	2,714	-	-	-	2,714
Change Agenda Service Bids	306	-	-	-	306
Prostate Cancer UK	15,358	-	-	(1,392)	13,966
Parenting Apart Programme	41,963	70,000	-	(85,604)	26,359
Parenting Agreement Project	125,636	-	-	(87,204)	38,432
	<u>193,921</u>	<u>70,000</u>	<u>-</u>	<u>(181,329)</u>	<u>82,592</u>

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

13. Restricted funds (continued)

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 and Robertson Trusts

These two funders provided 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.

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.

SCVO Cyber Essentials

This grant is to assess and improve the cyber resilience and to test the ability to achieve Cyber Essentials accreditation.

Souter Foundation

This grant will be used to cover the costs of developing both written and online resources which would promote the support service for children and families across all of Scotland.

	Balance 31 March 2018 £	Incoming resources during year £	Transfers during year £	Outgoing resources during year £	Balance at 31 March 2019 £
14. Designated Funds					
Property Dilapidations	8,000	-	-	-	8,000
Parenting Agreement Programme	4,359	-	-	-	4,359
	<u>12,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,359</u>

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

	Balance 31 March 2017 £	Incoming resources during year £	Transfers during year £	Outgoing resources during year £	Balance at 31 March 2018 £
14. Designated Funds (continued)					
Property Dilapidations	-	-	8,000	-	8,000
Parenting Agreement Programme	4,359	-	-	-	4,359
Computer replacement fund	5,483	-	-	(5,483)	-
	<u>9,842</u>	<u>-</u>	<u>8,000</u>	<u>(5,483)</u>	<u>12,359</u>

Property Dilapidations

This fund is for the future dilapidation costs estimated upon the expiry of the current lease.

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.

	Tangible Fixed Assets £	Net Current Assets £	Total £
15. Analysis of assets between funds			
2019			
Restricted funds	-	19,305	19,305
Designated funds	-	12,359	12,359
General funds	-	167,957	167,957
	<u>-</u>	<u>199,621</u>	<u>199,621</u>
2018			
Restricted funds	-	82,592	82,592
Designated funds	-	12,359	12,359
General funds	-	217,009	217,009
	<u>-</u>	<u>311,960</u>	<u>311,960</u>

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 £6,046 (2018: £3,772) of outstanding contributions as at the balance sheet date. Pension costs charged in the year were £33,374 (2018: £33,889).

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

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 a commercial basis and no director is involved in calculating the split of available funds to local services.

During the year rent of £13,767 (2018: £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. In addition, rent of £10,644 (2018: £10,260) was received from Scottish Mediation and rent of £3,523 (2018: £Nil) was received from Acosvo, of which Stuart Valentine, Chief Executive, is a director. These transactions were undertaken on a commercial basis.

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

	2019 £	2018 £
Net movement in funds	(112,339)	(138,474)
Deduct interest income shown in investing activities	(165)	(584)
Decrease/(increase) in debtors	21,178	(17,842)
Increase/(decrease) in creditors	28,597	(84)
	-----	-----
Net cash (used in) operating activities	(62,729)	(156,984)
	=====	=====

19. Going concern

The Board have been advised that with effect from 1 April 2020 core funding will be provided by the new Families and Communities Fund. An application for funding for the network will be submitted during September 2019 and a decision regarding this is due by December 2019. Whilst the Board is confident they will be successful with their funding bid, there is currently no certainty regarding this or the level of funding that may be awarded. However, on the assumption of the success of the funding bid, the Board remain satisfied that it is appropriate to prepare the financial statements on a going concern basis.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2019

20. Prior year Statement of Financial Activities

	General Funds £	Designated Funds £	Restricted Funds £	Total 2018 £
Income and endowments from:				
Donations and legacies:				
Grants and donations	1,500,099	-	-	1,500,099
Charitable activities	170,699	-	70,000	240,699
Investments – interest received	584	-	-	584
Total income	1,671,382	-	70,000	1,741,382
Expenditure on:				
Charitable activities	1,693,044	5,483	181,329	1,879,856
Total resources expended	1,693,044	5,483	181,329	1,879,856
Net expenditure and net movement in funds before transfers	(21,662)	(5,483)	(111,329)	(138,474)
Gross transfers between funds	(8,000)	8,000	-	-
Net expenditure and net movement in funds for the year	(29,662)	2,517	(111,329)	(138,474)
Reconciliation of funds				
Total funds brought forward	246,671	9,842	193,921	450,434
Total funds carried forward	217,009	12,359	82,592	311,960