

RELATIONSHIPS SCOTLAND
(Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2020



RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT

For the year ended 31 March 2020

The directors have pleasure in presenting their report and financial statements for the year ended 31 March 2020.

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 (resigned 20 November 2019)
J Shepherd
E Turner (resigned 21 August 2019)
R Waterston
M MacLeod
S Sutherland
S Maxwell
N Gilchrist
J Rowan (appointed 9 October 2019)

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
38 St Andrew Square
Edinburgh

Registered Charity Number

SC038683

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2020

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 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 2020

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 2019-2020, the Fund has now been extended through until the end of March 2022. The amount of funding for 2020-2021 has been confirmed at £1.53m, with the funding level for 2021-2022 still to be confirmed.

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 2019/2020	Previous Years Students still being supported to Course Completion
Diploma in Relationship Counselling (DiRC)	18	8
Certificate in Couple Counselling (Cert CC)	8	12
Diploma in Sex and Relationship Therapy (Dip SRT)	12	2
Certificate in Family Mediation (Accredited)	6	4
Certificate in Family Mediation (Registered)	7	10

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
May 11	Using an Object Relations Focus in Sex and Relationship Therapy	23
May 22	Relational Reflexivity-from Problem to Possibility	12
Jun 8	Developing a Compassionate Mind in Mediation & Relationship Counselling	14
Aug 3	Love, Sex and Porn- Uncomfortable Bedfellows?	19
Nov 8	Fear and Love in Supervision	15
Nov 9	Fear and Love in Supervision	25
Nov 22	Parental Alienation? Developing and Understanding	12
Nov 29	Female Genital Mutilation	11
Jan 14	Domestic Abuse Risk Assessment and Risk Responses Masterclass	17
Jan 15	Meeting with Children-Child Consultant Mediators Masterclass	16
Jan 16	Raising the Voice of the Child in Family Law: A Child Centred Approach	23
	Total	187

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2020

During March 2020 we had to rapidly adapt to the emerging Covid-19 crisis. All staff moved to working from home and the planned face to face training weekends were postponed. After lots of hard work from dedicated staff, the course teaching moved online and we were able to complete the training weekends cancelled in April and May and the ongoing courses are now being delivered online, until such time as we are allowed to return to face to face teaching. All the work with the National Board and the various sub-committees similarly moved onto an online format and these continue to work well going forward.

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 £(54,513) of which £(5,971) related to restricted funds and £(48,542) related to unrestricted funds.

Reserves policy

Our unrestricted reserves at 31 March 2020 were £131,774. 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 2020 were £13,334. 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.

Impact of COVID-19. The risks associated with this have been discussed regularly at board meetings and the Risk Register has been updated to reflect the risks identified. The main risks are those associated with delivering our ongoing training of practitioners, maintaining the building during the lockdown, and following current advice for staff to continue working from home, if they can. These risks are constantly monitored, and mitigation actions will be made when necessary,

The board receives regular updates from the corporate management team between meetings and these have increased in frequency during Covid-19.

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2020

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 Fund (CYPFEIF & ALEC) grant from the Scottish Government. This amounted to £1.53m for 2019-2020.

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
Rosanne Cubitt	Head of Practice for Counselling and Mediation
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 2020

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

26 October 2020

Opinion

We have audited the financial statements of Relationships Scotland (the 'charitable company') for the year ended 31 March 2020 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 2020, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.



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.



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 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

2 November 2020

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 2020

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Incoming and endowments from:						
Donations and legacies:						
Grants and donations		1,530,150	-	2,000	1,532,150	1,534,000
Charitable activities		144,297	-	38,000	182,297	216,487
Investments – interest received		101	-	-	101	165
Total income	5	<u>1,674,548</u>	<u>-</u>	<u>40,000</u>	<u>1,714,548</u>	<u>1,750,652</u>
Expenditure on:						
Charitable activities	6	<u>1,729,906</u>	<u>-</u>	<u>39,155</u>	<u>1,769,061</u>	<u>1,862,991</u>
Total resources expended		<u>1,729,906</u>	<u>-</u>	<u>39,155</u>	<u>1,769,061</u>	<u>1,862,991</u>
Net expenditure and net movement in funds before transfers		(55,358)	-	845	(54,513)	(112,339)
Gross transfers between funds	13	<u>8,956</u>	<u>(2,141)</u>	<u>(6,815)</u>	<u>-</u>	<u>-</u>
Net expenditure and net movement in funds for the year		(46,402)	(2,141)	(5,970)	(54,513)	(112,339)
Reconciliation of funds						
Total funds brought forward		<u>167,957</u>	<u>12,359</u>	<u>19,305</u>	<u>199,621</u>	<u>311,960</u>
Total funds carried forward		<u><u>121,555</u></u>	<u><u>10,218</u></u>	<u><u>13,335</u></u>	<u><u>145,108</u></u>	<u><u>199,621</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 24 form part of these financial statements.

RELATIONSHIPS SCOTLAND

BALANCE SHEET

As at 31 March 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	9	-	-
		<hr/>	<hr/>
Current assets			
Debtors	10	57,675	38,621
Cash at bank and in hand		156,782	267,123
		<hr/>	<hr/>
		214,457	305,744
Creditors: Amounts falling due within one year	11	(69,349)	(106,123)
		<hr/>	<hr/>
Net current assets		145,108	199,621
		<hr/>	<hr/>
Total net assets		145,108	199,621
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Restricted funds	13	13,335	19,305
Designated funds	14	10,218	12,359
General unrestricted funds		121,555	167,957
		<hr/>	<hr/>
		145,108	199,621
		<hr/> <hr/>	<hr/> <hr/>

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 26 October 2020.



K Darwent

Chair

Company No. SC297368

The notes on pages 13 to 24 form part of these financial statements.

RELATIONSHIPS SCOTLAND**STATEMENT OF CASHFLOWS****As at 31 March 2020**

	Notes	2020 £	2019 £
Cash (used in) operating activities	18	<u>(110,442)</u>	<u>(62,729)</u>
Cash flows from investing activities			
Bank interest income		<u>101</u>	<u>165</u>
Cash from investing activities		<u>101</u>	<u>165</u>
Decrease in cash and cash equivalents in the year		(110,341)	(62,564)
Cash and cash equivalents at the beginning of the year		<u>267,123</u>	<u>329,687</u>
Cash and cash equivalents at the end of the year		<u><u>156,782</u></u>	<u><u>267,123</u></u>

Analysis of Changes in Net Debt

	2019 £	flows £	Cash 2020 £
Cash and cash equivalents	<u>267,123</u>	<u>(110,341)</u>	<u>156,782</u>
Total net debt	<u><u>267,123</u></u>	<u><u>(110,341)</u></u>	<u><u>156,782</u></u>

The notes on pages 13 to 24 form part of these financial statements.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

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) (second edition – October 2019) - (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
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RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

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 2020

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 for the year	2020 £	2019 £
Deficit for the year is stated after charging:		
Auditors' remuneration in respect of audit services	3,700	3,311
	=====	=====

4. Staff numbers and costs	2020 £	2019 £
Wages and salaries	380,684	402,599
Social security costs	32,810	34,792
Pension costs	37,627	38,452
	-----	-----
	451,121	475,843
	=====	=====

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

	2020 No.	2019 No.
The average number of employees during the year was:-		
Corporate Services	3	3
Professional Practice	8	10
Network Services	2	1
Contact Centres	1	1
Public Affairs	1	1
	-----	-----
	15	16
	=====	=====

No director received any remuneration for services as a director (2019: £Nil). During the year, 4 directors were reimbursed £865 (2019: £574) 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 £255,405 (2019: £252,129).

RELATIONSHIPS SCOTLAND**NOTES to the FINANCIAL STATEMENTS****For the year ended 31 March 2020**

5. Incoming resources	2020	2019
	£	£
Donations and legacies		
Scottish Government - CYPFEIF Fund & ALEC Fund	1,530,000	1,530,000
Donations	2,150	4,000
	-----	-----
	1,532,150	1,534,000
	-----	-----
Income from charitable activities		
Scottish Government - Parenting Apart	-	60,000
Scottish Government - Child Contact Services	38,000	-
Diploma in Casework Supervision	-	2,016
Continuous Professional Development fees	12,713	8,405
Certificate in Family Mediation (Accredited)	7,848	8,280
Certificate in Family Mediation (Registered)	560	400
DiRC Cohorts	35,904	43,008
Direct Consultation with Children	-	86
Diploma in Sex & Relationship Therapy	14,793	33,150
External Courses	-	930
Verifiers training income	1,230	384
Certificate in Couple Counselling	11,080	18,000
Room hire	50,542	32,363
Membership fees	6,450	6,450
Miscellaneous income	3,177	3,015
	-----	-----
	182,297	216,487
	-----	-----
Investment income		
Bank interest	101	165
	-----	-----
Total income	1,714,548	1,750,652
	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

6. Charitable activities

	Communications	Network Professional	Child	Corporate	2020	2019	
	£	Services	Practice	Contact	Services	£	£
		£	£	£	£		
Salary costs	8,188	45,103	231,623	28,560	137,647	451,121	475,843
CFM (A) direct costs	-	-	1,343	-	-	1,343	1,068
CFM (R) direct costs	-	-	13	-	-	13	20
CPD direct costs	-	-	8,973	-	-	8,973	5,107
Supervisor Forum costs	-	-	-	-	-	-	335
DiRC Cohort 2019/2021	-	-	4,692	-	-	4,692	6,742
DiRC Cohort 2016/2018	-	-	132	-	-	132	-
Accreditation	-	-	184	-	-	184	239
External training	-	-	305	-	-	305	794
Diploma in supervision	-	-	-	-	-	-	730
Verifiers training expenses	-	-	1,342	-	-	1,342	466
Certificate in Couple Counselling	-	-	1,663	-	-	1,663	868
Diploma in Sex & Relationship Therapy	-	-	510	-	-	510	3,466
Prostate cancer project	-	-	480	-	-	480	2,496
Direct consultation with children in mediation	-	-	-	-	-	-	86
Network of Member Services	-	-	-	-	1,109,427	1,109,427	1,071,427
Member services rebranding	-	-	-	-	-	-	57
Parenting Apart Project	-	-	(436)	-	-	(436)	71,463
Parenting Agreement Plan	-	-	-	-	-	-	38,432
Child Contact Centre Book	-	-	-	1,155	-	1,155	-
	-----	-----	-----	-----	-----	-----	-----
	8,188	45,103	250,824	29,715	1,247,074	1,580,904	1,679,639
	-----	-----	-----	-----	-----	-----	-----
Support costs (Note 7)	5,770	3,790	7,771	2,359	168,467	188,157	183,352
	-----	-----	-----	-----	-----	-----	-----
Total	13,958	48,893	258,595	32,074	1,415,541	1,769,061	1,862,991
	=====	=====	=====	=====	=====	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

7. Support costs

	Communications	Network Services	Professional Practice	Child Contact	Corporate Services	2020	2019
	£	£	£	£	£	£	£
Staff travel and training	-	719	770	528	418	2,435	2,545
Property costs	-	-	-	-	116,727	116,727	109,402
Office costs	-	-	-	-	12,430	12,430	15,200
Office equipment and repairs	-	-	-	-	18,115	18,115	14,681
Legal fees	-	-	-	-	5,977	5,977	4,643
Consultancy expenses	4,440	-	1,640	-	1,500	7,580	5,250
Subscriptions	-	-	1,324	-	2,101	3,425	3,834
Publications	-	-	-	-	-	-	10
Conference attendance	-	-	1,964	-	764	2,728	1,393
Meeting expenses	-	3,071	2,073	1,831	2,059	9,034	14,378
Publicity	1,330	-	-	-	-	1,330	5,812
Board expenses	-	-	-	-	2,618	2,618	898
Other expenses	-	-	-	-	1,243	1,243	970
<i>Governance costs:</i>							
Audit and accountancy fees	-	-	-	-	4,515	4,515	4,336
Total	5,770	3,790	7,771	2,359	168,467	188,157	183,352

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

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 2019 and 31 March 2020	7,848	7,848
	-----	-----
Depreciation		
As at 31 March 2019	7,848	7,848
Charge for the year	-	-
	-----	-----
As at 31 March 2020	7,848	7,848
	-----	-----
Net book value as at 31 March 2020	-	-
	=====	=====
Net book value as at 31 March 2019	-	-
	=====	=====

10. Debtors

	2020	2019
	£	£
Trade debtors	27,113	5,095
Prepayments and accrued income	30,562	33,526
	-----	-----
	57,675	38,621
	=====	=====

11. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	3,427	24,187
Other taxes and social security	12,551	21,708
Accruals	11,432	52,014
Deferred income (see below)	41,939	8,214
	-----	-----
	69,349	106,123
	=====	=====

Deferred income at the year end comprises:

Diploma in Casework Supervision	756	1,800
Direct Consultation with Children	414	414
Diploma in Relationship Counselling	18,216	-
Diploma in Sex and Relationship Therapy	18,657	6,000
Certificate in Couples Counselling	3,896	-
	-----	-----
	41,939	8,214
	=====	=====

Income is deferred where it relates to income received for training and events to be held in the following period.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

12. Operating lease commitments

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

	2020	2019
	£	£
Less than one year		
Buildings	76,000	76,000
Two to five years		
Buildings	304,000	304,000
Greater than five years		
Buildings	266,000	342,000
	=====	=====

During the year, £76,000 (2019: £38,000) was recognised as an expense under operating leases.

	Balance at 31 March 2019	Incoming resources during year	Transfers during year	Outgoing resources during year	Balance at 31 March 2020
	£	£	£	£	£
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	-	(2,335)	-	379
Change Agenda Service Bids	306	-	-	-	306
Prostate Cancer UK	11,470	-	(480)	-	10,990
SCVO Cyber Essentials	1,000	-	(1,000)	-	-
Souter Foundation	3,000	-	(3,000)	-	-
Nancie Massie Trust CCC	-	2,000	-	(1,155)	845
Scottish Government – Child Contact Services	-	38,000	-	(38,000)	-
	<u>19,305</u>	<u>40,000</u>	<u>(6,815)</u>	<u>(39,155)</u>	<u>13,335</u>
	=====	=====	=====	=====	=====
	Balance at 31 March 2018	Incoming resources during year	Transfers during year	Outgoing resources during year	Balance at 31 March 2019
	£	£	£	£	£
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>
	=====	=====	=====	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

13. Restricted funds (continued)

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.

Nancie Massie Trust CCC

This funding will be used to enable us to produce publicity materials which can help children and their families understand how Child Contact Centres work and how they can help maintain family relationships.

Scottish Government – Child Contact Services

This funding will go towards the running of Relationships Scotland's Family Support and Child Contact Centres. Child contact centres provide a safe, secure and welcoming environment where children can spend time with a non-resident parent. Child contact centres help parents and families to develop their relationships, and work on the principle of building the capacity of separated parents to work together to ensure the best outcomes for their children.

	Balance 31 March 2019	Incoming resources during year	Transfers during year	Outgoing resources during year	Balance at 31 March 2020
	£	£	£	£	£
14. Designated Funds					
Property Dilapidations	8,000	-	-	-	8,000
Parenting Agreement Programme	4,359	-	(2,141)	-	2,218
	<u>12,359</u>	<u>-</u>	<u>(2,141)</u>	<u>-</u>	<u>10,218</u>
	<u><u>12,359</u></u>	<u><u>-</u></u>	<u><u>(2,141)</u></u>	<u><u>-</u></u>	<u><u>10,218</u></u>

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

14. Designated Funds (continued)	Balance 31 March 2018 £	Incoming resources during year £	Transfers during year £	Outgoing resources during year £	Balance at 31 March 2019 £
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>

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.

15. Analysis of assets between funds	Tangible Fixed Assets £	Net Current Assets £	Total £
2020			
Restricted funds	-	13,335	13,335
Designated funds	-	10,218	10,218
General funds	-	121,555	121,555
	<u>-</u>	<u>145,108</u>	<u>145,108</u>
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>

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 £4,144 (2019: £6,046) of outstanding contributions as at the balance sheet date. Pension costs charged in the year were £37,627 (2019: £38,452).

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

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 £17,242 (2019: £3,523) 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

	2020 £	2019 £
Net movement in funds	(54,513)	(112,339)
Deduct interest income shown in investing activities	(101)	(165)
(Increase)/decrease in debtors	(19,054)	21,178
(Decrease)/increase in creditors	(36,774)	28,597
	-----	-----
Net cash (used in) operating activities	(110,442)	(62,729)
	=====	=====

19. Going concern

The charity has received confirmation of funding for the year to 31 March 2021 from the Corra Foundation who administer the Children, Young People & Families Early Intervention Fund and Adult Learning & Empowering Communities Fund on behalf of the Scottish Government. In addition, confirmation has been received that this funding will be extended until the end of March 2022.

Whilst the level of funding for the year to 31 March 2022 has not yet been confirmed, the Directors believe that this is likely to be similar to the funding for 2020/21. On the assumption of continuing funding at levels similar to those currently received, the Directors are satisfied that the charity will remain a going concern for the foreseeable future.

20. Subsequent events

At the end of March 2020, the UK went into Lockdown as a result of the Covid-19 pandemic. There are still restrictions in place at the time of signing the financial statements and the office has been operating remotely. As a result, Relationships Scotland has had to adapt and provide a lot of its services over virtual meetings, rather than face to face.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

Prior year Statement of Financial Activities

	General Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Income and endowments from:				
Donations and legacies:				
Grants and donations	1,534,000	-	-	1,534,000
Charitable activities	156,487	-	60,000	240,699
Investments – interest received	165	-	-	165
Total income	<u>1,690,652</u>	<u>-</u>	<u>60,000</u>	<u>1,750,652</u>
Expenditure on:				
Charitable activities	1,735,704	-	127,287	1,862,991
Total resources expended	<u>1,735,704</u>	<u>-</u>	<u>127,287</u>	<u>1,862,991</u>
Net expenditure and net movement in funds before transfers	(45,052)	-	(67,287)	(112,339)
Gross transfers between funds	(4,000)	-	4,000	-
Net expenditure and net movement in funds for the year	<u>(49,052)</u>	<u>-</u>	<u>(63,287)</u>	<u>(112,339)</u>
Reconciliation of funds				
Total funds brought forward	217,009	12,359	82,592	311,960
Total funds carried forward	<u><u>167,957</u></u>	<u><u>12,359</u></u>	<u><u>9,305</u></u>	<u><u>199,621</u></u>