

RELATIONSHIPS SCOTLAND
(Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2023

CT:

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT

For the year ended 31 March 2023

The directors have pleasure in presenting their report and financial statements for the year ended 31 March 2023.

Legal and administrative information

Directors

The directors who served during the year are as follows:

K Darwent – Chair (resigned 29 August 2023)
I Bisland (appointed 29 June 2022) – Interim Chair (from 29 August 2023)
J Stephen – Vice Chair (resigned 5 October 2022)
I Grimmond – Treasurer
R Waterston (resigned 5 October 2022)
M MacLeod
S Sutherland
S Maxwell
N Gilchrist (resigned 5 October 2022)
J Rowan
J Sutherland
I Clark
S Manson (appointed 29 June 2022, resigned 31 March 2023)
F Howard (appointed 5 October 2022)
I Lambert (appointed 5 October 2022)
D Millen (appointed 5 October 2022)

Chief Executive and Company Secretary

S Valentine

Registered Office

18 York Place
Edinburgh
EH1 3EP

Auditor

Chiene + Tait LLP (now trading as CT)
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

Registered Company Number

SC297368

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2023

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:

- Certificate in Couple Counselling course
- Certificate in Family Mediation (Accredited) course
- Certificate in Family Mediation (Registered) course
- Consulting Children in Mediation course
- Support for Parenting Apart programmes run by Member Services
- National programme of Continuing Professional Development (CPD)
- Representing the interests of Member Services with the Scottish Government, the Scottish Judiciary, the Scottish Legal Aid Board and other national agencies and statutory bodies
- Develop and continuously improve national policies, procedures and practice guidelines for our 21 Member Services across Scotland
- Provide specialist information, advice and consultancy for our 21 Member Services in relation to counselling, mediation, child contact centres and other support services
- Promote the work of the Relationships Scotland Network publicity through traditional and new media channels.
- Promote the continuous improvement and development of publicity and promotional materials to support the activities of the 21 Member Services
- Continuously consult with Member Services to ensure their needs are being met for support in mediation, counselling, child contact centres, professional training and quality assurance
- Develop and promote national training courses to support our Member Services
- Develop and improve the National Office IT systems
- Continue our dialogue with the Scottish Government and respond to all relevant policy consultations to ensure our services are delivered within supportive legislative and social policy frameworks, which seeks to ensure the best possible support for Scotland's families
- To continue to work with all stakeholders in the interest of the Relationships Scotland Network and the children, young people and families we support.

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2023

Achievements and performance

Funding of £ 1.6m was secured from The Children, Young Persons and Families Early Intervention Fund and Adult Learning & Empowering Communities Fund (CYPFEIF & ALEC) for 2022-2023, the Fund has now been extended for another year until the end of March 2025 at £ 1,606,500.

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 Certificate in Mediator Supervision, Diploma in Counselling Supervision 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 2022/2023	Previous Years Students still being supported to Course Completion
Diploma in Relationship Counselling (DiRC)	-	18
Certificate in Couple Counselling (Cert CC)	7	13
Diploma in Sex and Relationship Therapy (Dip SRT)	-	1
Diploma in Counselling Supervision (Dip Sup)	-	8
Certificate in Family Mediation (Accredited)	9	5
Certificate in Family Mediation (Registered)	5	3
Certificate in Children's Mediation	9	-

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
12 th May	Hearing the Voice of the Child using Play-based techniques	28
1 st July	Physiotherapy Management for Pelvic Health Conditions	12
10 th Sept	The Hidden Scars of Adverse Childhood Experiences	28
29 th Sept	Young people & families mediation learning exchange	18
30 th Sept	Sharing Counselling Techniques Online Learning Exchange	11
3 rd Oct	Vulnerability and Humility in Supervision Relationships	17
7 th Oct	Mediating Through the Autistic Spectrum: Understanding and Working with Neurodiversity	20
8 th Oct	Counselling Relationships affected by Autism: Understanding and Working with Neurodiversity	22
13 Oct	Practice (Alone) Does Not Make Perfect: Advantages and Challenges of Reflective Practice in Supervision and Mediation Supervisors' Forum	18
27 th Oct	Practice (Alone) Does Not Make Perfect: Advantages and Challenges of Reflective Practice in Supervision and Mediation Supervisors' Forum	16
4 th Nov	Domestic Abuse Informed Practice and Child Contact Centres: The Safe & Together Model	44
11 th Nov	Attachment Narrative Therapy	25
17 th Nov	Alternative Approaches: Insight Mediation, Therapeutic Family Mediation and Transformative Mediation	21

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2023

Date	Event	Attendees
20 th Jan	Cultural Intelligence (CI): Developing your Cultural Competence as a Mediator	20
11 th March	De-medicalising Distress: Using Creative Methods to Help Children and Young People in Counselling	18
25 th March	Promoting Profound Change by Harnessing the Power of the Imagination	23
	Total	341

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 surplus for the year was £23,033 of which (£1,152) related to a deficit on restricted funds and £24,185 was a surplus on unrestricted funds.

Reserves policy

Our unrestricted reserves at 31 March 2023 were £206,116. 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 2023 were £10,028. See Note 13 for further details.

Investment policy

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

Principal risks and uncertainties

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

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

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

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2023

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 £1.6m for 2022-2023.

The key plans for the coming years are detailed in the new Relationships Scotland Network Strategy for 2022-25. These include the vision for *'Positive and Respectful Relationships 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 develop better, stronger relationships;
- People in Scotland make the best possible transitions through relationship difficulties, separation and divorce;
- Relationship and family support is available for all people in Scotland.

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 by the Board 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 (until October 2022)
Lúcy Craig	Head of Corporate Services (from November 2022)
Rosanne Cubitt	Head of Practice - Mediation and Counselling
Heather Lickley	Head of Network Services
Anne Gibson	Head of Practice for Child Contact Centres

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

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2023

Under normal circumstances salary scale increments are paid in April every year until the top of the scale is reached. Cost of Living increases are agreed by the Board 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

27th Sept 2023

Opinion

We have audited the financial statements of Relationships Scotland (the 'charitable company') for the year ended 31 March 2023 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 2023, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

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

- agreement of the financial statement disclosures to underlying supporting documentation; and
- review of minutes of Directors' Meetings throughout the period; and

Auditor's responsibilities for the audit of the financial statements (Cont'd)

- We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risks of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. This included gaining an understanding of the control environment for monitoring compliance with laws and regulations. Our audit procedures were designed to respond to risks of material misstatement in the financial statements; and
- We obtained evidence of compliance with the relevant laws and regulations; and
- Undertaken procedures to identify any irregularities of fraud through the posting of manual adjustments; and
- Performed analytical procedures to identify any movements which may indicate irregularities; and
- Reviewed accounting policies and the application of these policies to ensure compliance with the standard and consistency of application.

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

A further description of our responsibilities 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 CA (Senior Statutory Auditor)
For and on behalf of
CT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh, EH3 6NL

CT 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 2023

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and legacies:						
Grants and donations		1,610,500	-	-	1,610,500	1,542,150
Charitable activities		110,063	-	700,000	810,063	876,685
Investments		502	-	-	502	25
Total income	5	1,721,065	-	700,000	2,421,065	2,418,860
Expenditure on:						
Charitable activities	6	1,696,880	-	701,152	2,398,032	2,374,940
Total expenditure		1,696,880	-	701,152	2,398,032	2,374,940
Net income		24,185	-	(1,152)	23,033	43,920
Transfers between funds	14	(15,633)	15,633	-	-	-
Net movement in funds for the year		8,552	15,633	(1,152)	23,033	43,920
Reconciliation of funds						
Total funds brought forward		146,713	35,218	11,180	193,111	149,191
Total funds carried forward		155,265	50,851	10,028	216,144	193,111

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.

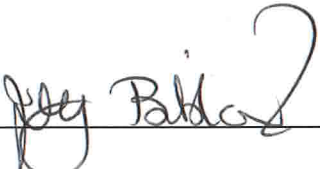
RELATIONSHIPS SCOTLAND

BALANCE SHEET

As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	9	-	-
Current assets			
Debtors	10	42,084	38,198
Cash at bank and in hand		214,586	187,295
		256,670	225,493
Creditors: Amounts falling due within one year	11	(40,526)	(32,382)
Net current assets		216,144	193,111
Total net assets		216,144	193,111
Funds			
Restricted funds	13	10,028	11,180
Designated funds	14	50,851	35,218
General unrestricted funds		155,265	146,713
		216,144	193,111

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 _____.


I Bisland _____ Interim 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 2023

	Notes	2023 £	2022 £
Cash generated by operating activities	18	26,789	6,046
Cash flows from investing activities			
Bank interest income		502	25
Cash from investing activities		502	25
Increase in cash and cash equivalents in the year		27,291	6,071
Cash and cash equivalents at the beginning of the year		187,295	181,224
Cash and cash equivalents at the end of the year		214,586	187,295
Analysis of Changes in Net Debt	2022 £	Cash flows £	2023 £
Cash and cash equivalents	187,295	27,291	214,586
Total net debt	187,295	27,291	214,586

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 2023

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.

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 £1,500 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 2023

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.

Expenditure

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 2023

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. Surplus for the year

	2023	2022
	£	£
Surplus for the year is stated after charging:		
Auditors' remuneration in respect of audit services	5,650	4,225
	=====	=====

4. Staff numbers and costs

	2023	2022
	£	£
Wages and salaries	303,113	347,670
Social security costs	27,618	30,950
Pension costs	30,224	34,284
	-----	-----
	360,955	412,904
	=====	=====

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

	2023	2022
	No.	No.
The average number of employees during the year was:-		
Corporate Services	3	3
Professional Practice	7	7
Network Services	1	1
Contact Centres	1	1
Public Affairs	-	-
	-----	-----
	12	12
	=====	=====

No director received any remuneration for services as a director (2022: £Nil). During the year, four directors (2022: none) were reimbursed for travel expenses incurred in attending Board meetings totalling £1,196 (2022: £nil).

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 £183,199 (2022: £212,714).

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

5. Income	2023	2022
	£	£
Donations and legacies		
Scottish Government - CYPFEIF Fund & ALEC Fund	1,606,500	1,530,000
Donations	4,000	12,150
	-----	-----
	1,610,500	1,542,150
	-----	-----
Income from charitable activities		
Scottish Government - Child Contact Services	700,000	700,000
Diploma in Casework Supervision	-	11,081
Continuous Professional Development fees	17,245	13,673
Certificate in Family Mediation (Accredited)	8,670	6,133
Certificate in Family Mediation (Registered)	240	160
Certificate in Mediator Supervision	-	900
DiRC Cohorts	-	38,016
Direct Consultation with Children	4,516	-
Diploma in Sex & Relationship Therapy	289	1,711
Verifiers training income	640	800
Certificate in Couple Counselling	4,714	23,062
Room hire	62,164	59,535
Membership fees	6,300	17,614
Miscellaneous income	5,285	4,000
	-----	-----
	810,063	876,685
	-----	-----
Investment income		
Bank interest	502	25
	-----	-----
Total income	2,421,065	2,418,860
	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

6. Charitable activities

	Communications £	Network Professional Services £	Practice £	Child Contact £	Corporate Services £	2023 £	2022 £
Salary costs	-	32,839	170,493	26,818	130,805	360,955	412,904
CFM costs	-	-	3,334	-	-	3,334	-
CFM (A) direct costs	-	-	2,153	-	-	2,153	1,103
CFM (R) direct costs	-	-	(160)	-	-	(160)	30
CPD direct costs	-	-	9,886	-	-	9,886	5,063
DIRC Cohort 2019/2021	-	-	550	-	-	550	4,001
Accreditation	-	-	137	-	-	137	136
Diploma in supervision	-	-	-	-	-	-	1,413
Verifiers training expenses	-	-	-	-	-	-	-
Certificate in Couple Counselling	-	-	1,096	-	-	1,096	999
Certificate in Mediator Supervision	-	-	88	-	-	88	28
Diploma in Sex & Relationship Therapy	-	-	40	-	-	40	90
Prostate cancer project	-	-	1,152	-	-	1,152	1,776
Direct consultation with children in mediation	-	-	1,447	-	-	1,447	-
Network of Member Services	-	-	-	-	1,824,998	1,824,998	1,771,427
	-	32,839	190,216	26,818	1,955,803	2,205,676	2,198,970
Support costs (Note 7)	4,550	93	2,063	1,707	183,943	192,356	175,970
Total	4,550	32,932	192,279	28,525	2,139,746	2,398,032	2,374,940

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

7. Support costs

	Communications £	Network Professional Services £	Practice £	Child Contact £	Corporate Services £	2023 £	2022 £
Staff travel and training	-	113	-	1,617	1,180	2,910	926
Recruitment	-	-	-	-	759	759	690
Property costs	-	-	-	-	117,676	117,676	114,168
Office costs	-	-	-	-	6,285	6,285	8,067
Office equipment and repairs	-	-	-	-	14,555	14,555	29,408
Legal fees	-	-	-	-	20,762	20,762	4,852
Consultancy expenses	-	-	740	-	7,560	8,300	5,828
Subscriptions	-	-	1,323	-	2,476	3,799	3,514
Publications	-	-	-	-	176	176	-
COVID-19 costs	-	-	-	-	641	641	942
Conference attendance	-	-	-	-	260	260	300
Meeting expenses	-	(20)	-	90	160	230	237
Publicity	4,550	-	-	-	1,375	5,925	1,295
Board expenses	-	-	-	-	1,349	1,349	-
Hire of rooms	-	-	-	-	211	211	-
Other expenses	-	-	-	-	1,758	1,758	636
Governance costs:	-	-	-	-	-	-	-
Audit and accountancy fees	-	-	-	-	6,760	6,760	5,107
Total	4,550	93	2,063	1,707	183,943	192,356	175,970

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

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 2022	7,848	7,848
Disposal	(7,848)	(7,848)
	-----	-----
As at 31 March 2023	-	-
	-----	-----
Depreciation		
As at 31 March 2022	7,848	7,848
Disposal	(7,848)	(7,848)
	-----	-----
As at 31 March 2023	-	-
	-----	-----
Net book value as at 31 March 2023	-	-
	=====	=====
Net book value as at 31 March 2022	-	-
	=====	=====

10. Debtors

	2023 £	2022 £
Trade debtors	7,075	1,399
Prepayments and accrued income	35,009	36,799
	-----	-----
	42,084	38,198
	=====	=====

11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	6,361	3,703
Other taxes and social security	10,757	14,727
Sundry creditors and accruals	10,186	7,854
Deferred income (see below)	13,222	6,098
	-----	-----
	40,526	32,382
	=====	=====

Deferred income at the year end comprises:

Direct Consultation with Children	900	-
Diploma in Relationship Counselling	-	315
Diploma in Sex and Relationship Therapy	-	289
Certificate in Couples Counselling	-	4,714
Certificate in Family Mediation (Accredited)	6,000	-
CPD fees	-	780
Course fees	6,322	-
	-----	-----
	13,222	6,098
	=====	=====

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 2023

12. Operating lease commitments

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

	2023 £	2022 £
Less than one year		
Buildings	76,000	76,000
Two to five years		
Buildings	304,000	304,000
Greater than five years		
Buildings	38,000 =====	114,000 =====

During the year, £76,000 (2022: £76,000) was recognised as an expense under operating leases.

13. Restricted funds	Balance at 31 March 2022 £	Income during year £	Transfers during year £	Expenditure during year £	Balance at 31 March 2023 £
2023					
Funds to be applied for the purposes specified by the donors					
PAS Grant Booklets	815	-	-	-	815
Change Agenda Service Bids	306	-	-	-	306
Prostate Cancer UK	9,214	-	-	(1,152)	8,062
Nancie Massie Trust CCC	845	-	-	-	845
Scottish Government – Child Contact Services	-	700,000	-	(700,000)	-
	<u>11,180</u>	<u>700,000</u>	<u>-</u>	<u>(701,152)</u>	<u>10,028</u>
2022					
Funds to be applied for the purposes specified by the donors					
PAS Grant Booklets	815	-	-	-	815
Change Agenda Service Bids	306	-	-	-	306
Prostate Cancer UK	10,990	-	-	(1,776)	9,214
Nancie Massie Trust CCC	845	-	-	-	845
Scottish Government – Child Contact Services	-	700,000	-	(700,000)	-
	<u>12,956</u>	<u>700,000</u>	<u>-</u>	<u>(701,776)</u>	<u>11,180</u>

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

13. Restricted funds (continued)

PAS Grant Booklets

This grant is for the production of a relationship booklet.

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.

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.

14. Designated Funds	Balance 31 March 2022 £	Income during year £	Transfers during year £	Expenditure during year £	Balance at 31 March 2023 £
2023					
Property Dilapidations	33,000	-	10,000	-	43,000
Parenting Agreement Programme	2,218	-	-	-	2,218
Cost of living	-	-	5,633	-	5,633
	<u>35,218</u>	<u>-</u>	<u>15,633</u>	<u>-</u>	<u>50,851</u>
2022					
	Balance 31 March 2021 £	Income during year £	Transfers during year £	Expenditure during year £	Balance at 31 March 2022 £
Property Dilapidations	23,000	-	10,000	-	33,000
Parenting Agreement Programme	2,218	-	-	-	2,218
	<u>25,218</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>35,218</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.

Cost of living

The Directors have set aside funds to assist with funding a cost of living payment to be made to all staff.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2022

15. Analysis of assets between funds	Tangible Fixed Assets £	Net Current Assets £	Total £
2023			
Restricted funds	-	10,028	10,028
Designated funds	-	50,851	50,851
General funds	-	155,265	155,265
	<hr/>	<hr/>	<hr/>
	-	216,144	216,144
	<hr/>	<hr/>	<hr/>
2022			
Restricted funds	-	11,180	11,180
Designated funds	-	35,218	35,218
General funds	-	146,713	146,713
	<hr/>	<hr/>	<hr/>
	-	193,111	193,111
	<hr/>	<hr/>	<hr/>

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 £3,202 (2022: £4,546) of outstanding contributions as at the balance sheet date. Pension costs charged in the year were £30,224 (2022: £34,284).

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 £75 (2022: £4,987) was received from and services amounting to £260 (2022: £nil) were provided to Acosvo, of which Stuart Valentine, Chief Executive, is a director. These transactions were undertaken on a commercial basis. At the year-end there as a balance of £75 receivable.

During the year, services were provided to Sue Maxwell Associates, where Sue Maxwell is a director, for CPD services amounting to £80 (2022: £60). These transactions were undertaken on a commercial basis. At the year-end there were no amounts outstanding.

During the year rent, membership fees and CPD fees of £20,653 (2022: £13,130) was received from Bright Light Relationship Counselling Ltd where John Rowan is a director. These transactions were undertaken on a commercial basis. £1,460 (2022: £240) was outstanding from Bright Light Relationship Counselling Ltd at the year end.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

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

	2023 £	2022 £
Net movement in funds	23,033	43,920
Deduct interest income shown in investing activities	(502)	(25)
(Increase)/decrease in debtors	(3,886)	28,514
Increase/(decrease) in creditors	8,144	(66,363)
	-----	-----
Net cash generated by operating activities	26,789	6,046
	=====	=====

19. Going concern

The charity has received confirmation of funding for the years to 31 March 2024 and 31 March 2025 at an amount of up to £1,606,500 for each year 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.

On the basis of the confirmation of funding received, the charitable company has prepared budgets and forecasts indicating that it will be able to continue to operate for a minimum of 12 months from the approval of these financial statements and are satisfied that the charitable company will remain a going concern for the foreseeable future.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

Prior year Statement of Financial Activities

	General Funds £	Designated Funds £	Restricted Funds £	Total 2022 £
Income and endowments from:				
Donations and legacies:				
Grants and donations	1,542,150	-	-	1,542,150
Charitable activities	176,685	-	700,000	876,685
Investments	25	-	-	25
Total income	<u>1,718,860</u>	<u>-</u>	<u>700,000</u>	<u>2,418,860</u>
Expenditure on:				
Charitable activities	1,673,164	-	701,776	2,374,940
Total expenditure	<u>1,673,164</u>	<u>-</u>	<u>701,776</u>	<u>2,374,940</u>
Net income	45,696	-	(1,776)	43,920
Transfers between funds	(10,000)	10,000	-	-
Net movement in funds for the year	<u>35,696</u>	<u>10,000</u>	<u>(1,776)</u>	<u>43,920</u>
Reconciliation of funds				
Total funds brought forward	111,017	25,218	12,956	149,191
Total funds carried forward	<u>146,713</u>	<u>35,218</u>	<u>11,180</u>	<u>193,111</u>

