

Company Registration Number SC297368
Charity Registration Number SC038683

RELATIONSHIPS SCOTLAND
(Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2018



RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT

For the year ended 31 March 2018

The directors have pleasure in presenting their report and financial statements for the year ended 31 March 2018.

Legal and administrative information

Directors

The directors who served during the year are as follows:

K Darwent – Chair
J Stephen – Vice Chair
I Grimmond – Treasurer
M O'Donnell
J Quinney (resigned 3 May 2017)
J Shepherd
E Turner
R Waterston
B Wright (resigned 11 October 2017)
M MacLeod
S Sutherland
S Maxwell
N Gilchrist

Chief Executive and Company Secretary

S Valentine

Registered Office

18 York Place
Edinburgh
EH1 3EP

Auditor

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

Solicitors

Anderson Strathern LLP
1 Rutland Court
Edinburgh
EH3 8EY

Bankers

Bank of Scotland
75 George Street
Edinburgh

Registered Charity Number

SC038683

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2018

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:

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

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2018

Achievements and performance

Funding of £ 1.5m was secured from The Children, Young Persons and Families Early Intervention Fund and Adult Learning & Empowering Communities Fund (CYPFEIF & ALEC) for 2017-2018, continued funding in financial years 2018-2019 and 2019-2020 is subject to the Scottish Parliament making the necessary funds available to the Scottish Government, with levels subject to review going forward and achievement of agreed outcomes. The amount of funding for 2018-2019 has been confirmed at £ 1.53m

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 2017/2018	Previous Years Students still being supported to Course Completion
Diploma in Relationship Counselling (DIRC)	24	1
Certificate in Couple Counselling (Cert CC)	12	1
Direct Consultation with Children in Mediation (DCCM)	10	-
Diploma in Sex and Relationship Therapy (Dip SRT)	10	-
Diploma in Casework Supervision	7	-
Certificate in Family Mediation (Accredited)	6	7
Certificate in Family Mediation (Registered)	11	14

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

Date	Event	Attendees
May 10	Adult Mental Health: Positive Wellbeing	21
Jun 6	Parenting Apart Project Learning Forum	8
Jun 22	DCCM Masterclass	20
Jun 23	Voice of the Child	32
Oct 5	Enhancing our Experience of Supervision	13
Oct 6	Counselling Supervisors Forum	10
Oct 7	Intimacy and Change	14
Nov 10	Introduction to Transactional Analysis for Mediators	15
Nov 11	Transactional Analysis with Couples	18
Jan 11	Parenting Apart Project Learning Forum	12
Mar 17	The Eternal Triangle	17
Mar 21	Working directly with CYP	25
	Total	205

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2018

Achievements and performance (Contd.)

The Scottish Child Contact Centre Development project was funded until the end of May 2017 by the Robertson Trust and the Dulverton Trust. Support for the project was maintained from Relationships Scotland reserves until March 2018. Funding for 2018-2019 has been secured from the CYPFEIF & ALEC Fund. This project has 3 main outcomes:

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

Fundraising

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

Financial review

Results for the year

Our main source of funding comes from the Scottish Government. This welcome support allows us to progress many areas of work, however additional fundraising is required to enable us to offer our full range of services. The expenditure on these services is analysed in note 6. The deficit for the year was £138,474 of which £111,329 related to restricted funds, whose income was received in the previous year, and £27,145 was a deficit on unrestricted funds.

Reserves policy

Our unrestricted reserves, including designated funds, at 31 March 2018 were £229,368. 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 2018 were £82,592. 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 2018

Plans for future periods

During this period the whole Relationships Scotland Network received support through The Children, Young Persons and Families Early Intervention Fund and Adult Learning & Empowering Communities Fund (CYPFEIF & ALEC) from the Scottish Government. This amounted to £1.5m for 2017-2018.

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

Together with our network of 21 Member Services, our aims are as follows:

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

Structure, Governance and Management

Constitution

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

Governance

The management of the company is the responsibility of the directors who are elected under the terms of the Memorandum and Articles of Association and are the trustees for the purposes of charity law.

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

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

Board development activities take place each year.

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

Key management personnel and remuneration policy

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

Stuart Valentine	Chief Executive
Mike Reid	Head of Corporate Services
Fiona Cook	Head of Practice for Counselling
Rosanne Cubitt	Head of Practice for 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 2018

Key management personnel and remuneration policy (continued)

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

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

Directors' responsibilities

The directors (who are also trustees of Relationships Scotland for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing the financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small company provisions

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

BY ORDER OF THE BOARD



S Valentine
Company Secretary

29/8/2018

Opinion

We have audited the financial statements of Relationships Scotland (the 'charitable company') for the year ended 31 March 2018 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 2018, 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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.

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



Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 6, the Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's Directors as a body, for our audit work, for this report, or for the opinions we have formed

Malcolm 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**

17 SEPTEMBER 2018

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 2018

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Incoming and endowments from:						
Donations and legacies:						
Grants and donations		1,500,099	-	-	1,500,099	1,500,288
Charitable activities		170,699	-	70,000	240,699	181,803
Investments – interest received		584	-	-	584	3,813
Total income	5	<u>1,671,382</u>	<u>-</u>	<u>70,000</u>	<u>1,741,382</u>	<u>1,685,904</u>
Expenditure on:						
Charitable activities	6	<u>1,693,044</u>	<u>5,483</u>	<u>181,329</u>	<u>1,879,856</u>	<u>1,965,272</u>
Total resources expended		<u>1,693,044</u>	<u>5,483</u>	<u>181,329</u>	<u>1,879,856</u>	<u>1,965,272</u>
Net expenditure and net movement in funds before transfers		(21,662)	(5,483)	(111,329)	(138,474)	(279,368)
Gross transfers between funds	14	<u>(8,000)</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net expenditure and net movement in funds for the year		<u>(29,662)</u>	<u>2,517</u>	<u>(111,329)</u>	<u>(138,474)</u>	<u>(279,368)</u>
Reconciliation of funds						
Total funds brought forward		<u>246,671</u>	<u>9,842</u>	<u>193,921</u>	<u>450,434</u>	<u>729,802</u>
Total funds carried forward		<u><u>217,009</u></u>	<u><u>12,359</u></u>	<u><u>82,592</u></u>	<u><u>311,960</u></u>	<u><u>450,434</u></u>

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

All activities are continuing.

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

RELATIONSHIPS SCOTLAND

BALANCE SHEET

As at 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	9	-	-
Current assets			
Debtors	10	59,799	41,957
Cash at bank and in hand		329,687	486,087
		<u>389,486</u>	<u>528,044</u>
Creditors: Amounts falling due within one year	11	<u>(77,526)</u>	<u>(77,610)</u>
Net current assets		<u>311,960</u>	<u>450,434</u>
Total net assets		<u><u>311,960</u></u>	<u><u>450,434</u></u>
Funds			
Restricted funds	13	82,592	193,921
Designated funds	14	12,359	9,842
General unrestricted funds		217,009	246,671
		<u>311,960</u>	<u>450,434</u>

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 29.8.18 2018.


K Darwent

Chair 29.8.18

Company No. SC297368

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

RELATIONSHIPS SCOTLAND

STATEMENT OF CASHFLOWS

As at 31 March 2018

	Notes	2018 £	2017 £
Cash (used in) operating activities	18	(156,984)	(283,135)
		-----	-----
Cash flows from investing activities			
Bank interest income		584	3,813
		-----	-----
Cash from investing activities		584	3,813
		-----	-----
Decrease in cash and cash equivalents in the year		(156,400)	(279,322)
Cash and cash equivalents at the beginning of the year		486,087	765,409
		-----	-----
Cash and cash equivalents at the end of the year		329,687	486,087
		=====	=====

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

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. Company information

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

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Going concern

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

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

i) Impairment of debtors

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

Fixed assets

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

Depreciation

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

Office Equipment	3 years
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RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

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 2018

2. Accounting policies (continued)

Cash at bank and in hand

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

Creditors

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

Financial instruments

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

3. (Deficit)/surplus for the year

	2018	2017
	£	£
(Deficit)/surplus for the year is stated after charging:		
Auditors' remuneration in respect of audit services	2,981	3,063
	=====	=====

4. Staff numbers and costs

	2018	2017
	£	£
Wages and salaries	377,663	397,182
Social security costs	32,870	34,199
Pension costs	33,889	38,008
Redundancy costs	-	8,999
	-----	-----
	444,422	478,388
	=====	=====

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

	2018	2017
	No.	No.
The average number of employees during the year was:-		
Corporate Services	3	3
Professional Practice	10	10
Network Services	1	2
Contact Centres	1	1
Public Affairs	1	3
	-----	-----
	16	19
	=====	=====

No director received any remuneration for services as a director (2017: £Nil). During the year, 6 directors were reimbursed £749 (2017: £1,216) 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 £214,816 (2017: £236,777).

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

5. Incoming resources	2018	2017
	£	£
Donations and legacies		
Scottish Government - CYPFEIF Fund & ALEC Fund	1,500,000	1,500,000
Donations	99	288
	-----	-----
	1,500,099	1,500,288
	-----	-----
Income from charitable activities		
Scottish Government - Parenting Apart	70,000	-
Diploma in Casework Supervision	10,080	-
Continuous Professional Development fees	10,720	22,365
Certificate in Family Mediation (Accredited)	7,758	19,826
Certificate in Family Mediation (Registered)	880	160
DiRC Cohorts	55,104	41,888
The Dulverton Trust – CCC project	-	15,000
The Robertson Trust – CCC project	-	14,000
Direct Consultation with Children	2,600	-
Certificate in Mediator Supervision	-	600
Diploma in Sex & Relationship Therapy	21,000	10,500
Short Counselling Skills Course	-	2,400
External Courses	-	75
Verifiers training income	684	1,448
Certificate in Couple Counselling	20,586	2,630
Room hire	31,477	38,306
Membership fees	6,750	6,825
Miscellaneous income	3,060	5,780
	-----	-----
	240,699	181,803
	-----	-----
Investment income		
Bank interest	584	3,813
	-----	-----
Total income	1,741,382	1,685,904
	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

6. Charitable activities

	Communications	Network Services	Professional Practice	Child Contact	Corporate Services	2018	2017
	£	£	£	£	£	£	£
Salary costs	14,537	42,291	248,945	10,887	127,762	444,422	478,388
CFM (A) direct costs	-	-	2,854	-	-	2,854	7,074
CFM (R) direct costs	-	-	513	-	-	513	479
CPD direct costs	-	-	9,068	-	-	9,068	12,746
Supervisor Forum costs	-	-	63	-	-	63	276
DiRC Cohort	-	-	8,405	-	-	8,405	5,213
Accreditation	-	-	256	-	-	256	167
Certificate in Mediator Supervision	-	-	-	-	-	-	500
Diploma in Supervision	-	-	1,686	-	-	1,686	86
Verifiers training expenses	-	-	828	-	-	828	1,174
Certificate in Couple Counselling	-	-	1,927	-	-	1,927	239
Short Counselling Skills Course	-	-	-	-	-	-	124
Diploma in Sex & Relationship Therapy	-	-	1,739	-	-	1,739	1,129
Prostate cancer project	-	-	1,392	-	-	1,392	2,376
Direct Consultation with Children in Mediation	-	-	1,181	-	-	1,181	-
Network of Member Services	-	-	-	-	1,071,427	1,071,427	1,071,427
Member services rebranding	-	-	-	-	111	111	519
Parenting Apart Project	-	-	71,913	-	-	71,913	103,935
Mwamba Project	-	-	-	-	-	-	2,034
Parenting Agreement Plan	-	-	87,204	-	-	87,204	108,150
	14,537	42,291	437,974	10,887	1,199,300	1,704,989	1,796,036
Support costs (Note 7)	6,849	2,493	5,884	4,749	154,892	174,867	169,236
Total	21,386	44,784	443,858	15,636	1,354,192	1,879,856	1,965,272

7. Support costs

	Communications £	Network Professional Services £	Practice £	Child Contact £	Corporate Services £	2018 £	2017 £
Staff travel and training	-	607	1,030	490	2,234	4,361	5,048
Property costs	-	-	-	-	94,394	94,394	102,840
Office costs	-	-	-	-	12,590	12,590	8,856
Office equipment and repairs	-	-	-	-	21,985	21,985	17,189
Legal fees	-	-	-	-	10,443	10,443	4,739
Consultancy expenses	-	-	-	2,321	-	2,321	2,888
Subscriptions	-	-	1,554	-	2,054	3,608	3,654
Publications	-	-	-	-	154	154	-
Recruitment	-	-	325	613	-	938	1,456
Conference attendance	-	-	675	89	1,010	1,774	846
Meeting expenses	-	1,886	2,300	1,236	3,671	9,093	12,314
Publicity	6,849	-	-	-	-	6,849	2,000
Board expenses	-	-	-	-	1,073	1,073	1,554
Other expenses	-	-	-	-	1,309	1,309	1,224
<i>Governance costs:</i>							
Audit and accountancy fees	-	-	-	-	3,975	3,975	4,628
Total	6,849	2,493	5,884	4,749	154,892	174,867	169,236

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

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 2017 and 31 March 2018	7,848	7,848
	-----	-----
Depreciation		
As at 31 March 2017	7,848	7,848
Charge for the year	-	-
	-----	-----
As at 31 March 2018	7,848	7,848
	-----	-----
Net book value as at 31 March 2018	-	-
	=====	=====
Net book value as at 31 March 2017	-	-
	=====	=====
 10. Debtors	 2018	 2017
	£	£
Trade debtors	16,715	14,606
Prepayments and accrued income	43,084	27,351
	-----	-----
	59,799	41,957
	=====	=====
 11. Creditors: Amounts falling due within one year	 2018	 2017
	£	£
Trade creditors	19,777	15,155
Other creditors	5,496	8,303
Other taxes and social security	7,937	8,482
Accruals	16,672	15,756
Deferred income (see below)	27,644	29,914
	-----	-----
	77,526	77,610
	=====	=====
 Deferred income at the year end comprises:		
Certificate in Couple Counselling	-	2,442
Diploma in Casework Supervision	2,016	-
Direct Consultation with Children	500	-
Diploma in Relationship Counselling	16,128	17,472
Diploma in Sex and Relationship Therapy	9,000	10,000
	-----	-----
	27,644	29,914
	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

12. Operating lease commitments

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

	2018	2017
	£	£
Less than one year		
Buildings	67,901	67,500
Two to five years		
Buildings	304,000	50,625
Greater than five years		
Buildings	437,000	-
	=====	=====

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

SACCC

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

Child Contact Centres – Tudor

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

Child Contact Centres – Dulverton and Robertson Trusts

These two funders provided continuation funding for the project for the Child Contact Centre Development officer and associated costs.

PAS Grant Booklets

This grant is for the production of a relationship booklet.

PAS Grant PAG Groups

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

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

13. Restricted funds (continued)

Change Agenda Service Bids

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

Prostate Cancer UK

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

Parenting Apart Programme

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

Parenting Agreement Programme

This grant is to cover the development of materials to support the revised Parenting Agreement/Plan and to run an awareness raising campaign to promote the plan to a wide range of stakeholders.

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

Property Dilapidations

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

Parenting Agreement Programme

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

Computer replacement fund

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

15. Analysis of assets between funds	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted funds	-	82,592	82,592
Designated funds	-	12,359	12,359
General funds	-	217,009	217,009
	<u>-</u>	<u>311,960</u>	<u>311,960</u>

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

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 £3,772 (2017: £4,168) of outstanding contributions as at the balance sheet date. Pension costs charged in the year were £33,889 (2017: £38,008).

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 £16,500 (2017: £16,500) was received from HIV Scotland, of which Mike Reid, Head of Corporate Services, is a director. This transaction was undertaken on a commercial basis. In addition, rent of £10,260 (2017: £10,260) was received from Scottish Mediation, of which Stuart Valentine, Chief Executive, is a director. This transaction was undertaken on a commercial basis.

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

	2018 £	2017 £
Net movement in funds	(138,474)	(279,368)
Deduct interest income shown in investing activities	(584)	(3,813)
(Increase) in debtors	(17,842)	(10,884)
(Decrease)/increase in creditors	(84)	10,930
	-----	-----
Net cash (used in) operating activities	(156,984)	(283,135)
	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2018

19. Prior year Statement of Financial Activities

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