

**RELATIONSHIPS SCOTLAND**  
**(Company Limited by Guarantee)**  
**REPORT and FINANCIAL STATEMENTS**  
**For the year ended 31 March 2021**



## RELATIONSHIPS SCOTLAND

### DIRECTORS' REPORT

#### For the year ended 31 March 2021

The directors have pleasure in presenting their report and financial statements for the year ended 31 March 2021.

#### *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  
J Shepherd (resigned 24 March 2021)  
R Waterston  
M MacLeod  
S Sutherland  
S Maxwell  
N Gilchrist  
J Rowan  
J Sutherland (appointed 7 October 2020)

##### **Chief Executive and Company Secretary**

S Valentine

##### **Registered Office**

18 York Place  
Edinburgh  
EH1 3EP

##### **Auditor**

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

##### **Solicitors**

Anderson Strathern LLP  
1 Rutland Court  
Edinburgh  
EH3 8EY

##### **Bankers**

Bank of Scotland  
38 St Andrew Square  
Edinburgh

##### **Registered Charity Number**

SC038683

## RELATIONSHIPS SCOTLAND

### DIRECTORS' REPORT (Contd.)

#### For the year ended 31 March 2021

#### ***Objectives, activities, achievements and performances***

##### **Objectives**

The objectives of the charity are to relieve the needs and promote the welfare of families, individuals and children affected by relationship difficulties by promoting, developing and co-ordinating support services, principally relationship counselling, family mediation, child contact centres and other forms of related family support.

In furtherance, Relationships Scotland shall seek to:

- to ensure the maintenance of a high level of standards, practice and quality assurance of relationship counselling, family mediation, child contact and other family support services as delivered by member organisations through selection, training, supervision, evaluation, accreditation and registration of practitioners;
- to promote and conduct research on aspects of intimate relationships, separating and divorced families and family life and to disseminate or ensure the dissemination of the useful results of such research;
- to provide, publish and disseminate information and to educate the public and professionals about the importance of strengthening relationships, the needs of separating and divorced families, the impact of family breakdown and the benefits of relationship support, family mediation, child contact centres and other family support services; and
- to develop working relationships with people and organisations concerned with intimate personal relationships, separation, divorce and family life.

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

##### **Activities**

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

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

## RELATIONSHIPS SCOTLAND

### DIRECTORS' REPORT (Contd.)

#### For the year ended 31 March 2021

#### **Achievements and performance**

Funding of £ 1.53m was secured from The Children, Young Persons and Families Early Intervention Fund and Adult Learning & Empowering Communities Fund (CYPFEIF & ALEC) for 2020-2021, the Fund has now been extended for another year until the end of March 2022 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 2020/2021	Previous Years Students still being supported to Course Completion
Diploma in Relationship Counselling (DiRC)	18	8
Certificate in Couple Counselling (Cert CC)	-	20
Diploma in Sex and Relationship Therapy ( Dip SRT )	-	14
Diploma in Counselling Supervision ( Dip Sup)	10	-
Certificate in Family Mediation (Accredited)	7	11
Certificate in Family Mediation (Registered)	2	16

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

Date	Event	Attendees
Apr 15	Online Counselling Webinar (Free Event)	71
Apr 28	Online Mediation Webinar (Free Event)	43
May 28	Online Child Contact Webinar (Free Event)	36
Jun 6	Emotionally Focussed Therapy with Couples	23
Jun 25	Working with Sexual Trauma	40
Jun 17	Mediation Practice Using Online Technology (Free Event)	22
Jul 2		
Aug 8	Treasuring Memories Part1	17
Sep 5	Treasuring Memories Part 2	
Aug 18/25	Forgiveness-The Art of Letting Go	24
Sep 26	Introduction to EFT with Couples Working with Attachment & Emotion in EFT with Couples	34
Oct 03	Reflexive Supervision-Revisited	18
Oct 09/Nov 20	A Model of Supervision for Mediators	13
Oct 28	The Crossroads of conflict: A journey into dispute resolution	34
Dec 04	Short Term Counselling with Couples	33
Feb 25	Mediating in the Window of Tolerance: Integrating a Trauma-Informed Mediation	37
Feb 27	Introduction to IFS with Couples	31
	Total	476

## RELATIONSHIPS SCOTLAND

### DIRECTORS' REPORT (Contd.)

#### For the year ended 31 March 2021

#### **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 £4,083 of which (£379) related to restricted funds and £4,462 was a surplus on unrestricted funds.

#### **Reserves policy**

Our unrestricted reserves at 31 March 2021 were £136,235. 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 2021 were £12,956. See Note 13 for further details.

#### **Investment policy**

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

#### **Principal risks and uncertainties**

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

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

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

#### **Impact of Covid-19**

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

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

## RELATIONSHIPS SCOTLAND

### DIRECTORS' REPORT (Contd.)

#### For the year ended 31 March 2021

##### ***Plans for future periods***

During this period the whole Relationships Scotland Network received support through The Children, Young Persons and Families Early Intervention Fund and Adult Learning & Empowering Fund (CYPFEIF & ALEC) grant from the Scottish Government. This amounted to £1.53m for 2020-2021.

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

Together with our network of 21 member services, our aims are as follows:

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

##### ***Structure, Governance and Management***

###### **Constitution**

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

###### **Governance**

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

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

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

Board development activities take place each year.

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

###### **Key management personnel and remuneration policy**

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

Stuart Valentine	Chief Executive
Mike Reid	Head of Corporate Services
Rosanne Cubitt	Head of Practice- Mediation and Counselling
Heather Lickley	Head of Network Services
Eileen Brownlie	Head of Practice for Child Contact Centres

## RELATIONSHIPS SCOTLAND

### DIRECTORS' REPORT (Contd.)

#### For the year ended 31 March 2021

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

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**

01 September 2021

## Opinion

We have audited the financial statements of Relationships Scotland (the 'charitable company') for the year ended 31 March 2021 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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty related to going concern

We draw attention to note 19 in the financial statements, which indicates that the future funding of the charitable company beyond March 2022 is uncertain as no decisions have currently been made either as to those organisations that will receive funding or the amount of funding that they will receive. As stated in note 19, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.





**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;
- review of minutes of Directors' Meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.



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

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](http://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 A Beveridge*

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

20 September 2021

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 2021

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>Incoming and endowments from:</b>						
<b>Donations and legacies:</b>						
Grants and donations		1,537,000	-	-	1,537,000	1,532,150
<b>Charitable activities</b>		142,024	-	700,000	842,024	182,297
<b>Investments</b> – interest received		49	-	-	49	101
<b>Total income</b>	5	<u>1,679,073</u>	<u>-</u>	<u>700,000</u>	<u>2,379,073</u>	<u>1,714,548</u>
<b>Expenditure on:</b>						
Charitable activities	6	<u>1,674,611</u>	<u>-</u>	<u>700,379</u>	<u>2,374,990</u>	<u>1,769,061</u>
<b>Total resources expended</b>		<u>1,674,611</u>	<u>-</u>	<u>700,379</u>	<u>2,374,990</u>	<u>1,769,061</u>
<b>Net income/(expenditure)</b>		4,462	-	(379)	4,083	(54,513)
<b>Transfers between funds</b>	14	<u>(15,000)</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds for the year</b>		(10,538)	15,000	(379)	4,083	(54,513)
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>121,555</u>	<u>10,218</u>	<u>13,335</u>	<u>145,108</u>	<u>199,621</u>
<b>Total funds carried forward</b>		<u><u>111,017</u></u>	<u><u>25,218</u></u>	<u><u>12,956</u></u>	<u><u>149,191</u></u>	<u><u>145,108</u></u>

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

All activities are continuing.

The notes on pages 9 to 20 form part of these financial statements.


# RELATIONSHIPS SCOTLAND

## BALANCE SHEET

As at 31 March 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	-	-
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	10	66,712	57,675
Cash at bank and in hand		181,224	156,782
		<hr/>	<hr/>
		247,936	214,457
<b>Creditors:</b> Amounts falling due within one year	11	(98,745)	(69,349)
		<hr/>	<hr/>
<b>Net current assets</b>		149,191	145,108
		<hr/>	<hr/>
<b>Total net assets</b>		149,191	145,108
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds</b>			
Restricted funds	13	12,956	13,335
Designated funds	14	25,218	10,218
General unrestricted funds		111,017	121,555
		<hr/>	<hr/>
		149,191	145,108
		<hr/> <hr/>	<hr/> <hr/>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and were approved by the directors on 01 September 2021.



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K Darwent

Chair

Company No. SC297368

The notes on pages 9 to 20 form part of these financial statements.

RELATIONSHIPS SCOTLAND

STATEMENT OF CASHFLOWS

As at 31 March 2021

	Notes	2021 £	2020 £
<b>Cash generated by/(used in) operating activities</b>	18	24,393	(110,442)
<b>Cash flows from investing activities</b>			
Bank interest income		49	101
Cash from investing activities		49	101
Increase/(decrease) in cash and cash equivalents in the year		24,442	(110,341)
<b>Cash and cash equivalents at the beginning of the year</b>		156,782	267,123
<b>Cash and cash equivalents at the end of the year</b>		181,224	156,782
		<u>181,224</u>	<u>156,782</u>
<b>Analysis of Changes in Net Debt</b>	<b>2020</b>	<b>Cash</b>	<b>2021</b>
	<b>£</b>	<b>flows</b>	<b>£</b>
		<b>£</b>	
Cash and cash equivalents	156,782	24,442	181,224
<b>Total net debt</b>	156,782	24,442	181,224
	<u>156,782</u>	<u>24,442</u>	<u>181,224</u>

The notes on pages 9 to 20 form part of these financial statements.

## RELATIONSHIPS SCOTLAND

### NOTES to the FINANCIAL STATEMENTS

#### For the year ended 31 March 2021

#### 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 £1,000 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 2021

#### 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 2021

#### 2. Accounting policies (continued)

##### Cash at bank and in hand

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

##### Creditors

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

##### Financial instruments

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

3. Deficit for the year	2021 £	2020 £
Deficit for the year is stated after charging:		
Auditors' remuneration in respect of audit services	3,850	3,700
	=====	=====

4. Staff numbers and costs	2021 £	2020 £
Wages and salaries	375,673	380,684
Social security costs	32,142	32,810
Pension costs	36,135	37,627
	-----	-----
	443,950	451,121
	=====	=====

Included within wages and salary costs were redundancy payments of £10,710 during the year relating to two employees.

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

	2021 No.	2020 No.
The average number of employees during the year was:-		
Corporate Services	3	3
Professional Practice	7	8
Network Services	2	2
Contact Centres	1	1
Public Affairs	1	1
	-----	-----
	14	15
	=====	=====

No director received any remuneration for services as a director (2020: £Nil). During the year, no directors were reimbursed (2020: 4 directors received a total of £865) 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 £219,558 (2020: £255,405).



**RELATIONSHIPS SCOTLAND**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2021**

<b>5. Incoming resources</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Donations and legacies</b>		
Scottish Government - CYPFEIF Fund & ALEC Fund	1,530,000	1,530,000
Donations	7,000	2,150
	-----	-----
	<b>1,537,000</b>	<b>1,532,150</b>
	-----	-----
<b>Income from charitable activities</b>		
Scottish Government - Child Contact Services	700,000	38,000
Diploma in Casework Supervision	7,639	-
Continuous Professional Development fees	14,700	12,713
Certificate in Family Mediation (Accredited)	2,623	7,848
Certificate in Family Mediation (Registered)	160	560
DiRC Cohorts	47,520	35,904
Direct Consultation with Children	98	-
Diploma in Sex & Relationship Therapy	15,607	14,793
Verifiers training income	960	1,230
Certificate in Couple Counselling	3,896	11,080
Room hire	33,611	50,542
Membership fees	6,450	6,450
JRS grant income	4,760	-
Miscellaneous income	4,000	3,177
	-----	-----
	<b>841,924</b>	<b>182,297</b>
	-----	-----
<b>Investment income</b>		
Bank interest	49	101
	-----	-----
<b>Total income</b>	<b>2,379,073</b>	<b>1,714,548</b>
	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

6. Charitable activities

	Communications	Network Professional	Child	Corporate	2021	2020	
	£	Services	Contact	Services	£	£	
		£	£	£			
		Practice					
		£					
Salary costs	12,196	51,761	212,685	29,257	138,051	443,950	451,121
CFM (A) direct costs	-	-	2,760	-	-	2,760	1,343
CFM (R) direct costs	-	-	38	-	-	38	13
CPD direct costs	-	-	5,280	-	-	5,280	8,973
DiRC Cohort 2019/2021	-	-	7,558	-	-	7,558	4,692
DiRC Cohort 2016/2018	-	-	154	-	-	154	132
Accreditation	-	-	-	-	-	-	184
External training	-	-	-	-	-	-	305
Diploma in supervision	-	-	864	-	-	864	-
Verifiers training expenses	-	-	1,069	-	-	1,069	1,342
Certificate in Couple Counselling	-	-	34	-	-	34	1,663
Diploma in Sex & Relationship Therapy	-	-	892	-	-	892	510
Prostate cancer project	-	-	-	-	-	-	480
Direct consultation with children in mediation	-	-	98	-	-	98	-
Network of Member Services	-	-	-	-	1,771,427	1,771,427	1,109,427
Parenting Apart Project	-	-	192	-	-	192	(436)
Parenting Apart Groups Grant	-	-	490	-	-	490	-
Child Contact Centre Book	-	-	-	-	-	-	1,155
	-----	-----	-----	-----	-----	-----	-----
	12,196	51,761	232,114	29,257	1,909,478	2,234,806	1,580,904
	-----	-----	-----	-----	-----	-----	-----
Support costs (Note 7)	5,173	-	2,740	-	132,271	140,184	188,157
	-----	-----	-----	-----	-----	-----	-----
Total	17,369	51,761	234,854	29,257	2,041,749	2,374,990	1,769,061
	=====	=====	=====	=====	=====	=====	=====

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

7. Support costs

	Communications	Network Services	Professional Practice	Child Contact	Corporate Services	2021	2020
	£	£	£	£	£	£	£
Staff travel and training	-	-	658	-	29	687	2,435
Property costs	-	-	-	-	81,287	81,287	116,727
Office costs	-	-	-	-	11,609	11,609	12,430
Office equipment and repairs	-	-	-	-	19,943	19,943	18,115
Legal fees	-	-	-	-	9,006	9,006	5,977
Consultancy expenses	4,440	-	350	-	1,800	6,590	7,580
Subscriptions	-	-	1,732	-	1,590	3,322	3,425
COVID-19 costs	-	-	-	-	1,179	1,179	-
Conference attendance	-	-	-	-	375	375	2,728
Meeting expenses	-	-	-	-	158	158	9,034
Publicity	733	-	-	-	-	733	1,330
Board expenses	-	-	-	-	-	-	2,618
Other expenses	-	-	-	-	742	742	1,243
<i>Governance costs:</i>							
Audit and accountancy fees	-	-	-	-	4,553	4,553	4,515
Total	5,173	-	2,740	-	132,271	140,184	188,157

**RELATIONSHIPS SCOTLAND**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2021**

**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**

	<b>Equipment</b>	<b>Total</b>
	£	£
<b>Cost</b>		
As at 31 March 2020 and 31 March 2021	7,848	7,848
	-----	-----
<b>Depreciation</b>		
As at 31 March 2020	7,848	7,848
Charge for the year	-	-
	-----	-----
As at 31 March 2021	7,848	7,848
	-----	-----
<b>Net book value as at 31 March 2021</b>	-	-
	=====	=====
<b>Net book value as at 31 March 2020</b>	-	-
	=====	=====

**10. Debtors**

	<b>2021</b>	<b>2020</b>
	£	£
Trade debtors	39,897	27,113
Prepayments and accrued income	26,815	30,562
	-----	-----
	66,712	57,675
	=====	=====

**11. Creditors:** Amounts falling due within one year

	<b>2021</b>	<b>2020</b>
	£	£
Trade creditors	7,121	3,427
Other taxes and social security	12,978	12,551
Accruals	17,892	11,432
Deferred income (see below)	60,754	41,939
	-----	-----
	98,745	69,349
	=====	=====

Deferred income at the year end comprises:

Diploma in Casework Supervision	11,081	756
Direct Consultation with Children	316	414
Diploma in Relationship Counselling	16,896	18,216
Diploma in Sex and Relationship Therapy	2,000	18,657
Certificate in Couples Counselling	23,808	3,896
Certificate in Family Mediation (Accredited)	6,533	-
CPD fees	120	-
	-----	-----
	60,754	41,939
	=====	=====

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 2021

**12. Operating lease commitments**

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

	<b>2021</b>	<b>2020</b>
	£	£
<b>Less than one year</b>		
Buildings	76,000	76,000
<b>Two to five years</b>		
Buildings	304,000	304,000
<b>Greater than five years</b>		
Buildings	190,000	266,000
	=====	=====

During the year, £47,500 (2020: £76,000) was recognised as an expense under operating leases and the charity received a rent free period amounting to £28,500.

	<b>Balance at 31 March 2020</b>	<b>Incoming resources during year</b>	<b>Transfers during year</b>	<b>Outgoing resources during year</b>	<b>Balance at 31 March 2021</b>
	£	£	£	£	£
<b>13. Restricted funds</b>					
<b>Funds to be applied for the purposes specified by the donors</b>					
PAS Grant Booklets	815	-	-	-	815
PAS Grant PAG Groups	379	-	-	(379)	-
Change Agenda Service Bids	306	-	-	-	306
Prostate Cancer UK	10,990	-	-	-	10,990
Nancie Massie Trust CCC	845	-	-	-	845
Scottish Government – Child Contact Services	-	700,000	-	(700,000)	-
	<u>13,335</u>	<u>700,000</u>	<u>-</u>	<u>(700,379)</u>	<u>12,956</u>

	<b>Balance at 31 March 2019</b>	<b>Incoming resources during year</b>	<b>Transfers during year</b>	<b>Outgoing resources during year</b>	<b>Balance at 31 March 2020</b>
	£	£	£	£	£
PAS Grant Booklets	815	-	-	-	815
PAS Grant PAG Groups	2,714	-	(2,335)	-	379
Change Agenda Service Bids	306	-	-	-	306
Prostate Cancer UK	11,470	-	(480)	-	10,990
SCVO Cyber Essentials	1,000	-	(1,000)	-	-
Souter Foundation	3,000	-	(3,000)	-	-
Nancie Massie Trust CCC	-	2,000	-	(1,155)	845
Scottish Government – Child Contact Services	-	38,000	-	(38,000)	-
	<u>19,305</u>	<u>40,000</u>	<u>(6,815)</u>	<u>(39,155)</u>	<u>13,335</u>

## RELATIONSHIPS SCOTLAND

### NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 13. Restricted funds (continued)

##### **PAS Grant Booklets**

This grant is for the production of a relationship booklet.

##### **PAS Grant PAG Groups**

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

##### **Change Agenda Service Bids**

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

##### **Prostate Cancer UK**

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

##### **SCVO Cyber Essentials**

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

##### **Souter Foundation**

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

##### **Nancie Massie Trust CCC**

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

##### **Scottish Government – Child Contact Services**

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

<b>14. Designated Funds</b>	<b>Balance 31 March 2020 £</b>	<b>Incoming resources during year £</b>	<b>Transfers during year £</b>	<b>Outgoing resources during year £</b>	<b>Balance at 31 March 2021 £</b>
Property Dilapidations	8,000	-	15,000	-	23,000
Parenting Agreement Programme	2,218	-	-	-	2,218
	<u>10,218</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>25,218</u>

## RELATIONSHIPS SCOTLAND

### NOTES to the FINANCIAL STATEMENTS

#### For the year ended 31 March 2021

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

#### **Property Dilapidations**

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

#### **Parenting Agreement Programme**

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

15. Analysis of assets between funds	Tangible Fixed Assets £	Net Current Assets £	Total £
<b>2021</b>			
Restricted funds	-	12,956	12,957
Designated funds	-	25,218	25,218
General funds	-	111,017	111,016
	<u>-</u>	<u>149,191</u>	<u>149,191</u>
<b>2020</b>			
Restricted funds	-	13,335	13,335
Designated funds	-	10,218	10,218
General funds	-	121,555	121,555
	<u>-</u>	<u>145,108</u>	<u>145,108</u>

#### **16. Pensions**

The company makes contributions to a number of individual arrangements for employees of a defined contribution nature. Contributions are charged as incurred and there were £4,223 (2020: £4,144) of outstanding contributions as at the balance sheet date. Pension costs charged in the year were £36,135 (2020: £37,627).

#### **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 £10,776 (2020: £17,242) was received from Acosvo, of which Stuart Valentine, Chief Executive, is a director. These transactions were undertaken on a commercial basis.

During the year, services were provided to Sue Maxwell Associates, where Sue Maxwell is a director, for CPD services amounting to £200 (2020: £nil). At the year-end there were no amounts outstanding.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net movement in funds	4,083	(54,513)
Deduct interest income shown in investing activities	(49)	(101)
(Increase) in debtors	(9,037)	(19,054)
Increase/(decrease) in creditors	29,396	(36,774)
	-----	-----
<b>Net cash generated by/(used in) operating activities</b>	<b>24,393</b>	<b>(110,442)</b>
	=====	=====

**19. Going concern**

The charity has received confirmation of funding for the year to 31 March 2022 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.

The Directors believe that funding from the Scottish Government will be continued in future years, but both this and the levels of funding available have yet to be confirmed. On the assumption of continuing funding at levels similar to or above those currently received, the Directors are satisfied that the charity will remain a going concern for the foreseeable future. However, they recognise that there are currently material uncertainties regarding the level of future funding.



RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2021

Prior year Statement of Financial Activities

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