

Families Outside

Financial statements

31 March 2014

Charity Number SCO 025366

Company Number SC 236539

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Reference and administrative details

Scottish Charity No. SC025366
Company No. SC236539
Registered office: 13 Great King Street, Edinburgh, EH3 6QW

Board of Trustees

Donald Millar	(Chairman)	
Valerie Macniven	(Vice Chairman)	
Jennifer Stevenson	(Treasurer)	
Paul Carberry	(Individual)	
Glen Gilson	(Individual)	
Sheila Gupta	(Individual)	
Justin Hutton-Penman	(Individual)	
Brigadier Hugh Monro	(Individual)	<i>appointed 11 March 2014</i>
Fiona Punton	(Individual)	
Colin McConnell	(Individual)	<i>resigned 11 March 2014</i>
Janice McGowan	(Individual)	<i>resigned 28 March 2014</i>
Marjory Russell, OBE	(Individual)	<i>resigned 25 September 2013</i>
Gillian M Stewart, CB	(Chairman)	<i>resigned 25 September 2013</i>

Company Secretary Professor Nancy Loucks

Auditors Henderson Loggie, 34 Melville Street, Edinburgh, EH3 7HA.

Bankers Royal Bank of Scotland plc, 239 St. John's Road, Edinburgh, EH12 7XB

Trustees' report

Structure, Governance and Management

Nature of governing document

The governing document for the charity is a memorandum and articles of association, and the charity is constituted as a company limited by guarantee.

Decision making structure

The Trustees decide the strategic direction for the charity and approve the Strategic Plan and the annual budget. The Chief Executive is delegated day-to-day management and implementation responsibility for the strategy and expenditure within the budget limits. Progress is monitored through quarterly Finance/HR sub-group meetings that include the office bearers and report to the full Board of Trustees.

Appointment of trustees

Members of the Board of Trustees are categorised as individuals. Institutions, organizations, or other bodies are not eligible to be members of the Board of Trustees.

The number of members of the Board of Trustees shall not be less than six and no more than twelve.

Two non-voting Observers from key statutory stakeholders attend meetings of the Board of Trustees.

Policies and procedures for induction and training of trustees

New Trustees are inducted by the Chairman and Chief Executive of the Charity and are provided with key documents outlining their governance roles and responsibilities.

Risk management

The Board of Trustees has adopted a process for the ongoing assessment of possible risks to the organisation and has developed actions and countermeasures to reduce these risks and their likely impact. The risk framework is subject to regular review and biannual updating. The Board is therefore satisfied that systems and actions are in place to mitigate our exposure to major risk.

Objectives and Activities

The company's purpose is to aid the relief of poverty, hardship, suffering and distress among partners, children and dependents of persons who suffered a legal restriction on their liberty in any penal or correctional establishment or through any means whatsoever.

Families Outside is the only national organisation that works exclusively on behalf of children and families affected by imprisonment in Scotland. We exist because imprisonment of a family member has a negative impact on the social, emotional, financial and (for children and young people) educational development of the remaining family members, leading to disadvantage, exclusion and the risk of perpetuation of cycles of crime and imprisonment.

Families Outside works to mitigate the effects of imprisonment on children and families - and consequently to reduce the likelihood of reoffending - through support and information for families and for those working with them. We seek to ensure that these families are afforded the recognition, respect and compassion they need to alleviate the disadvantages they face due to this experience, also enabling them, where appropriate, to provide support to their relative in prison and on release.

Trustees' report (*continued*)

Objectives and Activities (*continued*)

The charity's long term key objectives are to ensure that:

- Families affected by imprisonment can access appropriate information and support at the time they need it. This in turn will improve their experience with the criminal justice system and mitigate its impact on them;
- Policy makers, decision makers, and relevant service providers will be well-informed about the issues facing families affected by imprisonment. They will recognise prisoners' families within their remit and take the needs of these families into account in the decisions they make and the services they provide;
- Families Outside will provide a sustainable and viable service as long as the demand for its work is evident.

In order to achieve these long-term key objectives, our targets include the following actions:

- Raise awareness and influence policy and practice regarding families affected by imprisonment;
- Provide and increase direct support and information to families;
- Support and collaborate with other organisations to support families; and
- Ensure viability, effectiveness and impact of the organisation.

These aims are essential and ongoing and are facilitated by specific, often ongoing, activities that Families Outside is engaged in throughout the year. These activities help us in achieve our long-term key objectives and include:

Ongoing core activities:

- Operation of the Families Outside national freephone Support & Information Helpline, supporting 1,800+ families and professionals per year;
- Direct service provision through our Family Support Workers to families affected by imprisonment. Extending to the whole of Scotland, the six members of staff have an annual caseload in excess of 300 per annum (higher than the targeted 200 families). These 300 families include about 700 individuals adults and children), though this is growing with the addition of prison visitors' centres at some prisons.
- Direct provision of support/information to families at our own prison visitors' centre at HMP Addiewell;
- Development work in schools to support children affected by a family member's imprisonment;
- Management and support of our volunteer pool, increasing our capacity to work in different areas;
- Training/awareness-raising to prison staff, teachers and trainee teachers, police, Children's Panel Members, social workers, students, the National Health Service and more. This includes a very popular programme of CPD for teachers delivered in prisons and SkillsMark accredited training on child protection and the impact of imprisonment on children. Overall, we provided training to about 5,000 people in 2013/14 throughout Scotland - double last year's figure;
- Resources for families and professionals: publications, on-line resources such as videos (available through our Vimeo account, quarterly newsletter, website (including specific information for children/young people), as well as regular updates through social media – Facebook and Twitter;
- Development of policy and practice alongside national and local statutory organisations, contributing through consultations, steering & advisory groups relevant to families and our Cross-Party Group on Children & Families Affected by Imprisonment. We also actively seek development of policy and practice in Scotland internationally through membership of Children of Prisoners Europe (COPE) and involvement in the UN Committee on the Rights of the Child.
- Publicity distributed to families affected by imprisonment and a wide range of professional contacts including courts/prisons/CABs/social work departments. This includes leaflets, professional packs, downloadable materials from our website and, in development, web-based training/eLearning resources;
- Regional contact through our Regional Coordinators who link with prisons, Community Justice Authorities and locally based statutory and voluntary support services. This ensures our influence spreads throughout Scotland, allowing us to act effectively as a national umbrella organisation for services offering support to families affected by imprisonment;
- Support for other organisations working with families through cross-referral, training, evaluation and sharing of information and practice, particularly through coordination and chairmanship of the Criminal Justice Family Support Network; and
- Exhibitions/presentations/workshops at conferences and other events.

Trustees' report (*continued*)

Objectives and Activities (*continued*)

- Held a successful national conference for 200 delegates in May 2013 entitled 'Them and Us?': Victims, Offenders, Communities, and Families Affected by Imprisonment;
- Continuation of the New Routes Public Social Partnership (previously Routes out of Prison), led by the Scottish Prison Service and the Wise Group;
- Continuation of The LifeTime project following its continued success in recent years. This is an initiative run by the Scottish Prison Service in collaboration with the police, Scottish Court Service, the fire service, The Red Cross, and ourselves, among other partners, to make young people in secondary schools aware of the impact of offending;
- Completion of a web-based training resource on the impact of a family member's imprisonment on young people as well as additional tools such as the 'Reversible Thinking' video which can be viewed by visiting www.familiesoutside.org.uk/reversible-thinking-video;
- Development of a protocol for support to families affected by imprisonment, funded by Lothian & Borders Community Justice Authority;
- Publication of an information booklet for health professionals on their role in supporting children affected by imprisonment;
- Completion of research commissioned by Scottish Government Youth Justice on support to families of young people in secure care;
- Jointly with the Scottish Prison Service, organising and hosting of a two-day workshop for professionals on trauma-informed practice, with international expert Dr. Stephanie Covington, sponsored by the Women at Risk coalition;
- Publication of two new editions of *In Brief* on the financial impact of imprisonment on families and the role of families in desistance from offending; and
- Continuation of development work on support to children of prisoners through schools.

Achievements and performance

Families Outside's profile and reputation are well-established, with positive relationships built with key statutory and voluntary agencies in the criminal justice sector and beyond. This has been aided by the opportunity to contribute actively to a range of Scottish Government and Scottish Prison Service policy and practice initiatives. Our hosting of the Cross-Party Group on Children & Families Affected by Imprisonment continues to play a significant role in this, this year including a special evening event about family impact assessments that included contributions from the judiciary, children's rights advocates, and family members. The end of the financial year focused on preparations for the Children of Prisoners Europe conference (COPE; previously the European Network for Children of Imprisoned Parents - EUROCHIPS), hosted for the first time in Edinburgh in May 2014.

The Regional Coordinators and Chief Executive work closely with the Scottish Prison Service and Scotland's eight Community Justice Authorities (CJAs) to assist in the development and implementation of policy and practice with regard to prisoners' families, including chairmanship of Family Outcome Groups for the two CJAs that have them. This includes delivery of training at individual prisons regarding the impact of imprisonment and child safeguarding. Our Continuing Professional Development for teachers and trainee teachers is gaining momentum and is now delivered in 12 of Scotland's 15 prisons. This training, regarding the impact of imprisonment and the role of schools in supporting the children and families affected, has notably increased referrals to our Helpline and to our Family Support Team throughout the country. We were also able to contribute to a week-long international training programme at the Wells of Hope Academy in Uganda and presented a paper about our work with schools at the European Society of Criminology conference. Significantly, we were also able to deliver training for the first time to judges at the Judicial Institute in March 2014 and have been invited to do this again in October 2014.

Families Outside's Support & Information Helpline continues to provide a direct service to families in need and to the professionals who work with them. It also underpins the organisation's influencing activity through provision of current, direct information about the experiences of people with family members caught up in the criminal justice system. We use feedback from the calls to inform the Scottish Prison Service and other relevant bodies of the issues callers raise and to identify and highlight good practice. Callers can access the Helpline through its freephone telephone number, via e-mail and by text. We are also increasing our use of social networking such as Facebook and Twitter, which provides valuable interaction with service users and professionals alike. We now have almost 1,000 'followers' on Twitter which is increasing its value to us as a means of campaigning and communication.

Trustees' report *(continued)*

Achievements and performance *(continued)*

In addition to our social networking sites, we continue to develop our website to respond to the needs of the families we support. The website is a primary means for callers to learn about the Helpline, and we are working with a new member of our Board with marketing expertise to streamline the content of the site. This year we restructured the site to make it easier to navigate. We have also drafted initial proposals to engage with young people to revamp the 'Kids' section of the site – something we hope to take forward in 2014/15.

Our provision of direct support to families of prisoners continues to move from strength to strength: in the 2012/13 financial year, our Family Support Workers received 274 referrals, with the total number of family members totalling 693 (421 adults and 218 children) – a slight decrease from the previous year, but unsurprising due to a 6-month gap in part-time maternity cover. Numbers for 2013/14 will be considerably higher, not least due to the in-depth contact with 80 families each month at our Prison Visitors' Centre at HMP Addiewell, which opened in January 2013. Family Support Work through Families Outside provides holistic, solution-focused support designed to meet the needs of the individual family members. The report for 2013/14 will be available early in July 2014.

Meanwhile, our staff numbers have increased dramatically and our staffing and management structures have changed along with this. The increased numbers have enabled us to allocate additional staff to the work at the prison visitors' centre at HMP Addiewell and to rationalise the division of labour across geographic regions. For example, we now have dedicated Regional Coordinator/Family Support staff for the Northern and Tayside areas (one for each area). We also hosted a secondee from the Scottish Prison Service to develop our work with volunteers. This work established a pool of volunteers to support the work at Addiewell as well as to start a new service in Edinburgh Sheriff Court.

Finally, our engagement with families in more creative ways has extended this year to include free relaxation sessions and massage for families in the Edinburgh area as well as a series of music workshops for families in HMP Addiewell in collaboration with creative arts-based charity Vox Liminus. We also had the pleasure of supporting the development of the Inside-Out peer support group in Oban.

Financial review

The Statement of Financial Activities shows that Families Outside ended the year with a surplus of £34,684 which compares with a surplus of £14,896 for the previous year. This surplus is made up of the following:

- a restricted deficit of £5,760 relating to:
 - a. expenditure of £1,091 on depreciation from income received from The Kelly Charitable Trust which was carried forward to cover depreciation on capital items acquired in 2012/13;
 - b. expenditure of £5,702 on child/teacher related training from income received from LankellyChase Foundation which was carried forward in restricted reserve from 2012/13;
 - c. expenditure of £8,023 on project costs for schools utilized from income received from The Big Lottery "Awards For All" which was carried forward in restricted reserve from 2012/13.
 - d. underspend of £1,516 on research project funded by Scottish Government Procurement to be placed in restricted reserve and used in continuation of the research project in 2014/15.
 - e. the balance of £7,000 on the In Tune project funded by Scottish Government and BLF Communities and Families Fund to be placed in restricted reserves and used in continuation of the project in 2014/15.
 - f. £540 received from Edinburgh Airports in March 2014 and held in restricted funds, which will be used in 2014/15.
- an unrestricted surplus of £40,444. This means that our unrestricted funds have increased from £151,442 as at 31 March 2013 to £191,886 at 31 March 2014.

The financial position and the review of financial systems and controls of the organisation are monitored on a quarterly basis by a Finance/HR sub-group, which reports to the Board of Trustees.

Trustees' report *(continued)*

Financial review *(continued)*

The principal funding sources for 2013/14 were:

- Third Sector Early Intervention Fund - Families Outside core
- Third Sector Early Intervention Fund - Addiewell Prison Visitors
- Scottish Government
- Scottish Prison Service
- The Big Lottery – Communities & Families
- The Wise Group
- The Monument Trust
- The Tudor Trust
- The Volant Trust
- The Gannochy Trust
- RS MacDonald Charitable Trust
- The Brook Trust
- Lothian & Borders CJA
- Imagine Foundation
- Nancie Massey Charitable Trust
- Anonymous Donor

With funds from these organisations, we have continued to meet the main objectives of Families Outside through the core activities and projects of the charity as detailed above.

In addition, we would like to thank The Michael & Shirley Hunt Charitable Trust, The Albert Hunt Trust, The Gordon Fraser Trust, St Paul's & St George's Church 10% Fund, Edinburgh Airport Community Board, Waitrose, Cash For Kids, the Friends of Families Outside and everyone else who made donations and supported our activities throughout the year.

Reserves Policy

The unrestricted fund balance is £191,886, of which £189,255 represents the free reserves of the organisation arising from past operating results. The Board would like to apply 'best practice' and maintain the free reserves to a level which would cover about three to six months forecast operating activity, a target which has now been achieved at the lower to mid-end.

Plans for future periods

In the forthcoming 2014/15 financial year, Families Outside will commit itself to the following activities:

- Host a European conference and smaller events to raise awareness of the impact of imprisonment and engage support in addressing this.
- In collaboration with the Community Justice Authorities, complete and implement a protocol for support for families affected by imprisonment.
- Continue campaigning through the Parliamentary Cross-Party Group regarding Scotland's treatment of children with imprisoned parents.
- Continue to promote the Helpline as a resource for families and for professionals who can call on our specialist knowledge to assist them in their own work with families.
- Continue to provide direct support to families of offenders throughout Scotland, including through our new services such as the prison visitors' centre at HMP Addiewell and the Emergency Discretionary Fund for families in crisis.
- Explore and consolidate support for families in relation to travel for prison visits.
- Continue to train staff from a wide range of backgrounds who come into contact with families e.g. the Scottish Prison Service, staff at private prisons, teachers and trainee teachers, Children's Panel members, NHS, police, schools, courts, social workers, students of social work and forensic psychology, and secondary school students.

Trustees' report (*continued*)

Plans for future periods (*continued*)

- Linking with prisons, continue to develop work within schools to support children of prisoners.
- Using the new booklet for health professionals, and the CPD for teachers as a template, target health professionals to raise awareness of the issues surrounding families affected by imprisonment.
- Continue the development of online resources for professionals in justice, education, health and other sectors.
- Through the new National Prison Visitors' Centre Steering Group, continue to support the development of prison Visitors' Centres.
- Continue to promote the development of play provision in prisons and deliver training to prison staff in this area.
- Continue direct development of policy and practice through participation in the national and regional Scottish Prison Service Children & Family Strategy Groups, Community Justice Authorities, the Scottish Working Group on Women's Offending, the Scottish Consortium on Crime and Criminal Justice, and the Scottish Criminal Justice Voluntary Sector Forum as well as lobbying of Members of the Scottish Parliament and engagement with international bodies such as Children of Prisoners Europe.
- Identify and promote the use of new and existing tools to conduct Child & Family Impact Assessments.
- Provide further opportunities for family members to come together, talk and listen in a safe environment and feed more directly into our work.
- Produce *In Brief* 11 on support for families with a young person in secure care.

Auditors

A resolution to appoint auditors for the ensuing year will be proposed at the annual general meeting in accordance with Section 485 of the Companies Act 2006.

The trustees' report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approval of the trustees' annual report

So far as each director is aware, there is no relevant audit information of which the auditors are unaware. Each director has taken the appropriate steps as trustees to make themselves aware of such information and to establish that the auditors are aware of it.

Signed by order of the Trustees

Registered office:
13 Great King Street
Edinburgh



Donald Millar
Chairman

23rd September 2014

Statement of trustees' responsibilities

The trustees (who are also the directors of Families Outside for the purposes of company law) are responsible for preparing of the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 of the surplus or deficit of the charitable company for the period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- making judgements and estimates that are prudent and reasonable;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 trustees are aware:

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

The trustees 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.



HENDERSON LOGGIE

Chartered Accountants

34 Melville Street
Edinburgh
EH3 7HA

Independent auditor's report to the Trustees and Members of Families Outside

We have audited the financial statements of Families Outside for the year ended 31 March 2014 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body in accordance with Section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the company's members and the charity's trustees those matters we are required to state to them in an auditors' 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 charity's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the Trustees' Report and the financial statements and for being satisfied that the financial statements give a true and fair view.

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). These Standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. This includes as assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently incorrect based on or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report to the Trustees and Members of Families Outside *(continued)*

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the charitable company's affairs as at 31 March 2014 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 Companies Act 2006, Charities Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

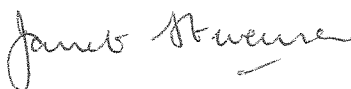
Opinion on other matters prepared by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records 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 trustees' remuneration specified by law have not been made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Janet Stevenson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie Statutory Auditors

(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

23rd September 2014

Statement of financial activities (Incorporating Income and Expenditure Account)
for the year ended 31 March 2014

		2014 Unrestricted Funds £	2014 Restricted Funds £	2014 Total Funds £	2013 Total Funds £
	<i>Note</i>				
Incoming resources					
Incoming resources from generated funds	2	16,442	18,638	35,080	12,911
Incoming resources from charitable activities	3	185,226	338,844	524,070	394,244
Total incoming resources		201,668	357,482	559,150	407,155
Resources expended					
<i>Costs of generating funds</i>	4	(1,829)	(26,965)	(28,794)	(5,282)
<i>Charitable activities</i>	5	(152,974)	(331,641)	(484,615)	(376,922)
<i>Governance costs</i>	7	(6,421)	(4,636)	(11,057)	(10,055)
Total resources expended		(161,224)	(363,242)	(524,466)	(392,259)
Net incoming resources for the period		40,444	(5,760)	34,684	14,896
Balances brought forward at 31 March 2013		151,442	16,997	168,439	153,543
Balances carried forward at 31 March 2014		191,886	11,237	203,123	168,439

All of the activities of the company are classed as continuing.

Balance sheet
at 31 March 2014

	<i>Note</i>	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	9		4,812		3,923
Current assets					
Debtors	10	9,267		11,116	
Cash at bank		208,519		238,710	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	11	217,786 (19,475)		249,826 (85,310)	
		<hr/>		<hr/>	
Net current assets			198,311		164,516
			<hr/>		<hr/>
Net assets			203,123		168,439
			<hr/>		<hr/>
Funds					
Unrestricted	12		191,886		151,442
Restricted	12		11,237		16,997
			<hr/>		<hr/>
Total funds	13		203,123		168,439
			<hr/>		<hr/>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and were approved and authorised for issue by the Board of trustees on 23rd September 2014 and were signed on its behalf by:



Donald Millar
Chairman

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice - Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in 2005; the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The Board consider it is appropriate to draw up the accounts on a going concern basis as sufficient funding has been secured to cover operational costs for the 12 months from the date of the accounts. The Board is actively seeking funds for the following 12 months and beyond.

Incoming resources

- Incoming resources are included in the year in which they are receivable, which is when the company becomes entitled to the resource.
- Grants receivable are credited in the year for which they are received.
- Income that relates to future periods as a result of donor imposed conditions specifying the time period has been treated as deferred income.
- Income relating to the acquisition of fixed assets has been recognised as restricted income against which the appropriate depreciation will be charged.

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. The company is not registered for VAT and accordingly costs are shown gross of irrecoverable VAT. Where directly attributable, resources expended are allocated to the relevant functional category. Overhead and support costs are allocated to functional category on the basis of direct staff costs in each area of activity.

- ***Cost of generating funds***

The costs of generating funds include expenditure incurred in supporting the charity and incurred on fundraising initiatives

- ***Charitable activities***

The costs of charitable activities include expenditure incurred in supporting the charity and its objectives as set out in the directors' report.

- ***Governance costs***

Governance costs are those incurred in connection with the, organisational administration and compliance with constitutional and statutory requirements.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Assets below £200 are not capitalised but are expensed in the year they are incurred. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows: Equipment – 25% straight line

Pensions

The company contributes to employees' individual pension plans. The amounts charged against the income and expenditure account represent the contributions to the defined contribution scheme and to individual pension plans in respect of the accounting period.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease period.

Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the company without further specified purpose and are available as general funds. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Notes (continued)

2 Incoming resources from generated funds

	Unrestricted £	Restricted £	2014 £	2013 £
<i>Voluntary income</i>				
Donations	10,867	-	10,867	4,044
Membership fees	250	-	250	495
Gift aid	2,562	-	2,562	-
	<hr/>	<hr/>	<hr/>	<hr/>
	13,679	-	13,679	4,539
<i>Generated funds</i>				
Conference income & events	-	18,638	18,638	-
Research income	2,491	-	2,491	8,151
<i>Investment income</i>				
Interest receivable	272	-	272	221
	<hr/>	<hr/>	<hr/>	<hr/>
	16,442	18,638	35,080	12,911
	<hr/>	<hr/>	<hr/>	<hr/>

3 Incoming resources from charitable activities

	Unrestricted £	Restricted £	2014 £	2013 £
Scottish Prison Service	-	31,713	31,713	30,789
The Scottish Government	90,226	9,998	100,224	132,712
The Wise Group	-	59,459	59,459	26,657
Lothian & Border CJA	-	8,022	8,022	9,000
RS MacDonald Charitable Trust	20,000	-	20,000	20,000
The Brook Trust	15,000	-	15,000	15,000
The Monument Trust	40,000	-	40,000	40,000
The Volant Trust	20,000	-	20,000	-
The Gannochy Trust	-	10,000	10,000	10,000
Imagine Foundation	-	5,000	5,000	5,000
The Tudor Trust	-	30,000	30,000	-
Third Sector Early Intervention Fund – Families Outside	-	93,208	93,208	-
Third Sector Early Intervention Fund – Visitors' Centre	-	29,340	29,340	-
Hugh Duncan	-	10,000	10,000	-
Michael & Shirley Hunt Charitable Trust	-	1,571	1,571	-
Nancie Massey Charitable Trust	-	5,000	5,000	-
The Robertson Trust	-	-	-	15,000
The Henry Smith Charity	-	-	-	25,000
Crossreach	-	-	-	11,786
The Dulverton Trust	-	-	-	10,000
BIG Lottery Awards for All	-	-	-	10,000
Alexander Moncur Trust	-	-	-	3,000
Fife & Forth Valley CJA	-	-	-	9,500
Sodexo Justice Services	-	-	-	12,800
Kelly Family Charitable Trust	-	-	-	5,000
Anonymous Donor	-	34,993	34,993	-
Scot Govt/BLF Communities and Families Fund	-	10,000	10,000	-
Miscellaneous charitable sources	-	540	540	3,000
	<hr/>	<hr/>	<hr/>	<hr/>
	185,226	338,844	524,070	394,244
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

4 Costs of generating funds

	Unrestricted £	Restricted £	2014 £	2013 £
Bank charges	586	-	586	506
Conference costs & events	1,243	18,983	20,226	-
Research and project costs	-	7,982	7,982	4,776
	<u>1,829</u>	<u>26,965</u>	<u>28,794</u>	<u>5,282</u>

5 Charitable activities

	Unrestricted £	Restricted £	2014 £	2013 £
Wages and salaries	97,873	266,923	364,796	282,149
Meeting costs	909	-	909	170
Helpline	-	2,316	2,316	1,974
Project development	699	21,920	22,619	22,765
	<u>99,481</u>	<u>291,159</u>	<u>390,640</u>	<u>307,058</u>
Total direct costs	99,481	291,159	390,640	307,058
Support costs (note 6)	53,493	40,482	93,975	69,864
	<u>152,974</u>	<u>331,641</u>	<u>484,615</u>	<u>376,922</u>

6 Support costs

	2014 £	2013 £
Other staff costs	11,093	6,632
Premises expenses	17,282	19,181
Office running costs	14,165	13,052
Publications	18,887	7,979
Travel	25,282	17,538
Website costs	3,485	2,344
Depreciation	2,504	1,651
Miscellaneous	1,277	1,487
	<u>93,975</u>	<u>69,864</u>

7 Governance costs

	Unrestricted £	Restricted £	2014 £	2013 £
Wages and salaries	2,738	3,500	6,238	6,008
Board expenses	493	201	694	428
Meeting costs	200	-	200	37
Auditors' remuneration - audit fee	2,990	935	3,925	3,582
	<u>6,421</u>	<u>4,636</u>	<u>11,057</u>	<u>10,055</u>

Notes *(continued)*

8 Staff costs and numbers

	2014 £	2013 £
Wages and salaries	328,204	255,534
Social security costs	29,663	24,381
Pension costs	13,167	10,274
	<u>371,034</u>	<u>290,189</u>

No employee received emoluments of more than £60,000. No trustees received remuneration in the current year or preceding period. Reimbursement of expenses paid to trustees in the year was £nil (2013 £nil).

The charity contributes to a defined contribution scheme on behalf of employees. The cost for the period was £13,167. At the year end the charity was due to pay £1,183.

The average weekly number of employees during the year was as follows:

	2014	2013
Number of employees	<u>17</u>	<u>11</u>

9 Tangible fixed assets

	2014 £
Cost	
At beginning of year	37,061
Additions	3,393
Disposals	-
	<u>40,454</u>
At end of year	
Depreciation	
At beginning of year	33,138
Charge for year	2,504
On disposals	-
	<u>35,642</u>
At end of year	
Net book value	4,812
At 31 March 2014	
Net book value	
At 31 March 2013	<u>3,923</u>

10 Debtors

	2014 £	2013 £
Prepayments	3,201	5,153
Accrued income	6,066	5,963
	<u>9,267</u>	<u>11,116</u>

Notes (continued)

11 Creditors: amounts falling due within one year

	2014 £	2013 £
Accruals	11,127	6,350
Tax and social security	8,348	7,062
Deferred income	-	71,898
	<u>19,475</u>	<u>85,310</u>

12 Funds

	2013 £	Incoming £	Outgoing £	2014 £
Unrestricted funds				
General fund	151,442	201,668	(161,224)	191,886
Restricted funds				
Scottish Prison Service		31,713	(31,713)	-
Third Sector Early Intervention Fund – Families Outside	-	93,208	(93,208)	-
Third Sector Early Intervention Fund – Visitors' Centre	-	29,340	(29,340)	-
The Wise Group	-	59,459	(59,459)	-
Lothian & Border CJA	-	8,022	(8,022)	-
The Tudor Trust	-	30,000	(30,000)	-
LankellyChase Foundation	5,702	-	(5,702)	-
The Gannochy Trust	-	10,000	(10,000)	-
Nancy Massey Charitable Trust	-	5,000	(5,000)	-
Michael & Shirley Hunt Charitable Trust	-	1,571	(1,571)	-
Imagine Foundation	-	5,000	(5,000)	-
Kelly Family Charitable Trust	3,272	-	(1,091)	2,181
BIG Lottery Awards for All	8,023	-	(8,023)	-
Scottish Government (Procurement)	-	9,998	(8,482)	1,516
Anonymous Donor	-	34,993	(34,993)	-
Scot Govt/BLF Communities and Families Fund	-	10,000	(3,000)	7,000
Miscellaneous income	-	29,178	(28,638)	540
	<u>16,997</u>	<u>357,482</u>	<u>(363,242)</u>	<u>11,237</u>
Total funds	<u>168,439</u>	<u>559,150</u>	<u>(524,466)</u>	<u>203,123</u>

Restricted Funds – detail of awards and restrictions on use

- Scottish Prison Service – to provide funding for the Families Outside Support & Information Helpline
- Third Sector Early Intervention Fund (Families Outside) – strand 1 funding towards core costs, including staff costs, office running costs and activity costs.
- Third Sector Early Intervention Fund (Visitors' Centre) – strand 2 funding towards the staff and running costs of the Addiewell Prison Visitors' Centre.
- The Wise Group – to fund Families Outside family support work for the “New Routes” project.
- Lothian & Borders Community Justice Authority - to fund (i) consultancy work to complete the Family Framework and support its implementation, and (ii) family focus group session.
- The Tudor Trust– to fund towards the staff and running costs of the Addiewell Prison Visitors' Centre.
- LankellyChase Foundation – training costs associated with acquisition of the work of Kids VIP in Scotland.

Notes (continued)

12 Funds (continued)

Restricted Funds – detail of awards and restrictions on use (continued)

- The Gannochy Trust – to fund family support work in the Northern & Tayside CJA areas.
- Nancy Massey Charitable Trust - to fund family support work in the Lothian & Borders CJA area.
- Michael & Shirley Hunt Charitable Trust – to fund the purchase of essential domestic goods, clothing and childcare items for families affected by imprisonment
- Imagine Foundation - to fund the consultancy work in the development of support for families affected by imprisonment through schools and, subsequently, the post of Child & Family Support Manager.
- Kelly Family Charitable Trust - to fund the purchase and installation of new IT equipment at Families Outside's head office, replacing outdated and redundant equipment.
- BIG Lottery Awards for All – to fund the consultancy work in the development of support for families affected by imprisonment through schools.
- Anonymous Donor – to fund the work of our family support team.
- Scot Government/The Big Lottery Communities and Families Fund – to enable positive contact between prisoners and their families through music.
- Miscellaneous income – other income streams used for specific small projects e.g. conference fees. This also includes a substantial grant provided by a donor who wishes to remain anonymous.

13 Net assets reconciliation

	Unrestricted £	Restricted £	Total £
Fixed assets	2,631	2,182	4,813
Net current assets	189,255	9,055	198,310
	<u>191,886</u>	<u>11,237</u>	<u>203,123</u>

14 Operating leases

	2014 £	2013 £
<i>Annual commitments under non-cancellable operating leases are as follows;</i>		
In less than one year	-	12,250
In two to five years	13,000	-
	<u>13,000</u>	<u>12,250</u>

15 Related party transactions

During the year the company received £31,713 from the Scottish Prison Service, an organisation in which Colin McConnell, a director, is the Chief Executive Officer.

16 Company limited by guarantee

The directors have each agreed to contribute £1 in the event of the company being wound up.

17 Ultimate controlling party

The charitable company is constituted under its Memorandum and Articles of Association and is managed by its elected trustees.