

FAMILY MEDIATION LOTHIAN
REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2019

Charity Number: SC012815
Company Number: SC110356

COMPANIES HOUSE
EDINBURGH

06 DEC 2019

FRONT DESK



WHITELAW WELLS
Chartered Accountants & Registered Auditors
9 Ainslie Place
Edinburgh
EH3 6AT

FAMILY MEDIATION LOTHIAN
REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2019

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FAMILY MEDIATION LOTHIAN

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2019

The board of directors, who are directors for the purpose of company law and trustees for the purpose of charity law, presents its report and the audited financial statements for the year ended 31 March 2019.

OBJECTS OF THE COMPANY

The objects of the Company are to offer a range of services including family mediation, child contact and other relevant family support interventions to assist and support families through separation. In particular, the Company offers services to children and young people, parents, step-parents, grandparents, adoptive parents and others in the extended family circle who require support during family break up. The Company also aims to assist families to find amicable solutions to problems and issues raised by separation.

ACTIVITIES OF THE COMPANY

In furtherance of its objects the Company will carry out and provide public benefit through the following activities:

- (a) help parents to agree and sustain arrangements designed to promote the well-being and health of their children, through family mediation where necessary;
- (b) provide safe, secure, friendly places where children can meet with their parents or other significant family members after separation;
- (c) provide support services for children and young people affected by family break up and separation;
- (d) promote the idea of counselling to individuals and couples experiencing relationship difficulties or family break-up;
- (e) work in partnership with local authorities, the legal sector and other voluntary and community organisations throughout the Lothian area to promote the above objects; and
- (f) provide a universal service which responds to the needs of all families and children, particularly those from areas where socio-economic factors such as poverty, health inequalities, poor housing and high unemployment have been identified.

ACHIEVEMENTS AND PERFORMANCE

Family Mediation Lothian (FML) provides services for families, including parents, children and young people who are experiencing difficulties around separation, divorce and family break up. Extended family members, for example grandparents, step parents, new partners, siblings may also be included. Through family mediation, we aim to help parents to agree and sustain arrangements that are designed to promote well-being and health for their children. We give further family support through providing child contact services which are neutral child friendly places (with staff and volunteers on hand) where children and parents can meet after separation, and through general support services for children and young people affected by family break up and separation.

We work in the City of Edinburgh and throughout East, West and Mid Lothian and notably, in localities where the impact of poverty, health inequalities, poor housing and high unemployment can exacerbate issues for families in transition. We have a history of responding to need from individuals, from families and from children.

FAMILY MEDIATION LOTHIAN

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2019

Family Mediation Lothian provides: -

- **A telephone/ email based information and signposting service** for parents and the wider community of the Lothians on all issues relating to separation/divorce
- **An intake service** designed to enable separating/divorced parents to make an informed choice, by way of a face to face or telephone meeting, as to whether to use our services and/or those provided by others.
- **Child focussed mediation services** designed to allow parents to come together, reduce conflict, resolve difficulties and negotiate on issues connected with the physical and emotional health and wellbeing of their children.
- **Child Contact Centre services**, offering supported child contact in a neutral and welcoming venue where children can meet and spend time with their non-resident parent and/or extended family members. These Centres can also be used as a beginning and ending point for contact that takes place outside the centre. Contact Centres are seen as providing a relatively short-term solution, the aim being to work towards families making their own contact arrangements when safe to do so. The Contact Centres operate in Leith, Granton, Viewforth, Musselburgh and Livingston.
- **Supervised Contact Services** designed to facilitate contact between children and a non-resident parent in circumstances where (for child protection and/or other reasons) this needs to take place in the presence of a supervisor.
- **Children's Groups** which offer children from separating/divorced families an opportunity to share their experiences, learn from each other about managing difficult situations and to discuss any worries or concerns they may have about their natural/step parents
- **Parenting Apart Groups** which are 3 hour workshops for parents who are separating, for them to meet together and find out how to make the separation less stressful for children

Family Mediation Outcomes

FML works towards providing clear outcomes for parents, children and young people as a result of using our services. These outcomes link with several of the national outcomes set by the Scottish Government and in turn with local authority plans. These include National Outcome 5, 'Our children have the best start in life'; and National Outcome 8, 'We have improved the life chances for children, young people and families'.

Prevention – FML works with adults to help them to understand and work through the issues arising from separation or divorce. This can lead to improved communication, prevention of more serious conflict, and in many cases a decision to work together in the best interests of their children. The most damaging symptoms of family breakdown can be prevented and conflict can be reduced.

Early Intervention – Family mediation is an effective form of early intervention in family breakdown. Mediation can minimise the negative impact of parental conflict by helping parents to communicate more effectively and to understand the impact of conflict on their children. The earlier this intervention takes place, the more effective the outcomes for children will be.

Helping parents and families to develop their own solutions – Family mediation works to empower adults to take responsibility for their futures. Mediation works on the principle of building the capacity of individuals and helping people to help themselves and their families.

FAMILY MEDIATION LOTHIAN

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2019

FML endeavours to ensure that the quality and standards of all aspects of our service is of a consistently high standard. We measure the impact of our work; the difference it makes for the families we serve. We seek verbal and written feedback from beneficiaries and staff, gather baseline information, monitor outputs and outcomes and monitor the service against our business plan.

Other general achievements include: -

- FML continues to be in a stable financial position for the period 2016 – 19. This is in a big part due to Big Lottery providing grant funding for 50% of our child contact centre services, as well as the continuing funding support from the Scottish Government, via the Children, Young People and Families Early Intervention Fund; and City of Edinburgh, East and West Lothian Councils. We also attract other funding via trust funds, general donations and the charging scheme;
- The part-time Child Contact Support Workers have continued to see positive outcomes with over 15 families having benefitted from this practical support throughout the year;
- We have recruited an additional part time intake worker during the year. This means we can provide an extra 6 intake appointments per week which has reduced the overall waiting time for clients accessing our services; there is still some way to go but this is a positive step forward;
- We facilitated 2 children's groups during the year with 12 children attending. The group aims to empower children to share their experience of parents splitting up, helps them express and find ways of dealing with the feelings evoked, normalises the process and helps children look at the positive aspects of changed family arrangements.

A brief 'snap shot' of some of our client feedback includes: -

- Please keep things as they are. A very helpful and friendly service
- Many thanks, mediation was very professional and helpful. Great service from all staff
- I felt mediation was helpful. I really struggle to speak to my husband face to face. So it felt like a safe place to do that and it enabled me to broach difficult topics.
- We have been very satisfied. Wonderful team. Thank you.
- (From a child at children's group) – Thank you for these classes. I enjoy them because it is nice to talk about my emotions and the game 'knots' and all the snacks are delicious. My brother loves everything too. You are both (the group leaders) really nice to be around.
- (From parents of children at children's group)
 - J enjoyed meeting new people and talking about his situation at home.
 - C appreciated knowing that she is not the only one going through this and feeling this way.
 - K enjoyed listening to others and learning how to express negative feelings in a constructive way.
 - Really helpful way to let children open up to non-parents when they might be worried about upsetting their parents

FAMILY MEDIATION LOTHIAN

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2019

FINANCIAL REVIEW

During the last financial year, the charity recorded a net deficit on funds of £15,967 (2018: surplus of £18,716).

These figures include an actuarial loss of £Nil (2018: £11,000 loss) on the pension scheme.

Excluding the movements on the pension scheme, the charity recorded a deficit of £15,967 (2018: surplus of £29,716), including a deficit of £20,008 (2018: surplus of £24,653) on unrestricted funds and a surplus of £4,041 (2018: £5,063) on restricted funds.

Total funds at the year-end amounted to £166,400 (2018: £182,367), of which £43,215 (2018: £39,174) related to restricted funds, £7,543 (2018: £7,543) to unrestricted designated funds and £115,642 (2018: £135,650) to other unrestricted funds.

Reserves policy

The directors have decided that the charity needs to hold one year's rent, non-cancellable commitments, redundancy payments and two months running costs in reserves. This equates to a reserve balance of approximately £112,000 in general funds, after deduction of fixed assets. At the year end the free reserves amount to £115,642.

Risk review

The directors actively review the major risks that the charity faces on a regular basis and believe that maintaining and, if possible, increasing reserves from current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The directors have also examined other operational and business risks faced by the charity and believe that they have established systems to manage the significant risks.

PLANS FOR THE FUTURE

FML's key strategic objectives for the 2019/20 year are to:

- Continue to offer and develop our core services including Information Service, Intake, Mediation, Supported and Supervised Child Contact;
- Carry out an in depth analysis of the specialist child contact support service;
- Continue to explore the development of a new contact centre in Midlothian and West Lothian;
- Deliver Parenting Apart Groups for parents across the Lothians;
- To deliver Children's Groups and seek funding to continue the service;
- Raise awareness of our services by providing information to our referrers and other interested parties e.g. sheriffs and solicitors, elected representatives;
- Continue the implementation of our governance arrangements with a view to ensuring FML meets best practice charity management standards;
- Continue to develop quality assurance and performance evaluation frameworks in respect of the delivery of our services;
- Concentrate on building the financial strength and stability of the charity by exploring new and innovative ways to raise funds; and

FAMILY MEDIATION LOTHIAN

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2019

- Continue to support the continuous professional development of our paid and unpaid workforce.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Family Mediation Lothian (FML) is a registered charity, charity number SC012815, and a company limited by guarantee, company number SC110356, constituted under its Memorandum and Articles of Association.

The directors, as listed on page 8, are elected by members at the AGM and serve until the following AGM where they may be re-elected, subject to serving a maximum period in office of seven years. FML's Memorandum and Articles of Association provide for a minimum of four directors to a maximum of twelve directors.

At the quarterly directors' meetings, the directors agree the broad strategy and areas of activity for FML, including consideration of the progress made towards the achievement of annual Business Plan objectives and review of the charity's finances, its reserves and risk management policies and performance. Directors also serve on Finance and Policy & Development Sub Committees of the Board, along with senior employees. The directors regularly review the skills requirements of the Board and actively pursue a programme of recruitment of directors with appropriate qualifications and skills together with an interest in FML's work.

The induction process for any newly appointed director comprises initial meetings with the Chair of the Board, followed by a series of meetings with FML's Chief Executive and other key members of staff on issues related to the powers and responsibilities of the Board, the range of services provided by FML and wider issues impacting on the work of the charity. Directors receive copies of the Memorandum and Articles of Association, recent financial reports, accounts and board papers, together with available guidance from the Office of the Scottish Charity Regulator and others about the role and functions of directors. A register of directors' interests is kept updated.

FML is a member of Relationships Scotland (RS), formerly known as Family Mediation Scotland. RS provides information on good practice and legislative matters, workforce development, research and funding opportunities, and acts as a link to the Scottish Government and other national public bodies. In order to achieve accreditation under the Civil Evidence (Family Mediation) (Scotland) Act 1995, FML has entered into a partnership agreement with RS, agreeing to adopt the national practice standard, policies and procedures regarding the selection, on-going monitoring, supervision, discipline and removal of mediators. In addition, each mediator employed by FML is required to sign a statement confirming their agreement to meet with the national standard set out by RS. FML is, however, independent from RS.

The directors delegate responsibility for the day to day management of the charity to the Chief Executive, who is in turn supported by a team of eleven part time staff and around twenty-five to thirty sessionally employed mediators and contact centre organisers. FML's work is also supported by a dedicated group of volunteers, whose assistance is greatly appreciated. The key management personnel are considered to be the Senior Management Team.

FAMILY MEDIATION LoTHIAN

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2019

REFERENCE AND ADMINISTRATIVE INFORMATION

The Board of Directors

Alison Edmondson	Chair
James Fraser	Treasurer
Charlotte Di Corpo	
Andrew Gibb	
Scott McAlpine	
Norman McFadyen	
Robert Robertson	(resigned 25 September 2018)
Naeema Sajid	(resigned 5 February 2019)
Gillian Black	(appointed 5 June 2018)
Susan Oswald	(appointed 5 February 2019)

Company secretary

Suzanne Dunne

Senior Management Team

Suzanne Dunne	Chief Executive (to 28 February 2019)
Christine Duncan	Chief Executive (from 1 April 2019 to 21 August 2019)
Kate Shirres	Services Manager (to 10 June 2018)
	Mediation Manager (from 11 June 2018)
Anne Mealyou	Child Contact Manager (from 11 June 2018)

Registered Office and Operational Address

37 George Street
Edinburgh EH2 2HN

Senior Statutory Auditor

Ingela Louise Presslie

Independent auditors

Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh EH3 6AT

Bankers

Bank of Scotland
PO Box 10
38 St Andrew Square
Edinburgh EH2 2YR

FAMILY MEDIATION LOTHIAN

REPORT OF THE BOARD OF DIRECTORS

for the year ended 31 March 2019

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The directors are responsible for preparing the Report of the Board of Directors and the financial statements in accordance with the 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 period, which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, for the financial period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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 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 directors are responsible for maintaining proper accounting records which 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 & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

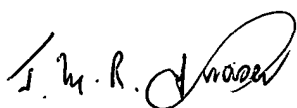
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting.

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

Approved by the directors on 25 November 2019 and signed on their behalf by:



James Fraser
Director

FAMILY MEDIATION LOTHIAN

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS

for the year ended 31 March 2019

Opinion

We have audited the financial statements of Family Mediation Lothian for the year ended 31 March 2019, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet 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 FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting 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 2019 and of its net income or 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Material Uncertainty Related to Going Concern

We draw attention to note 16 in the financial statements, which indicates that the future funding of the charitable company beyond March 2020 is uncertain as no decisions have been currently made as to whether funding will be received or the amount of funding to be received. As stated in note 16, these events or conditions indicate that a material uncertainty exists that may cast doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

FAMILY MEDIATION LOTHIAN

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS

for the year ended 31 March 2019

Other information

The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon. The directors are responsible for the other information. 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.

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

Matters on which we are required to report by exception

In the light of the 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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors 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 trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

FAMILY MEDIATION LOTHIAN

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS

for the year ended 31 March 2019

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 directors 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 the Acts and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

INGELA LOUISE PRESSLIE

Ingela Louise Presslie

Whitelaw Wells
Chartered Accountant and Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AT

25 November 2019

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

FAMILY MEDIATION LOTHIAN
(Company number SC110356)

STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the **INCOME AND EXPENDITURE ACCOUNT**

for the year ended 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
<u>Income and endowments from:</u>					
Donations	2	17,081	-	17,081	36,795
Charitable activities					
Grants received	3	74,017	156,920	230,937	230,584
Other activities	4	30,295	-	30,295	35,692
Investments					
Bank interest		90	-	90	92
Total income		<u>121,483</u>	<u>156,920</u>	<u>278,403</u>	<u>303,163</u>
<u>Expenditure on:</u>					
Raising funds		11,578	-	11,578	10,632
Charitable activities		22,527	260,265	282,792	262,815
Total expenditure	5	<u>34,105</u>	<u>260,265</u>	<u>294,370</u>	<u>273,447</u>
Net (expenditure)/income for the year	6	87,378	(103,345)	(15,967)	29,716
Transfers between funds	14	(107,386)	107,386	-	-
Net (expenditure)/income for the year before other recognised gains and losses		<u>(20,008)</u>	<u>4,041</u>	<u>(15,967)</u>	<u>29,716</u>
(Loss) on defined benefit pension scheme	17	-	-	-	(11,000)
Net movement in funds for the year		<u>(20,008)</u>	<u>4,041</u>	<u>(15,967)</u>	<u>18,716</u>
Total funds at 1 April 2018		<u>143,193</u>	<u>39,174</u>	<u>182,367</u>	<u>163,651</u>
Total funds at 31 March 2019	14	<u><u>123,185</u></u>	<u><u>43,215</u></u>	<u><u>166,400</u></u>	<u><u>182,367</u></u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities are classed as continuing.

The notes on pages 15 to 26 form part of the financial statements

FAMILY MEDIATION LOTHIAN
(Company number SC110356)

BALANCE SHEET

as at 31 March 2019

	Notes	£	2019 £	2018 £
Fixed assets				
Tangible assets	9		1,467	388
Current assets				
Debtors	10	30,761		29,519
Cash at bank and in hand		159,535		187,478
		190,296		216,997
Creditors: amounts falling due within one year	11	(25,363)		(20,018)
Net current assets			164,933	196,979
Net assets excluding pension (liability)			166,400	197,367
Pension (liability)	17		-	(15,000)
Net assets	13		166,400	182,367
Funds				
Unrestricted:				
Designated funds	14		7,543	7,543
General fund	14		115,642	150,650
Pension reserve	14		-	(15,000)
Restricted funds	14		43,215	39,174
Total funds			166,400	182,367

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the members of the board on 25 November 2019 and are signed on their behalf by:



James Fraser
Director

The notes on pages 15 to 26 form part of the financial statements.

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention and are in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) and 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 (FRS102) (effective 1 January 2015).

The charity has taken advantage of the exemption from the requirement to prepare a Statement of Cash Flows as permitted under FRS 102 and the Charities FRS 102 SORP.

The charity constitutes a public benefit entity as defined by FRS 102.

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 16, 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.

(b) Financial instruments

Financial instruments comprise financial assets and financial liabilities which are recognised when the charity becomes a party to the contractual provisions of the instrument. They are classified as "basic" in accordance with FRS102 and are accounted for at the settlement amount due, which equates to the cost. Financial assets comprise cash, grants receivable and other debtors, and financial liabilities comprise creditors and provisions.

(c) Income

All income is included in the Statement of Financial Activities when the charity has entitlement and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Where entitlement is not conditional on the delivery of a specific performance by the charity, income from donations and grants is recognised when the charity becomes unconditionally entitled to the amount. Where related to performance and specific deliverables, grants and donations accounted for as the charity earns the right to consideration by its performance.
- Income from other charitable activities is recognised when the service is provided.
- Investment income is included when receivable.
- The value of services provided by volunteers is not incorporated into these financial statements.

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1. Accounting policies (continued)

(d) Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. The charity is not VAT registered, so any VAT incurred is reported as part of expenditure to which it relates.

- Costs of raising funds comprise the costs associated with attracting donations and grants.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It incorporates both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them, including governance costs. Where costs cannot be directly allocated to an activity they are allocated based on estimated staff time.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

(e) Fixed assets

Fixed assets are initially recorded at cost. Only assets costing in excess of £500 are capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Office equipment	-	3 years straight line
Fixtures and fittings	-	4 years straight line

(f) Fund accounting

Unrestricted funds are donations and other incoming resources generated for the objects of the charity without further specified purpose, and are available as general funds. Designated funds are unrestricted funds that have been earmarked by the directors for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with a fair allocation of management and support costs.

(g) Pensions

The charity contributes to employee personal or stakeholder pension plans. Pension costs charged in the Statement of Financial Activities represent contributions payable by the charity in the year.

FAMILY MEDIATION LoTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

2. Donations	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
General donations	1,775	-	1,775	2,010	-	2,010
Intake donations	4,599	-	4,599	5,923	-	5,923
Mediation donations	6,302	-	6,302	6,287	-	6,287
Inchrye Trust	500	-	500	500	-	500
Anonymous	-	-	-	4,000	-	4,000
Nancie Massey Charitable Trust	2,000	-	2,000	2,000	-	2,000
Robertson Trust	-	-	-	15,000	-	15,000
Cruden Foundation	1,000	-	1,000	-	-	-
Membership income	905	-	905	1,075	-	1,075
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	17,081	-	17,081	36,795	-	36,795
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. Grants	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Scottish Government	74,017	7,654	81,671	74,017	8,356	82,373
City of Edinburgh Council	-	33,250	33,250	-	33,250	33,250
West Lothian Council	-	17,038	17,038	-	16,869	16,869
East Lothian Council	-	9,500	9,500	-	9,500	9,500
Big Lottery Fund Grant	-	89,478	89,478	-	88,592	88,592
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	74,017	156,920	230,937	74,017	156,567	230,584
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4. Income from other charitable activities	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Contact Centre Set-up						
And Reports	13,970	-	13,970	18,692	-	18,692
Supervised Contact	16,325	-	16,325	17,000	-	17,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	30,295	-	30,295	35,692	-	35,692
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FAMILY MEDIATION LOTHIAN
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

5. Total resources expended

	Raising Funds £	Intake Service £	Mediation Service £	Contact Service £	2019 Total £	2018 Total £
Directly allocated						
Contact centre costs	-	-	4,730	-	4,730	6,449
Indirectly allocated						
Membership and subscriptions	27	201	174	268	670	580
Training	275	2,066	1,790	2,754	6,885	4,049
Volunteer and staff travel	59	444	385	593	1,481	1,212
Education and publicity	-	-	-	-	-	288
Staff costs (Note 7)	8,820	66,152	57,332	88,202	220,506	206,739
Rent and service charges	957	7,177	6,220	9,570	23,924	16,518
Rates and water	109	820	711	1,094	2,734	2,085
Cleaning	166	1,247	1,081	1,663	4,157	3,798
Light and heat	83	623	540	830	2,076	1,826
Insurance	95	716	620	954	2,385	2,223
Repairs and maintenance	102	766	664	1,020	2,552	2,291
Telephone	213	1,596	1,383	2,129	5,321	5,634
Postage, printing and stationery	293	2,201	1,907	2,935	7,336	10,552
Legal and professional fees	72	537	465	716	1,790	1,081
Other costs	106	796	690	1,060	2,652	1,756
Depreciation	36	266	231	355	888	1,013
Bad debts	-	-	165	-	165	1,219
Governance costs						
Auditors' remuneration	154	1,152	998	1,536	3,840	3,720
Annual report/AGM	11	83	72	112	278	414
	<u>11,578</u>	<u>86,843</u>	<u>80,158</u>	<u>115,791</u>	<u>294,370</u>	<u>273,447</u>

Included above is expenditure allocated to restricted funds amounting to £260,265 (2018: £242,199).

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

6. Net (expenditure)/income for the year

This is stated after charging:

	2019	2018
	£	£
Auditors' remuneration – Audit fee	2,640	2,520
Accountancy services	1,200	1,200
	<u> </u>	<u> </u>

7. Staff costs

	2019	2018
	£	£
Gross wages and salaries	209,555	195,678
Employer national insurance	6,856	6,487
Employer defined benefit pension contributions	4,095	4,574
	<u> </u>	<u> </u>
Total staff costs	220,506	206,739
	<u> </u>	<u> </u>

The number of persons employed by the charity during the year, on a head count basis, was as follows:

	2019	2018
	No.	No.
Management and administration	6	5
Direct charitable services	20	20
	<u> </u>	<u> </u>
	26	25
	<u> </u>	<u> </u>

No employee received emoluments of more than £60,000 in either the current or previous years. Key management personnel received total remuneration amounting to £63,832 (2018: £58,061) during the year, including employer pension contributions.

No director received remuneration from the charity nor was reimbursed for expenses. The charity paid £650 (2018: £650) for the purchase of indemnity insurance to protect the charity from loss arising from the neglect or default of its directors, employees or other officers.

8. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

9. Tangible fixed assets

	Office Equipment £	Fixtures and Fittings £	Total £
Cost			
At 1 April 2018	8,108	868	8,976
Additions	1,967	-	1,967
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2019	10,075	868	10,943
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2018	7,720	868	8,588
Charge for the year	888	-	888
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2019	8,608	868	9,476
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2019	1,467	-	1,467
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2018	388	-	388
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10. Debtors

	2019 £	2018 £
Service debtors	23,497	18,872
Grants receivable	78	4,000
Other debtors and prepayments	7,186	6,647
	<hr/>	<hr/>
	30,761	29,519
	<hr/> <hr/>	<hr/> <hr/>

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

11. Creditors: amounts falling due within one year

	2019	2018
	£	£
Creditors	4,897	1,860
PAYE and NI	4,020	3,494
Pension	446	534
Accruals and deferred income	16,000	14,130
	25,363	20,018
	25,363	20,018

12. Operating lease commitments

At 31 March 2019 the charity had total commitments under non-cancellable operating leases as set out below:

	Land and Buildings	Office Equipment	Total 2019	Total 2018
	£	£	£	£
Amounts payable within:				
1 year	24,000	2,944	26,944	22,883
1 to 5 years	78,000	9,720	87,720	103,104
More than 5 years	-	-	-	12,067
	102,000	12,664	114,664	138,054
	102,000	12,664	114,664	138,054

13. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Fixed assets	1,467	-	1,467
Net current assets	121,718	43,215	164,933
	123,185	43,215	166,400
Net assets at 31 March 2019	123,185	43,215	166,400

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

13. Analysis of net assets between funds (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	388	-	388
Net current assets	142,805	39,174	181,979
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2018	143,193	39,174	182,367
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14. Movement in funds

	At 1 April 2018 £	Income £	Expend- iture £	Transfers £	Gains/ (Losses) £	At 31 March 2019 £
Restricted funds						
City of Edinburgh Council	-	33,250	(105,877)	72,627	-	-
West Lothian	-	17,038	(42,722)	25,684	-	-
East Lothian	-	9,500	(18,575)	9,075	-	-
Scottish Government	-	7,654	(7,654)	-	-	-
Big Lottery Fund Grant	39,174	89,478	(85,437)	-	-	43,215
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	39,174	156,920	(260,265)	107,386	-	43,215
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds						
Designated funds:						
<i>Dilapidation fund</i>	3,000	-	-	-	-	3,000
<i>Property repair/replacement</i>	4,543	-	-	-	-	4,543
General fund	150,650	121,483	(34,105)	(122,386)	-	115,642
Pension reserve	(15,000)	-	-	15,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	143,193	121,483	(34,105)	(107,386)	-	123,185
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

14. Movement in funds (continued)

	At 1 April 2017 £	Income £	Expend- iture £	Transfers £	Gains/ (Losses) £	At 31 March 2018 £
Restricted funds						
City of Edinburgh Council	-	33,250	(94,891)	61,641	-	-
West Lothian	-	16,869	(38,289)	21,420	-	-
East Lothian	-	9,500	(16,648)	7,148	-	-
Kelly Family Trust	890	-	(1,376)	486	-	-
Scottish Government	-	8,356	(8,356)	-	-	-
Big Lottery Fund Grant	33,221	88,592	(82,639)	-	-	39,174
	-----	-----	-----	-----	-----	-----
Total restricted funds	34,111	156,567	(242,199)	90,695	-	39,174
	-----	-----	-----	-----	-----	-----
Unrestricted funds						
Designated funds:						
<i>Dilapidation fund</i>	3,000	-	-	-	-	3,000
<i>Property repair/replacement</i>	4,543	-	-	-	-	4,543
General fund	125,997	146,596	(31,248)	(90,695)	-	150,650
Pension reserve	(4,000)	-	-	-	(11,000)	(15,000)
	-----	-----	-----	-----	-----	-----
Total unrestricted funds	129,540	146,596	(31,248)	(90,695)	(11,000)	143,193
	-----	-----	-----	-----	-----	-----
Total funds	163,651	303,163	(273,447)	-	(11,000)	182,367
	=====	=====	=====	=====	=====	=====

The transfers to restricted funds represent an allocation of the unrestricted core Scottish Government grant and other unrestricted income to individual restricted projects.

Purpose of designated funds

The directors have designated funds for potential dilapidation costs at the end of the lease term.

The Property Repair and Replacement Fund has been designated as a contingency for general property repairs.

The Pension reserve represents the surplus/(deficit) on the defined benefit pension scheme, as disclosed in note 17.

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

14. Movement in funds (continued)

Purpose of restricted funds

The grants from City of Edinburgh Council, West Lothian Council and East Lothian Council part funded the provision of the full range of FML's services in their area i.e. intake, family mediation and child contact centre services.

The Scottish Government via Relationships Scotland gave a grant towards our core costs and the Parenting Apart Programme.

The Big Lottery Fund gave a grant to part fund the child contact centre service throughout the Lothian's.

15. Related party transactions

No related party transactions were recorded during the year.

16. Going concern

The board have been advised that with effect from 1 April 2020 the current arrangement with Scottish Government funding will cease. Furthermore the Big Lottery Fund, which funds 50% of contact centre costs, will also cease on this date. An application has been submitted by Relationship Scotland during September 2019, on behalf of Family Mediation Lothian and other membership organisations, to the new Families and Communities Fund. A decision is due December 2019 and whilst the Board is confident that the bid will be successful, there is currently no level of certainty regarding this or the level of funding that may be awarded. The Board have delayed the appointment of a new chief operating officer until the outcome is known and on the assumption that the funding bid will be successful, the Board are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

17. Pensions

The charity is a participating employer in respect of one former employee in the Lothian Pension Fund ("The Scheme"), which provides benefits based on final pensionable pay (i.e. defined benefit). Assets of the Scheme are held separately from those of the charity. Contributions would be charged to the Statement of Financial Activities. Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out at 31 March 2018 by a qualified independent actuary who also carried out a subsequent cessation valuation. In accordance with Financial Reporting Standard 102 the accounts for the year ended 31 March 2018 were adjusted to reflect the cessation valuation as the conditions were deemed to exist at the balance sheet date.

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

17. Pensions (continued)

The major assumptions used by the actuary were:

	31/03/19	31/03/18
	% per annum	% per annum
Inflation/Pension Increase	-	2.4%
Salary Increases	-	4.1%
Expected Return on Assets	-	2.6%
Discount Rate	-	2.6%

The employer's share of the assets and liabilities in the scheme were:

	Value at	Value at
	31/03/19	31/03/18
	£	£
Equities	-	117,000
Bonds	-	17,160
Property	-	10,920
Cash	-	10,920
	<hr/>	<hr/>
Total fair value of assets	-	156,000
Present value of funded obligations	-	(140,000)
	<hr/>	<hr/>
Detailed benefit surplus/(liability) at 31 March 2019	-	16,000
Adjustment for cessation valuation	-	(31,000)
	<hr/>	<hr/>
Net defined benefit surplus / (liability) recognised in accounts at 31 March 2019	-	(15,000)
	<hr/> <hr/>	<hr/> <hr/>
Analysis of amount credited to investment income:	2019	2018
	£	£
Expected return on pension scheme assets	-	4,000
Interest on pension scheme liabilities	-	(4,000)
	<hr/>	<hr/>
Net return	-	-
	<hr/> <hr/>	<hr/> <hr/>

FAMILY MEDIATION LOTHIAN

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

17. Pensions (continued)

Actuarial gain/(loss) recognised in the Statement of Financial Activities:	2019 £	2018 £
Changes in demographic assumptions	-	2,000
Changes in financial assumptions	-	2,000
Other experience	-	27,000
Actual return less expected return on pension scheme assets	-	(11,000)
Asset ceiling loss	-	(20,000)
	<hr/>	<hr/>
Actuarial gain/(loss) recognised in the Statement of Financial Activities	-	-
	<hr/> <hr/>	<hr/> <hr/>
 Movement during the year:	 2019 £	 2018 £
Liability at beginning of year	(15,000)	(4,000)
<u>Movement in year:</u>		
Actuarial gain/(loss)	-	20,000
Adjustment for cessation valuation	-	(31,000)
Payment	15,000	-
	<hr/>	<hr/>
(Liability) at end of year	-	(15,000)
	<hr/> <hr/>	<hr/> <hr/>