

Families Outside

Financial statements

31 March 2016

Charity Number SC025366
Company Number SC236539

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Reference and Administrative details

Scottish Charity No.	SC025366
Company No.	236539
Registered address	13 Great King Street, Edinburgh, EH3 6QW

Board of Trustees

Valerie Macniven	(Chairman)	
Justin Hutton-Penman	(Vice Chairman)	
Kevin Havelock	(Treasurer)	<i>appointed 16 June 2016</i>
Rona Fraser	(Individual)	<i>appointed 17 September 2015</i>
Daniel Gunn	(Individual)	
Anne Kent	(Individual)	
Laura King	(Individual)	<i>appointed 17 December 2015</i>
Janice McGowan	(Individual)	<i>appointed 17 December 2015</i>
Brigadier Hugh Monro	(Individual)	
Satwat Rehman	(Individual)	<i>appointed 17 December 2015</i>
Jennifer Russell	(Individual)	
Donald Millar	(Chairman)	<i>resigned 17 September 2015</i>
Douglas Middleton	(Treasurer)	<i>resigned 16 June 2016</i>
Paul Carberry	(Individual)	<i>resigned 17 September 2015</i>
Amie Robertson	(Individual)	<i>resigned 17 September 2015</i>

Prof Nancy Loucks OBE (Company Secretary)

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

I. 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, organisations, 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 are invited to 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.

- Remuneration of key management personnel

Families Outside considers the following individuals constitute key management of the organisation:

- a. Chief Executive
- b. Deputy Chief Executive
- c. Family Support Manager (Children & Families)
- d. Family Support Manager (Training)
- e. Helpline Manager
- f. Finance & Administration Manager
- g. Visitors' Centre Manager

Families Outside utilises a pay scale system based on, but not tied to, the SJC salary scales used by COSLA. Currently, cost of living increases on each scale point amount to 1% per annum. The incremental increase in salary amount, moving up from one point to the next is based historically on the COSLA scales dating back to April 2012. Staff member placement on the salary scale is based on the scoring index of local authority Job Evaluation Schemes, Highland Council's being particularly good example. Salaries for management and all other staff are reviewed annually in March of each year. At this time staff may be paid a scale point increase and/or cost of living increase within the limits of the individual's scale threshold. Any increase in a staff member's salary will, in part, be reflected by the appraisal and performance evaluations for the year. Salary increases will also be subject to consideration of the financial constraints of the organisation and to a staff member having been in post for at least 6 months of the current financial year. The Chief Executive will be able to give one-off payments to staff for exceptional performance in cases where they have reached the top of their salary scale and for whom further incremental progression is not possible.

Trustees' report (continued)

Structure, Governance and Management (continued)

- 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.

With a regular review of the organisational risk register taking place, the hierarchy of individual risks to Families Outside will adjust depending on financial, economic and social factors at the time in question. We have outlined the three risks that Families Outside currently consider to be our principal challenges, along with the countermeasures we have in place to address these risks.

a. Secure funding to maintain (and develop) the organisation and the delivery of quality outcomes.

Countermeasures:

- Ongoing application to a range of funds, monitored by Finance sub-group
- Maintain and manage public profile
- Budgeting process ensures knowledge of required funding
- Process in place if funding not secured (reserves policy/winding down exercise)

b. Manage external key relationships and partnerships effectively.

Countermeasures:

- Maintain focus on core issues based on knowledge and experience
- Present constructive solutions to problem areas
- Work with the Scottish Government, Scottish Prison Service and other statutory partners in line with the principles of the Scottish Concordat, and maintain an open dialogue with these bodies.
- Work closely with CJAs and CPPs
- Chief Executive accountable to Board via Chairman
- Maintain and manage public profile
- Careful assessment of media opportunities

c. Recruit, train and keep competent staff/secondees/volunteers or maintain staff/secondee/volunteer motivation and morale.

Countermeasures:

- Use of support, supervision and appraisal policies
- Use team meetings to air concerns
- Maintaining credibility and funding base
- Provide sufficient training and development opportunities, evaluating impact/benefit in support of the business and its staff/volunteers
- Maintain and manage public profile
- Close management of secondees to ensure placement appropriate to role

2. 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.

Trustees' report (continued)

Objectives and Activities (continued)

Families Outside works to improve outcomes for children and families affected by imprisonment so they can live healthy, active lives free from stigma and impediment. 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.

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

- Families affected by imprisonment can readily 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;
- 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 to achieve our long-term key objectives and include the following:

Ongoing core activities:

- Operation of the Families Outside national freephone Support & Information Helpline, supporting 1,700+ families and professionals per year;
- Direct service provision through our Family Support Team to families affected by imprisonment. Extending to the whole of Scotland, this year the ten members of staff had a caseload of 500 referrals (higher than the targeted 300 families). These 500 families consisted of 642 adults and 406 children and young people).
- Direct provision of support/information to an additional 3,914 families at our prison visitors' centre at HMP Addiewell, with more in-depth support to about 70 families each month;
- Continued development of work in schools and prisons to support children affected by a family member's imprisonment;
- Engaged in new work to support families in financial difficulties due to a family member's imprisonment, funded by the Scottish Legal Aid Board and run in partnership with Citizens' Advice and Shelter;
- Training/awareness-raising to prison staff, teachers and trainee teachers, police, the Judicial Institute, 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 nearly 3,000 people in 2015/16 throughout Scotland (well above the target figure of 2,500);
- 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;

Trustees' report (continued)

Objectives and Activities (continued)

Ongoing core activities: (continued)

- o Development of policy and practice alongside national and local statutory organisations, contributing through consultations, steering & advisory groups relevant to families and our Parliamentary Cross-Party Group on Children & Families Affected by Imprisonment. We also actively seek development of policy and practice in Scotland internationally through membership (and now Board membership and office bearers as Secretary General) of Children of Prisoners Europe (COPE) and the newly-founded International Coalition for Children of Incarcerated Parents (INCCIP);
- o 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, and downloadable materials from our website;
- o Regional contact through our Family Support Coordinators who link with prisons, Community Justice Authorities, and locally based statutory and voluntary support services to ensure families can link in to the most appropriate locally-based supports;
- o Support for other organisations working with families through cross-referral, training, and sharing of information and practice, particularly through coordination and chairmanship of the Criminal Justice Family Support Network; and
- o Exhibitions/presentations/workshops at conferences and other events.

Projects, publications, and research activities:

- o Hosted a successful national conference for 162 delegates in December 2015;
- o Directly influenced the content of the Criminal Justice (Scotland) Act 2016 to ensure information about children of prisoners is gathered and shared, alongside Barnardo's Scotland and the NSPCC;
- o Entered a partnership with the Prison Reform Trust to host the Project Coordinator for Scotland & Northern Ireland for their 3-year programme to reduce the use of imprisonment for women;
- o Received new funding and responsibility for the national coordination and development of prison visitors' centres;
- o Continued our involvement in the New Routes Public Social Partnership, led by the Wise Group;
- o Continued the In Tune music project for children and their parents, and development of the KIN reference group of young people aged 15-25, both in collaboration with Vox Liminus;
- o Supported the introduction of the Dads Rock music-based playgroup into HMP Addiewell;
- o Continued the delivery of the 'Out of the Shadows' training resource on the impact of a family member's imprisonment on young people, and contributed our '27,000 Voices' video for a European-wide resource called '800,000 Voices';
- o Completed and received national endorsement of the Framework for Support to Families Affected by the Criminal Justice System, funded by Lothian & Borders Community Justice Authority;
- o Supported research into the difficulties families experience with travel and transport to prisons;
- o Published a new edition of *In Brief* reviewing the more recent literature on the impact of imprisonment on children and families;
- o Published annual reviews of the work of our Family Support Team, Helpline, and Prison Visitor Centre;
- o Continued work on support to children of prisoners through schools, particularly through delivery of in-prison Continuing Professional Development courses to teachers; and
- o Further developed peer-based support to involve families in supporting themselves and each other.

Trustees' report (continued)

3. 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 with input from HM Chief Inspector of Prisons, the Scottish Prison Service, Police Scotland, and European research on electronic monitoring.

The Family Support Coordinators and Chief Executive work closely with the Scottish Prison Service, Scotland's eight Community Justice Authorities (CJAs), and now Community Planning Partnerships (in progress) 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 14 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. Significantly, we continue to deliver training to judges and Justices of the Peace at the Judicial Institute where possible.

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 is the first port of call for many families, who can then be linked to the most appropriate support, including to our family support team. The Helpline 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 2,000 'followers' on Twitter, for example, which is increasing its value to us as a means of campaigning and communication.

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 continue our work with a member of our Board with marketing expertise to target our markets more effectively. In 2015/16 we also worked with a group of young people to develop new materials specifically for their age group and will continue to do so in the coming year.

Meanwhile, our staff numbers continue to increase, and we used 2015/16 to implement changes to our staffing and management structures for our growing team. Increased funding has enabled us to allocate additional staff regionally, including a new post in Kilmarnock and (in 2016-17) Inverness, and to allocate additional hours for a number of existing staff. A number of changes to our staff team in September and October meant we welcomed new and highly-qualified staff onto our team, while we parted with some excellent staff who moved on to promoted opportunities elsewhere.

4. Financial Review

The Statement of Financial Activities shows that Families Outside ended the year with a surplus of £55,815 which compares with a surplus of £3,816 for the previous year. This surplus is made up of the following:

- a. unrestricted surplus totaling £1,741 which resulted in our unrestricted funds increasing from £190,477 as at 31 March 2015 (restated) to £192,218 at 31 March 2016.

Trustees' report (continued)

4. Financial Review (continued)

- b. a restricted surplus of £53,444 relating to:
- a. a full grant of £50,000 received from an anonymous donor in the 2015/2016 that is placed in restricted reserve to be used for family support work in 2016/2017;
 - b. £2,710 received from the Scottish Government towards to depreciating cost of a new server;
 - c. underspend of four grants totaling £1,448 towards our *Speak Up Speak Out* project to be placed in restricted reserve and used in 2016/2017;
 - d. underspend of £2,025 (of grants totaling £2,500) received from two donors for our *Safe Place* peer support project to be placed in restricted reserve and used in 2016/2017;
 - e. underspend of £2,750 (of an £6,000 grant) received from Barnardo's Scotland for a literature review to be placed in restricted reserve and used in 2016/2017;
 - f. overspend of £135 on an *Aromatherapy* project offset against income received in 2013/2014 from the Edinburgh Airport Fund and currently being held in restricted reserve;
 - g. overspend of £3,855 on costs towards the running of the Addiewell Prisons Visitors' Centre offset against income received in 2014/2015 from Sodexo Justice Services and currently being held in restricted reserve;
 - h. overspend of £141 on our discretionary fund for families affected by imprisonment offset against income received from various donors in 2014/2015 and currently being held in restricted reserve;
 - i. expenditure on depreciation of £1,358 from income received in 2012/2013 and 2014/2015 from the Kelly Family Charitable Trust, currently being held in restricted reserve, and which continues to be carried forward to cover depreciation on specified capital items.

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.

Principal funding sources for 2015/2016

Third Sector Early Intervention Fund: Families Outside Core	Third Sector Early Intervention Fund: Addiewell Prison Visitors Centre
The Tudor Trust	Scottish Government
The Volant Trust	The R S Macdonald Charitable Trust
The Rayne Foundation	Sodexo Justice Services
The Big Lottery (Young Start)	Fife Council
The Brook Trust	STV Appeal
Imagine Foundation	The Wise Group
Nancie Massey Charitable Trust	The Robertson Trust
The Scottish Legal Aid Board	Scottish Prison Service
NHS Grampian	Greater Glasgow & Clyde NHS
The Royal Bank of Scotland Community Fund	Lothian & Borders Community Justice Authority

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 Soroptimists, The University of Edinburgh Law Ball Committee, Scottish Military Ball Committee, Cash For Kids, Welltec UK Ltd, the Friends of Families Outside and everyone else who made donations and supported our activities throughout the year. We would also like to thank our departing Chairman, Donald Millar, who raised over £1,500 in a sponsored walk from HMP Polmont to HMP Edinburgh.

Trustees' report (continued)

4. Financial Review (continued)

Reserves Policy

The following represents the current reserves position for the organisation arising from past operating results.

a. Restricted reserves	£64,421
b. Unrestricted reserves	£192,218
c. Free reserves	£189,392

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. Based on current costs in 2016/2017, the free reserves amount of £189,392 covers three months' worth of operating expenditure. The "operating expenditure" of Families Outside is defined by staff costs, activity costs and office running costs, but excludes any specific funded short term project work.

The current level of free reserves of £189,392 is at the lower end of the desired aim of covering three to six months forecast operating activity. Given current forecast operating expenditure, the optimum amount to cover six months' worth of operating expenditure would be £380,000. Although, the organisation has achieved the lower end of its free reserve policy, Families Outside still endeavours to increase this to the mid to higher end, £285,000 - £380,000. In order to achieve this aim we:

- maintain a continuous stream of funding applications and requests to cover and exceed existing costs within any given financial year.
- monitor expenditure on a monthly, with cost-cutting measures implemented where they are deemed necessary and appropriate.

5. Plans for future periods

In the forthcoming 2016/2017 financial year, Families Outside will commit itself to the following activities:

- 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, while marketing and embedding our new Helpline number: **0800 254 0088**
- Host our principal 25th Anniversary event, with comments included from key players featured here: <https://vimeo.com/171387237>;
- Launch the first national resource from KIN, available here: <https://vimeo.com/167891263>;
- Publishing the next edition of *In Brief*, summarising the updated literature review in *Rendering Them Visible: A Review of Progress Towards Increasing Awareness and Support of Prisoners' Families*;
- Complete, launch, and circulate our new book for primary school children, *My Diary*, written with Scottish children's author Mike Nicholson;
- Continue our work on Child & Family Impact Assessment and publications;
- Complete, launch, and circulate our new resource to support for families of people convicted of a sexual offence, *Picking Up the Pieces*
- Circulate a 'Toolkit' for schools developed with Glasgow City Council to supplement their work on loss and bereavement;
- Work with Greater Glasgow & Clyde NHS to improve the reach of our training to universal services, including specific resources for health professionals and youth workers;
- Re-launch Free Speech – formal training in public speaking for young people with experience of a family member's imprisonment to help them share their stories;

Trustees' report (continued)

5. Plans for future periods (continued)

- Continue campaigning through the Parliamentary Cross-Party Group regarding Scotland's treatment of children with imprisoned parents;
- Continue to provide direct support to families affected by imprisonment throughout Scotland;
- 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, the Judicial Institute, Children's Panel members, NHS, police, schools, courts, social workers, students of social work and forensic psychology, and secondary school students;
- Continue the development of resources for professionals in justice, education, health and other sectors;
- Through the new National Coordinator and National Prison Visitors' Centre Steering Group, continue to support the development of prison Visitors' Centres;
- Provide further opportunities for family members to come together, talk and listen in a safe environment and feed more directly into our work; and
- 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 and INCCIP.

6. Auditors

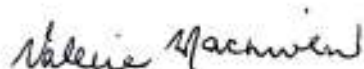
A resolution to appoint auditors for the ensuing year will be proposed at the annual general meeting in accordance with Section 485 of the Companies Act 2006.

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

7. 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



Valerie Macniven
Chairman

Registered office:
13 Great King Street
Edinburgh
EH3 6QW

20 September 2016

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 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 Trustees 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 an 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 2016 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.



James Davidson (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)

20 September 2016

Statement of financial activities (Incorporating Income and expenditure account)

for the year ended 31 March 2016

		2016	2016	2016	Restated
		Unrestricted	Restricted	Total	2015
	Note	Funds	Funds	Funds	Total
		£	£	£	Funds
					£
Income					
Donations and legacies	2	9,331	-	9,331	12,466
Other trading activities	3	9,963	-	9,963	10,760
Income from investments	4	256	-	256	280
Income from charitable activities	5	155,000	535,235	690,235	532,865
Total income and endowments		174,550	535,235	709,785	556,371
Expenditure					
Expenditure on raising funds	6	(9,716)	-	(9,716)	(10,721)
Expenditure on charitable activities	7	(163,093)	(481,791)	(644,884)	(541,834)
Total expenditure		(172,809)	(481,791)	(654,600)	(552,555)
Net income		1,741	53,444	55,185	3,816
Balances brought forward at 1 April 2015 - as restated		190,477	10,977	201,454	197,638
Balances carried forward at 31 March 2016		192,218	64,421	256,639	201,454

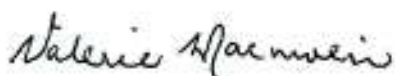
All of the activities of the company are classed as continuing.

Balance sheet

at 31 March 2016

	Note	2016 £	2016 £	Restated 2015 £	Restated 2015 £
Fixed assets					
Tangible assets	11		6,073		5,654
Current assets					
Debtors	12	27,586		18,281	
Cash at bank		266,209		217,629	
		<u>293,795</u>		<u>235,910</u>	
Creditors: amounts falling due within one year	13	<u>(43,299)</u>		<u>(40,110)</u>	
Net current assets			250,566		195,800
Net assets			<u>256,639</u>		<u>201,454</u>
Funds					
Unrestricted	14		192,218		190,477
Restricted	14		64,421		10,977
Total funds	15		<u>256,639</u>		<u>201,454</u>

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 20 September 2016 and were signed on its behalf by:



Valerie Macniven
Chairman

Statement of cash flow
for the year ended 31 March 2016

	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities				
Net income	55,185		3,816	
Depreciation	4,049		2,931	
Income from investments	(256)		(280)	
(Increase) in debtors	(9,305)		(9,014)	
(Decrease)/increase in creditors	3,119		15,150	
Cash provided by operating activities		52,792		12,603
Cash flows from investing activities				
Investment income	256		280	
Purchase of fixed assets	(4,468)		(3,773)	
Cash used in investing activities		(4,212)		(3,493)
Increase in cash and cash equivalents in the year		48,580		9,110
Cash and cash equivalents at the beginning of the year		217,629		208,519
Total cash and cash equivalents at the end of the year		266,209		217,629
Cash and cash equivalents comprise:				
Cash at bank		266,209		217,629

Notes

(forming part of the financial statements)

1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" (revised 2015), and in accordance with Financial Reporting Standard 102 (FRS 102).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required. At the date of transition one restatement was required in respect of accrued holiday pay. Reconciliation statements in respect of this are set out below:

Reconciliation of fund balances

	31 March 2015			1 April 2014		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Funds held under SORP 2005	195,452	10,977	206,429	191,886	11,237	203,123
Adjustment: Holiday pay accrual	(4,975)	-	(4,975)	(5,485)	-	(5,485)
Funds restated under SORP 2005 (FRS 102)	190,477	10,977	201,454	186,401	11,237	197,638

Reconciliation of net income/(expenditures)

	31 March 2015		
	Unrestricted £	Restricted £	Total £
Net income/(expenditure) under SORP 2005	3,566	(260)	3,306
Adjustment: Holiday pay accrual	510	-	510
	4,076	(260)	3,816

Going concern

These financial statements have been prepared on the going concern basis which assumes that the charity will continue its operations. The Board consider it is appropriate to draw up the financial statements on a going concern basis as sufficient funding has been secured to cover operational costs for the 12 months from the date of the financial statements. The Board is actively seeking funds for the following 12 months and beyond.

Notes (continued)

I Accounting policies (continued)

Income

Income is recognised when the charity has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably. Donations, grants and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. Other trading income includes consultancy and research fees, which are recognised when the charity has delivered the service and is therefore entitled to the income.

Income that relates to a future period as a result of donor imposed conditions specifying the time period in which it must be used, is treated as deferred income.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The charity is not registered for VAT and accordingly costs are shown gross of irrecoverable VAT. Where directly attributable, expenditure is allocated to the relevant functional category.

Expenditure on raising includes costs associated with generating income for the charity, either through fundraising initiatives or research projects. Expenditure on charitable activities includes costs incurred in supporting the charity and its objectives as set out in the trustees' report.

Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the charity and its compliance with regulations and good practice. They therefore include the costs of statutory audit, together with the costs of trustees' meeting and some staff costs. Other support costs relate to the administrative costs of running the charity and are allocated to charitable activities accordingly.

Fixed assets

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
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Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

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

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity, without further specified purpose and are available as general funds.

Restricted funds are those fund which are subject to restrictions on their expenditure imposed by the donor.

Pensions

The charity contributes to employees' individual pension plans. The amounts charged in the Statement of Financial Activities represent the contributions to the defined contribution scheme and to individual pension plans in respect of the accounting period.

Notes (continued)

1 Accounting policies (continued)

Operating lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2 Donations and legacies

	31 March 2016			31 March 2015		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations	7,277	-	7,277	10,466	-	10,466
Gift aid	2,054	-	2,054	2,000	-	2,000
	<u>9,331</u>	<u>-</u>	<u>9,331</u>	<u>12,466</u>	<u>-</u>	<u>12,466</u>

3 Other trading income

	31 March 2016			31 March 2015		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Conference income and events	9,213	-	9,213	9,252	-	9,252
Research income	750	-	750	1,508	-	1,508
	<u>9,963</u>	<u>-</u>	<u>9,963</u>	<u>10,760</u>	<u>-</u>	<u>10,760</u>

4 Income from investments

	31 March 2016			31 March 2015		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Interest receivable	256	-	256	280	-	280
	<u>256</u>	<u>-</u>	<u>256</u>	<u>280</u>	<u>-</u>	<u>280</u>

Notes (continued)

5 Income from charitable activities

	31 March 2016			31 March 2015		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
The Scottish Government	115,000	3,613	118,613	100,000	-	100,000
The Wise Group	-	70,910	70,910	-	60,014	60,014
Lothian & Border CJA	-	5,750	5,750	-	275	275
The Brook Trust	15,000	-	15,000	15,000	-	15,000
The Volant Trust	20,000	-	20,000	20,000	-	20,000
The Gannochy Trust	-	-	-	-	10,000	10,000
Imagine Foundation	5,000	-	5,000	-	5,000	5,000
The Tudor Trust	-	30,000	30,000	-	30,000	30,000
Third Sector Early Intervention Fund – Families Outside	-	101,500	101,500	-	103,000	103,000
Third Sector Early Intervention Fund – Visitors' Centre	-	33,645	33,645	-	35,554	35,554
Michael & Shirley Hunt Charitable Trust	-	1,360	1,360	-	729	729
Nancie Massey Charitable Trust	-	5,000	5,000	-	5,000	5,000
The Robertson Trust	-	16,500	16,500	-	16,500	16,500
Sodexo Justice Services	-	10,020	10,020	-	5,845	5,845
Kelly Family Charitable Trust	-	-	-	-	5,000	5,000
Anonymous Donor	-	50,000	50,000	-	34,993	34,993
RS MacDonald Trust	-	15,000	15,000	-	-	-
STV Appeal	-	17,500	17,500	-	17,000	17,000
Fife Council	-	14,413	14,413	-	12,000	12,000
Scottish Legal Aid Board	-	72,865	72,865	-	23,991	23,991
FSC Discretionary Fund	-	1,265	1,265	-	300	300
The Big Lottery (Young Start)	-	31,808	31,808	-	-	-
Dr Guthrie's Association	-	1,449	1,449	-	-	-
Seedbed Christian	-	2,500	2,500	-	-	-
Barnardo's	-	6,200	6,200	-	-	-
Rayne Foundation	-	20,000	20,000	-	-	-
Prison Reform Trust	-	4,288	4,288	-	-	-
The Royal Bank of Scotland Community Fund	-	2,500	2,500	-	-	-
NHS Grampian	-	1,261	1,261	-	-	-
Greater Glasgow and Clyde NHS	-	8,944	8,944	-	-	-
Scottish Prison Service	-	6,944	6,944	-	32,664	32,664
	<u>155,000</u>	<u>535,235</u>	<u>690,235</u>	<u>135,000</u>	<u>397,865</u>	<u>532,865</u>

6 Expenditure on raising funds

	31 March 2016			31 March 2015		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Bank charges	654	-	654	604	-	604
Conference costs and events	9,062	-	9,062	8,977	-	8,977
Research and project costs	-	-	-	-	1,140	1,140
	<u>9,716</u>	<u>-</u>	<u>9,716</u>	<u>9,581</u>	<u>1,140</u>	<u>10,721</u>

Notes (continued)

7 Charitable activities

	31 March 2016			31 March 2015 - Restated		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Wages and salaries	128,254	361,254	489,508	105,400	318,930	424,330
Meeting costs	89	1,122	1,211	375	97	472
Helpline	-	1,382	1,382	-	1,806	1,806
Project development	699	38,847	39,546	1,934	8,147	10,081
Emergency discretionary fund	-	1,406	1,406	-	897	897
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total direct costs	129,042	404,011	533,053	107,709	329,877	437,586
Support costs (note 8)	34,051	77,780	111,831	37,139	67,109	104,248
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	163,093	481,791	644,884	144,848	396,986	541,834
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

8 Support costs

	Restated	
	2016 £	2015 £
Other staff costs	12,635	15,869
Premises expenses	23,591	17,370
Office running costs	13,579	13,535
Publications	3,175	5,496
Travel	40,819	35,478
Website costs	570	934
Depreciation	4,049	2,932
Miscellaneous	1,250	1,801
Governance costs (note 9)	12,163	10,833
	<hr/>	<hr/>
	111,831	104,248
	<hr/>	<hr/>

9 Governance costs

	31 March 2016			31 March 2015		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Wages and salaries	3,099	3,988	7,087	2,426	4,069	6,495
Board expenses	409	155	564	466	206	672
Meeting costs	-	-	-	82	21	103
Auditors' remuneration - audit fee	2,439	2,073	4,512	2,606	957	3,563
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total direct costs	5,947	6,216	12,163	5,580	5,253	10,833
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

10 Staff costs and numbers

	2016 £	2015 £
Wages and salaries	440,586	381,997
Social security costs	38,359	33,728
Pension costs	17,649	15,099
	<u>496,594</u>	<u>430,824</u>
Remuneration of key management personnel	<u>230,405</u>	<u>222,877</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 (2015 £nil).

The charity contributes to a defined contribution scheme on behalf of employees. The cost for the period was £17,649. At the year end the charity was due to pay £1,649.

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

	2016	2015
Number of employees	<u>21</u>	<u>18</u>

11 Tangible fixed assets

	Equipment £
Cost	
At beginning of year	40,089
Additions	4,468
Disposals	(12,731)
	<u>31,826</u>
At end of year	
Depreciation	
At beginning of year	34,435
Charge for year	4,049
On disposals	(12,731)
	<u>25,753</u>
At end of year	
Net book value	
At 31 March 2016	<u>6,073</u>
Net book value	
At 31 March 2015	<u>5,654</u>

Notes (continued)

12 Debtors

	2016 £	2015 £
Prepayments	1,805	1,083
Accrued income	25,781	17,198
	<u>27,586</u>	<u>18,281</u>

13 Creditors: amounts falling due within one year

	2016 £	Restated 2015 £
Accruals	8,692	12,782
Tax and social security	11,001	9,848
Deferred income	23,536	3,000
Funds held on behalf of others	-	14,480
	<u>43,229</u>	<u>40,110</u>

Funds held on behalf of others relate to an award from the Network for Social Change, which is payable to Children of Prisoners Europe (COPE). The total amount received in the year was £Nil and the total amount paid from these funds was £14,480.

14 Funds

	Restated 2015 £	Incoming £	Outgoing £	2016 £
Unrestricted funds				
General fund	190,477	174,550	(172,809)	192,218
Restricted funds				
Third Sector Early Intervention Fund – Families Outside	-	101,500	(101,500)	-
Third Sector Early Intervention Fund – Visitors' Centre	-	33,645	(33,645)	-
The Wise Group	-	70,910	(70,910)	-
Lothian & Border CJA	-	5,750	(5,750)	-
The Tudor Trust	-	30,000	(30,000)	-
STV Appeal	903	17,500	(17,500)	903
Nancy Massey Charitable Trust	-	5,000	(5,000)	-
Barnardo's	-	6,200	(3,450)	2,750
The Big Lottery (Young Start)	-	31,808	(31,808)	-
Kelly Family Charitable Trust	5,824	-	(1,357)	4,467
Sodexo Justice Services	3,855	10,020	(13,875)	-
Rayne Foundation	-	20,000	(20,000)	-
Anonymous Donor	-	50,000	-	50,000
The R S MacDonald Charitable Trust	-	15,000	(15,000)	-
NHS Grampian	-	1,261	(1,261)	-
Fife Council	-	14,413	(14,413)	-
Scottish Legal Aid Board	-	72,865	(72,865)	-
Robertson Trust	-	16,500	(16,500)	-
Greater Glasgow & Clyde NHS	-	8,944	(8,944)	-
Scottish Prison Service	-	6,944	(6,944)	-
Other funds with income < £5,000	395	16,975	(11,069)	6,301
	<u>10,977</u>	<u>535,235</u>	<u>(481,791)</u>	<u>64,421</u>
Total funds	<u>201,454</u>	<u>709,785</u>	<u>(654,600)</u>	<u>256,639</u>

Notes (continued)

14 Funds (continued)

Restricted Funds – detail of awards and restrictions on use

- 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" and "Positive Routes" projects.
- Lothian & Borders Community Justice Authority - to fund consultancy work to complete the Family Framework and support its implementation.
- The Tudor Trust- funding towards the staff and running costs of the Addiewell Prison Visitors' Centre.
- STV Appeal – funding towards family support work and the Discretionary Fund.
- Nancy Massey Charitable Trust - funding towards family support work in the Lothian & Borders area.
- Barnardo's – funding towards a literature review project.
- The Big Lottery Fund (Young Start) – funding towards Kin: a project by young people, for young people to help them communicate the experience of having a family member in prison.
- Kelly Family Charitable Trust - funding towards capital costs: purchase of new helpline equipment and development of the Families Outside website.
- Sodexo Justice Services – funding towards staff and other costs of the Addiewell Prison Visitors' Centre.
- Rayne Foundation – funding towards family support work and the management of this work.
- Anonymous Donor – funding towards family support work and the management of this work.
- The R S MacDonald Charitable Trust – funding towards family support work.
- NHS Grampian - to fund health improvement projects for prisoners in Grampian.
- Fife Council – funding towards family support work in the Fife area.
- Scottish Legal Aid Board – funding towards family support work, specifically the Money Worries project that is run in partnership with Shelter and Citizens Advice Bureau.
- Robertson Trust – to fund the staff costs of a Children and Family Support Manager.
- Greater Glasgow and Clyde NHS - to fund training development and delivery to health practitioners on the impact of imprisonment on families in the Greater Glasgow & Clyde area.
- Scottish Prison Service – funding in April and May 2015 towards the Families Outside Support & Information Helpline.
- Miscellaneous income – other income streams used for specific small projects.

Notes (continued)

15 Net assets reconciliation

	31 March 2016		
	Unrestricted £	Restricted £	Total £
Fixed assets	1,475	4,598	6,073
Net current assets	190,743	59,823	250,566
	<u>192,218</u>	<u>64,421</u>	<u>256,639</u>

16 Operating leases

The charity has minimum future commitments under operating leases as follows:

	2016 £	2015 £
Due within one year	11,917	13,000
Due within two to five years	-	11,917
	<u>11,917</u>	<u>24,917</u>

17 Company limited by guarantee

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

18 Ultimate controlling party

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