

SCOTTISH MARRIAGE CARE
REPORT AND ACCOUNTS
31 MARCH 2003



COMPANY INFORMATION

Directors

Paul Biagi (Chairman)
John Kerr
Joseph O'Hagan
Ann Roisin Durkin Appointed 28 April 2002
Ronald Gordon Appointed 28 April 2002
Henry Reid Appointed 28 April 2002
Louise Robb Appointed 28 April 2002
Carole Sheridan Appointed 28 April 2002
Brian Smith Appointed 28 April 2002
Philip Church Appointed 11 November 2002

Company Secretary

Louise Robb

Chief Executive

Mary Toner

Registered Office

72 Waterloo Street
Glasgow
G2 7DA

Registered Number

SC 137213

Charity Registration Number

SCO 18249

Bank

Royal Bank of Scotland plc
10 Gordon Street
Glasgow
G1 3PL

Registered Auditors

Wylie & Bisset
Chartered Accountants
135 Wellington Street
Glasgow
G2 2XE

Solicitors

HBM Sayers
13 Bath Street
Glasgow
G2 1HY

DIRECTORS' REPORT

The directors submit their report and accounts for the period ended 31 March 2003.

Review of activities

The principal activities of the company are to provide couple counselling and relationship support services to the whole community in Scotland. It operates through nine branches in various parts of Scotland. Scottish Marriage Care recruit, train and provide ongoing support to all volunteer members. Professionally trained volunteers deliver counselling services. The company is administered by a Chief Executive who reports directly to the Board of Directors.

On 23 May 2002, the company changed its name to Scottish Marriage Care.

During the period, the company received a revenue grant from the Scottish Executive of £76,646 and a training grant of £15,000. It also received a revenue grant from the Community Fund of £103,813 which is the second instalment of a three year grant towards additional staffing and operational costs. The company is dependent upon such grants to continue its operations.

The total income of £313,274 for the period has been reduced by expenditure of £304,322 leaving a surplus of £8,952 to add to accumulated funds brought forward. The company will carry forward these reserves to meet expenditure in the event of a shortfall in future funding.

Directors and their interests

The directors who served during the period are shown on page 1. In addition, Rev. Gerard Hassay and Kathy Smyth served as directors until their resignations on 28 April 2002 and Brian Robertson until his resignation on 17 March 2003. Every director is a member of the company. As the company is limited by guarantee it does not have a share capital, therefore none of the directors holds any shares.

Statement of directors' responsibilities

Company Law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that period. In preparing those accounts, the directors are required to

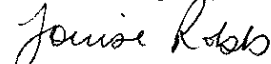
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue to provide services.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Wylie & Bisset are willing to be re-appointed as auditors in accordance with Section 385 of the Companies Act 1985.

The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD

LOUISE ROBB
Secretary

23 June 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCOTTISH MARRIAGE CARE

We have audited the accounts on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 2 in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of opinion

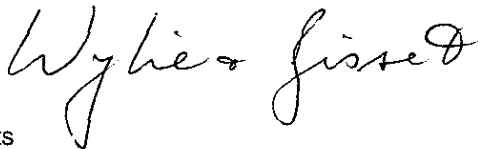
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 2003 and of its incoming and outgoing resources for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

WYLIE & BISSET
Chartered Accountants
Registered Auditors
Glasgow



23 June 2003

A member firm of
The UK 200 Group
PRACTISING CHARTERED ACCOUNTANTS

IAA International Association
of Practising Accountants

**INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2003**

	Notes	Restricted	General	2003 Total (15 months) £	2001 £
Incoming resources:					
Core Funding – Scottish Executive (Sec 10)	8	-	76,646	76,646	59,444
Grants – Scottish Executive SEN	8	-	15,250	15,250	-
Training grant – Scottish Executive (Sec 9)	8	-	15,000	15,000	13,000
Grants – Community Fund	8	103,813	-	103,813	83,279
Grants – Release from Grant Reserve	8	-	23,738	23,738	9,961
Grants – Unrestricted		-	14,610	14,610	-
Trust income		14,312	3,500	17,812	21,980
Donations		-	7,967	7,967	9,624
Training fees		-	13,085	13,085	21,425
Contributions from branches		-	23,500	23,500	18,323
Interest received		-	1,853	1,853	805
Total incoming resources		118,125	195,149	313,274	237,841
Resources expended:					
Staff	3	80,565	97,088	177,653	107,428
Premises		12,861	12,263	25,124	16,668
Administration		10,346	13,067	23,413	14,925
Travel		3,085	6,780	9,865	9,437
Training		6,956	25,491	32,447	40,151
Public relations and advertising		-	10,929	10,929	7,220
Depreciation		-	10,606	10,606	8,681
Professional fees		4,312	9,973	14,285	5,085
Total resources expended	4	118,125	186,197	304,322	209,595
Net incoming resources		-	8,952	8,952	28,246
Accumulated fund brought forward		-	30,920	30,920	2,674
Accumulated fund carried forward		£ -	£ 39,872	£ 39,872	£ 30,920

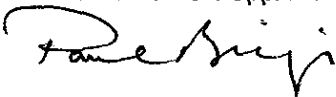
The notes on pages 6 to 8 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	£	2003 £	2001 £
Fixed assets:				
Tangible assets	5		17,373	26,406
Current assets:				
Debtors		7,352		9,208
Cash at bank and on hand		62,817		67,156
		70,169		76,364
Creditors: amounts falling due within one year	6	7,819		8,261
Net current assets			62,350	68,103
Total assets less current liabilities			79,723	94,509
Creditors: amounts falling due after more than one year	7		(20,000)	(20,000)
Grant Reserve	8		(19,851)	(43,589)
			£ 39,872	£ 30,920
Reserves:				
Accumulated fund			£ 39,872	£ 30,920

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts were approved by the Board on 23 June 2003.



PAUL BIAGI
Chairman

The notes on pages 6 to 8 form part of these accounts.

**NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2003**

1. Status

The company is limited by guarantee and does not have a share capital. The liability of each member to contribute to the assets of the company is limited to £1 and on 31 March 2003 the company had 10 members. The company is not liable to taxation because of its charitable status.

The company has 9 branches. The branches were separate entities until 1 January 2002. Since that date, they have operated under Scottish Marriage Care. The figures for the branches are detailed in Note 9 for this period. The figures will be incorporated fully into the accounts for the year ended 31 March 2004.

2. Accounting policies

The accounts are prepared in accordance with applicable Accounting Standards, including the Statement of Recommended Practice for charity accounts, the Financial Reporting Standard for Smaller Entities (effective June 2002) and under the historical cost convention.

- (a) Donations and grants are included in the financial period of receipt except for grants relating to capital expenditure, which are released to income over the useful life of the asset.
- (b) Grant received to pay for specific expenditure are shown as restricted income. The relevant expenses are deducted from the amounts received.
- (c) Depreciation is provided on fixed assets as follows:

Fixtures & Fittings	- 20% p.a. on a straight line basis.
Equipment	- 25% p.a. on a straight line basis.

3. Staff costs

	2003 (15 months) £	2001 £
Salaries	155,360	93,987
Social security costs	13,674	7,942
Pension costs	8,619	5,499
	£ 177,653	£ 107,428

The average weekly number of employees during the period was 7 (2001 = 6). All were involved in the company's charitable activities.

The company makes contributions to a group personal pension scheme set up for some of its employees. The assets of the scheme are held separately from those of the company.

4. Expenditure

	2003 (15 months) £	2001 £
Included in expenditure are:		
Depreciation	10,606	8,681
Auditor's remuneration	1,500	1,000

**NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2003**
(continued)

5. Fixed assets

	Equipment £
Cost:	
At 1 January 2002	40,723
Additions	1,573
At 31 March 2003	42,296
Depreciation:	
At 1 January 2002	14,317
Provided during period	10,606
At 31 March 2003	24,923
Net book value:	
At 31 March 2003	£ 17,373
At 31 December 2001	£ 26,406

6. Creditors: amounts falling due within one year

	2003 £	2001 £
Tax and social security	3,640	6,881
Other creditors	4,179	1,380
	£ 7,819	£ 8,261

7. Creditors: amounts falling due after more than one year

	2003 £	2001 £
Interest-free loan repayable within 5 years from October 2001	£ 20,000	£ 20,000

8. Grant reserve

	Revenue £	Capital £	2003 £	2001 £
At 1 January 2002	11,286	32,303	43,589	12,880
Released to income	(11,286)	(12,452)	(23,738)	(9,961)
Grants received in the period:				
Community Fund	103,813	-	103,813	123,949
Scottish Executive	106,896	-	106,896	72,444
Released to income	(210,709)	-	(210,709)	(155,723)
At 31 March 2003	£ -	£ 19,851	£ 19,851	£ 43,589

SCOTTISH MARRIAGE CARE

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2003

9. Branch Summaries

	Aberdeen £	Ayrshire £	Dundee £	Edinburgh £	Falkirk £	Glasgow £	Motherwell £	Paisley £	Fife £	Total £
Income										
Diocesan donations	3,300	-	1,000	5,000	7,500	10,000	2,500	3,000	2,500	34,800
General donations	1,947	2,227	590	4,279	1,102	5,805	1,672	2,073	1,314	21,009
Marriage preparation	520	-	-	3,950	1,120	1,880	920	20	1,840	10,250
Sundry grants & income	-	-	1,200	-	456	-	140	-	500	2,296
Interest received	-	7	5	-	35	42	-	-	24	113
Total income	5,767	2,234	2,795	13,229	10,213	17,727	5,232	5,093	6,178	68,468
Expenditure										
Management fees	1,750	2,250	-	1,750	2,500	9,500	1,750	2,250	1,750	23,500
Marriage preparation fees	160	-	60	2,280	580	980	140	140	1,000	5,340
Property costs	762	96	-	-	7,168	-	-	1,102	967	10,095
Administration expenses	627	464	423	1,936	900	10,122	516	1,111	2,116	18,215
Travel expenses	1,186	1,997	766	3,505	1,394	1,037	1,216	763	853	12,717
Publicity	480	-	120	1,033	251	196	-	-	298	2,378
Sundry expenses	-	-	-	15	188	219	371	38	136	967
Total expenditure	4,965	4,807	1,369	10,519	12,981	22,054	3,993	5,404	7,120	73,212
Net surplus/(deficit)	£ 802	£ (2,573)	£ 1,426	£ 2,710	£ (2,768)	£ (4,327)	£ 1,239	£ (311)	£ (942)	£ (4,744)
Reserves										
Brought forward	419	2,632	63	3,721	2,879	8,076	314	1,707	1,565	21,376
Surplus/(deficit) in period	802	(2,573)	1,426	2,710	(2,768)	(4,327)	1,239	(311)	(942)	(4,744)
Carried forward	£ 1,221	£ 59	£ 1,489	£ 6,431	£ 111	£ 3,749	£ 1,553	£ 1,396	£ 623	£ 16,632
Represented by:										
Bank and cash	1,221	1,184	1,989	5,931	111	5,999	1,553	1,396	623	20,007
Due to main company	-	(1,125)	-	-	-	(2,250)	-	-	-	(3,375)
Inter-branch balance	-	-	(500)	500	-	-	-	-	-	-
Carried forward	£ 1,221	£ 59	£ 1,489	£ 6,431	£ 111	£ 3,749	£ 1,553	£ 1,396	£ 623	£ 16,632