Registered No 137213 (Scotland)

SCOTTISH MARRIAGE CARE

REPORT AND ACCOUNTS
31 MARCH 2004



COMPANY INFORMATION

Directors

Paul Biagi (Chairman)	
Philip Church	
Elizabeth Dunn	Appointed 24 August 2003
Ann Roisin Durkin	
Ronald Gordon	
John Kerr	
Henry Reid	
Ian Robertson	Appointed 24 August 2003
Carole Sheridan	
Brian Smith	

Company Secretary

Ronald Gordon

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
168 Bath Street
Glasgow
G2 4TP

Solicitors

HBM Sayers
13 Bath Street
Glasgow
G2 1HY

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 March 2004.

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.

During the year, the company received a revenue grant from the Scottish Executive of £67,105 and a training grant of £15,375. It also received a revenue grant from the Community Fund of £66,194 which is the third 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 £291,436 for the year has been reduced by expenditure of £295,314 leaving a deficit of £3,878 to deduct from accumulated funds brought forward. The company will carry forward the reserves to meet expenditure in the event of a shortfall in future funding.

During the year, the directors of the company set up a company called The Relationship Centre Limited. The principal activity of this company is to raise funds for Scottish Marriage Care by operating a training facility.

Directors and their interests
The directors who served during the year are shown on page 1. Louise Robb and Joseph O'Hagan also served as directors until their resignations on 24 August 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.

Reserves policy
The company's aim is to hold sufficient reserves to enable it to finance the next six months' payroll expenditure (£80,000) and premises costs (£10,000).

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



RONALD GORDON
Company Secretary

2 August 2004

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

We have audited the accounts on pages 4 to 9 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 2004 and of its incoming and outgoing resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wylie & Bisset

WYLIE & BISSET
Chartered Accountants
Registered Auditors
Glasgow

2 August 2004

INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Branches	Restricted	General (Note 2 (b)	2004 Total	2003 (restated) (15 months)
		£	£	£	£	£
Incoming resources:						
Core Funding – Scot Exec (Sec 10)	9	-	-	67,105	67,105	76,646
Grants – Scottish Executive SEN	9	-		15,250	15,250	15,250
Training grant – Scot Exec (Sec 9)	9	-	-	15,375	15,375	15,000
Grants – Community Fund	9	-	66,194	-	66,194	103,813
Release from Grant Reserve	9	-	-	10,390	10,390	23,738
Grants – Unrestricted		2,122	-	5,000	7,122	16,906
Trust income		-	22,000	2,000	24,000	17,812
Training fees		-	-	9,467	9,467	13,085
Donations		64,608	-	9,120	73,728	68,686
Marriage preparation fees		(4,080)	-	4,080	-	-
Contributions from branches		(23,500)	-	23,500	-	-
Interest received		507	-	2,298	2,805	1,966
Total incoming resources		39,657	88,194	163,585	291,436	352,902
Resources expended:						
Staff	3	-	65,747	88,569	154,316	177,653
Premises		6,392	7,877	12,774	27,043	35,219
Administration		9,522	6,485	9,837	25,844	42,595
Travel		9,643	1,933	6,648	18,224	22,582
Training		1,802	6,152	30,933	38,887	32,447
Public relations and advertising		4,136	-	5,864	10,000	13,307
Depreciation		-	-	8,645	8,645	10,606
Professional fees		-	-	11,755	11,755	14,285
Donations		600	-	-	600	-
Total resources expended	4	32,095	88,194	175,025	295,314	348,694
Net (outgoing)/incoming resources		7,562	-	(11,440)	(3,878)	4,208
Accumulated fund brought forward		16,632	-	39,872	56,504	52,296
Accumulated fund carried forward		£ 24,194	£ -	£ 28,432	£ 52,626	£ 56,504

The notes on pages 6 to 9 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	£	2004 £	2003 (restated) £
Fixed assets:				
Tangible assets	5		10,839	17,373
Current assets:				
Debtors	6	8,948		3,977
Cash at bank and on hand		117,272		82,824
		126,220		86,801
Creditors: amounts falling due within one year	7	11,827		7,819
Net current assets			114,393	78,982
Total assets less current liabilities			125,232	96,355
Creditors: amounts falling due after more than one year	8		(20,000)	(20,000)
Grant Reserve	9		(52,606)	(19,851)
			£ 52,626	£ 56,504
Reserves:				
Accumulated fund			£ 52,626	£ 56,504

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 2 August 2004.

PAUL BIAGI
Chairman

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004

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 2004 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 intromissions for the branches are detailed in Note 10 for this year. These intromissions have been fully incorporated into these accounts and the figures for the period ended 31 March 2003 have been restated to include the intromissions for that period.

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) Grants received to pay for specific expenditure are shown as restricted income. The relevant expenses are deducted form 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

	2004	2003 (15 months)
	£	£
Salaries	134,737	155,360
Social security costs	13,108	13,674
Pension costs	6,471	8,619
	£ 154,316	£ 177,653

The average weekly number of employees during the year was 7 (2003 - 7). 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

	2004	2003 (15 months)
	£	£
Included in expenditure are:		
Depreciation	8,645	10,606
Auditor's remuneration	3,372	1,500

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004
(continued)

5. **Fixed assets**

	Equipment £
Cost:	
At 1 April 2003	42,296
Additions	2,111
At 31 March 2004	44,407
Depreciation:	
At 1 April 2003	24,923
Provided during year	8,645
At 31 March 2004	33,568
Net book value:	
At 31 March 2004	£ 10,839
At 31 March 2003	£ 17,373

6. **Debtors**

	2004 £	2003 £
The Relationship Centre Limited	5,666	-
Other debtors	1,445	523
Prepayments	1,837	3,454
	£ 8,948	£ 3,977

7. **Creditors: amounts falling due within one year**

	2004 £	2003 £
Tax and social security	3,787	3,640
Other creditors	8,040	4,179
	£ 11,827	£ 7,819

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004
(continued)

8. **Creditors: amounts falling due after more than one year**

	2004	2003
	£	£
Interest-free loan repayable within 5 years from October 2001	£ 20,000	£ 20,000

9. **Grant reserve**

	Revenue	Capital	2004	2003
	£	£	£	£
At 1 April 2003	-	19,851	19,851	43,589
Grants received in the year:				
Community Fund	66,194	-	66,194	103,813
Scottish Executive Section 10	67,105	-	67,105	76,646
Scottish Executive SEN	15,250	-	15,250	15,250
Scottish Executive Section 9	15,375	-	15,375	15,000
Scottish Executive Emergency grant (paid for 2004/05)	41,000	-	41,000	-
Scottish Community Foundation	-	2,145	2,145	-
	204,924	21,996	266,920	254,298
Released to income from Revenue	(163,924)	-	(163,924)	(210,709)
Released to income from Capital	-	(10,390)	(10,390)	(23,738)
At 31 March 2004	£ 41,000	£ 11,606	£ 52,606	£ 19,851

SCOTTISH MARRIAGE CARE

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004

10. **Branch Summaries**

	Aberdeen	Ayrshire	Dundee	Edinburgh	Falkirk	Glasgow	Motherwell	Paisley	Fife	Total
	£	£	£	£	£	£	£	£	£	£
Income										
Diocesan donations	2,900	4,000	-	5,000	5,000	10,000	2,000	3,000	3,000	34,900
General donations	2,316	3,002	1,029	3,784	2,256	3,379	1,767	1,633	1,572	20,738
Marriage preparation	1,710	80	-	4,000	880	480	120	620	1,080	8,970
Sundry grants & income	-	175	-	-	1,447	-	-	-	500	2,122
Interest received	184	25	4	114	122	18	-	24	16	507
Total income	7,110	7,282	1,033	12,898	9,705	13,877	3,887	5,277	6,168	67,237
Expenditure										
Management fees	1,650	2,400	1,700	3,100	2,650	4,050	2,550	3,100	2,300	23,500
Marriage preparation fees	540	120	-	2,150	440	-	60	200	570	4,080
Property costs	1,006	1,634	-	70	1,901	-	-	850	931	6,392
Administration expenses	2,236	423	679	1,756	970	2,121	225	615	497	9,522
Travel & training expenses	1,148	1,768	180	3,154	1,840	1,080	836	792	647	11,445
Publicity	694	100	508	1,483	482	769	-	100	-	4,136
Donations	-	-	-	100	-	-	-	-	500	600
Total expenditure	7,274	6,445	3,067	11,813	8,283	8,020	3,671	5,657	5,445	59,675
Net surplus/(deficit)	£ (164)	£ 837	£ (2,034)	£ 1,085	£ 1,422	£ 5,857	£ 216	£ (380)	£ 723	7,562
Reserves										
Brought forward	1,221	59	1,489	6,431	111	3,749	1,553	1,396	623	16,632
Surplus/(deficit) in year	(164)	837	(2,034)	1,085	1,422	5,857	216	(380)	723	7,562
Carried forward	£ 1,057	£ 896	£ (545)	£ 7,516	£ 1,533	£ 9,606	£ 1,769	£ 1,016	£ 1,346	£ 24,194
Represented by:										
Bank and cash	1,057	2,096	405	7,016	1,533	9,606	1,769	1,016	1,346	25,844
Due to main company	-	(1,200)	(450)	-	-	-	-	-	-	(1,650)
Inter-branch balance	-	-	(500)	500	-	-	-	-	-	-
	£ 1,057	£ 896	£ (545)	£ 7,516	£ 1,533	£ 9,606	£ 1,769	£ 1,016	£ 1,346	£ 24,194