

Charity Registration No. SC027560 (Scotland)

Company Registration No. SC182935 (Scotland)

**SLEEP SCOTLAND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**



# SLEEP SCOTLAND

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# SLEEP SCOTLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2019

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The Trustees present their Report, together with the accounts for the year ended 31st March 2019. The Board have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

#### **Objectives and activities**

The aim of Sleep Services is to provide face to face or telephone support to families of children and young people with special needs and/or severe sleep problems enhancing their health and welfare.

Sleep Services also provides training courses to support professionals from Education, Health, Social Services and the voluntary sector. These include Sleep Counsellor training, Sleep Awareness training, Sound Sleep training and CPD Refresher days. Promoting the importance of sleep through social media, with the Scottish Government and other bodies is also a key objective, in particular in relation to supporting mental health.

Transitional Education Extra Needs Support (from here on referred to as TEENS+).

TEENS+ is a unique service for young people with autism, complex communication needs and learning difficulties. TEENS+ provides individualised, tailor-made and person centred post-school continuation of education. The programme offers lifelong learning opportunities through education, communication, life skills and personal outcomes. The holistic approach is delivered by three key services: Transitional education programme, Life-long education programme and Befriending programme.

Befriending is in addition to the TEENS+ daily education service and aims to provide engaging activities in the evenings and weekends, providing a range of sessions from 3 hours to weekend respite. We continue the learning experience from TEENS+ and build on the ability to transfer skills in student's daily lives.

#### **Achievements and performance**

##### Sleep Services Achievements

- One of the core activities for the Sleep Service team has been training sleep counsellors and providing them with continuing support. In particular, along with a number of training courses in Scotland, we have again trained professionals in Northern Ireland this year.
- Sleep Counsellors meetings have been prioritised and run successfully. These meetings are essential for providing support and maintaining a good relationship with our Sleep Counsellors, some of whom have little local support.
- Another key activity has been the support given to parent and carers through the Telephone Support Line which is funded by the Big Lottery and continues to be a critical service for families throughout Scotland.
- Following the creation of Sound Sleep for Primary schools, we have now run 8 courses and both the Primary and Secondary Schools courses increased during this year.
- The Scottish Government funded us to concentrate telephone support to families in the North of Scotland who had previously not been taking advantage of the telephone support line. The number of calls in the North of Scotland increased by 95% during the year.
- This has been an extremely successful year for Sleep Services; all income targets were exceeded and all Scottish Government and other funder targets also achieved or exceeded.

# SLEEP SCOTLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### Training Achievements:

- During the year ending 31st March 2019 Sleep Scotland ran 5 Sleep Counsellor Training courses, training 59 new Sleep Counsellors in Scotland and 32 elsewhere (including commissioned courses in Northern Ireland).
- We also ran 8 Sleep Awareness Training courses, training 40 professionals from Scotland and 99 from elsewhere (including Northern Ireland commissions).
- 40 delegates attended a CPD event focusing on the link between anxiety and sleep.
- There were 18 Sound Sleep Courses, training 159 delegates from Scotland and 150 from elsewhere. Of these, 8 were Sound Sleep for Primary Schools courses training 42 delegates from Scotland and 113 from elsewhere. 8 were Sound Sleep for Secondary Schools courses training 92 delegates from Scotland and 37 from elsewhere. We also ran 2 Sound Sleep Peer Mentor courses training 25 delegates from Scotland.
- In addition to the above there were a number of bespoke training courses/events to raise our profile and support families.

#### TEENS Achievements:

- Increased Support from 34 young people with complex needs and communication difficulties to 42
- Improved choice and control leading to increased levels of independence.
- Increased the skills and educational learning opportunities of TEENS+ students.
- Enhancement of the service by developing more meaningful and relevant partnerships for volunteering and work placements.
- Young people achieved a number of accolades and awards through a variety of courses and portfolios.
- 1 young person successfully graduated from TEENS+
- TEENS+ students enabled to become socially included and given the opportunity to confidently engage in community-based assets.

#### Befriending Achievements

- Developed the operational structure of the service for both staff and students.
- Improved service provision by sourcing new sustainable accommodation with flexibility.
- Built up relationships with partners that support the service.
- Worked with families to ensure objectives of our person centred approach is applied.
- Attended and built up external networks with world wide support services (India, Australia and England)

#### **Financial review**

The results for the year are set out in the Statement of Financial Activities.

#### Principal Funding Sources

Sleep Scotland received funding from three Scottish Government grants totalling £121,000 along with £23,000 from three Local Authorities. The balance is made up by TEENS+ & Befriending service charge income, training activities and support from trusts including The Big Lottery and the Robertson Trust.

Funding for TEENS+ is received via service charges to individual users, who are supported by the Department of Health and Social Care, SDS & ILF.

#### Financial impact of any pension liability

Sleep Scotland operates a defined contribution scheme for its employees with NOW Pensions.

#### Social, environmental or ethical policies

The charity does not have a formal policy governing these issues.

# SLEEP SCOTLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### Reserves policy

The Board have adopted a policy whereby the unrestricted funds and funds restricted for use in core activity areas should be sufficient to cover any short-term fluctuations in core grant funding. Such funds are currently held in a current account with any surplus available to be invested in short-term deposits.

### Ability to operate in future periods

There are currently no concerns about the charity's ability to operate in future periods.

### Investment policy

Sleep Scotland currently does not have a formal investment policy but the Board are investigating investment options available to the charity. Funds are held in current accounts or short-term deposit accounts.

### Principal risks and uncertainties

Financial risks remain the potential reduction of principal grant funding sources; failure to secure replacement funding for current grants once completed. These are managed through on-going and proactive relationships with existing funders along with advance planning and early action for replacement funding requests.

Fluctuations in grant funding for core activities, have historically presented a significant risk to the charity. To mitigate this risk additional resources have been invested in the appointment of a fundraiser and the subsequent implementation of a fundraising strategy.

### Future factors that may affect financial performance

There are no known significant future factors that may affect financial performance other than the reliance on grant funding detailed in the paragraph above and the need to cover rising costs and diversify income sources through increased fundraising activities.

# SLEEP SCOTLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### Plans for the future

#### Sleep Services

- Continue to develop Sleep Counselling and Sleep Awareness throughout Scotland, England and Northern Ireland.
- Continue to offer a range of courses and development opportunities and ensure they are accredited by the Royal College of Paediatrics and Child Health whenever possible.
- Widen our reach to families in Scotland requiring support through our telephone sleep support, particularly in the North of Scotland which has particular challenges.
- Generate additional funding from the Scottish Government and/or Grant funders.
- Increase our use of Social Media, update our logo and branding and launch a new website.
- Work in partnership with Glasgow University to develop a pilot for university first year students in two universities. Our Sound Sleep beyond Schools pilot will provide sleep advice for first year students to support their sleep during their transition from school through their first year in university. Following the evaluation of this pilot, we will consider wider access to sleep support in Universities.
- Focus attention of the link between mental health and sleep, lobbying Government and raising awareness.

#### TEENS+

- Continue to grow and develop TEENS+ Lifelong service at Ravenscroft and TEENS+ Transitional service at Liberton.
- Explore models of sustainability to reduce the risks associated with funding.
- Embed pathways and processes for meeting demand and addressing the waiting list.
- Create a pilot service to test the need for students requiring a more community-based approach to enable them to be more engaged in society and have more meaningful experiences appropriate to their needs, wants and wishes.
- Engage with the Sleep Scotland advisory panel.

#### Befriending

- Review costings and ensure they are sustainable for next financial year.
- Develop an accessible and streamlined system for daily operational tasks.
- Assess recruitment process and allocation of staff.

# SLEEP SCOTLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### Structure, governance and management

#### Charity name

The charity is registered under the name Sleep Scotland. It also uses the name TEENS+ for an education project for young people with complex needs.

#### Governing document

The charity is controlled by its governing document the Articles of Association updated in August 2019 and constitutes a company limited by guarantee, as defined by the Companies Act 2006.

#### Recruitment and appointment of Trustees

In accordance with the Articles of Association trustees are appointed for a term of three years and may offer themselves for re-appointment for a second term. The Trustee Appointments Committee shall ensure an adequate skills assessment is in place to inform any appointment decision.

#### Benefits

Trustees receive no remuneration. Reasonable attendance expenses and other duties may be claimed

#### Induction and training

A short induction programme is arranged for new trustees. Training opportunities are made available.

#### Organisational Structure

The Board of Directors form the Committee of Management of Sleep Scotland. The Company Secretary is a salaried employee and has the delegated responsibility to manage the daily operations of the organisation.

#### Benchmarking and setting remuneration of key employees

All roles were benchmarked against similar roles in the relevant sectors and salaries adjusted with effect from April 2018.

#### Related parties

There are four young people who are students at TEENS+ and are also children of the following staff/trustees: SJ Ansell (company secretary and an employee of the charity), A Taylor (Trustee) and C Campbell (Trustee).

The Ravenscroft building, leased by Sleep Scotland for use by TEENS+, is owned by a close family member of the CEO, Jane Ansell. Details relating to this agreement, including all amounts involved, are disclosed within the notes to the accounts (See Note 18).

Two of CEO Jane Ansell's sons are employed as sessional workers by Sleep Scotland.

Trustee E Elliott is an employee of Kerrington Ltd, the owners of the Ravenscroft premises.

#### Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Committee of Management recognise their responsibility for the management of risk throughout the organisation and have established a set of policies and procedures to cover all key areas. The management of specific risk areas has been delegated to senior staff on an ongoing basis. Overview monitoring is carried out at Board level.

# SLEEP SCOTLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### Reference and Administrative Information

The Directors of the charitable company (the charity) are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Trustees who served during the year are as follows:-

#### Trustees

Karen Garrott (Chair)	Resigned 28th May 2019
David McNiven (Chair)	Appointed 24th September 2019
Kirsty Low	
Alan Norman Taylor	
Enrique Elliott	
Sheila Smith	Resigned 17th September 2018
Richard James Stark	
Thomas Colin Campbell	

Company Secretary	S J Ansell
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#### Senior Staff

S J Ansell	CEO
K Jenkinson	Deputy CEO
E Jamieson	TEENS+ Centre Manager
T Ritchie	TEENS+ Centre Manager
S Dowie	Befriending Manager
J Marshall	HR Manager (to December 2018)
G Tait	Finance Manager from 30th April 2018
S Middleton	Finance Manager (to 26th April 2018)

Registered Office and Principal Address	18G Liberton Brae Edinburgh, EH16 6AE
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Auditors	Thomson Cooper
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Bankers	Unity Trust Bank Royal Bank of Scotland
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Charity Registration Number	SC027560
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Company Number	SC182935
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# SLEEP SCOTLAND

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### Statement of trustees' responsibilities

The charity Trustees (who are also the Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the 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 incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these 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 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping 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 and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) 2006 Regulations (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.

### Statement of Disclosure to the Auditor

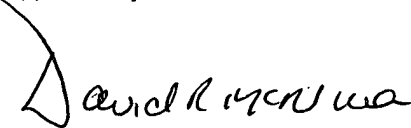
In so far as the Trustees are aware:

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

### Auditors

Thomson Cooper were appointed auditors to the company in accordance with section 485 of the Companies Act 2006. A resolution proposing that they be re-appointed will be tabled at a future Board Meeting.

Approved by the Board of Trustees and signed on its behalf by:



**D McNiven**  
Chair

Dated: 9 October 2019

# SLEEP SCOTLAND

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SLEEP SCOTLAND

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### Opinion

We have audited the financial statements of Sleep Scotland (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom 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 incoming resources and application of resources, 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 requirements of the Companies Act 2006, the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

# SLEEP SCOTLAND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SLEEP SCOTLAND

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### **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 trustees 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 report in accordance with the Act 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 an auditor's report 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# SLEEP SCOTLAND

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SLEEP SCOTLAND

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### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Alan Mitchell (Senior Statutory Auditor)**  
for and on behalf of Thomson Cooper, Statutory Auditor

**9 October 2019**

Thomson Cooper is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# SLEEP SCOTLAND

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 as restated £
<b>Income from:</b>					
Donations and legacies	3	50	8,128	8,178	7,333
Charitable activities	4	323,750	1,419,469	1,743,219	1,621,577
Other trading activities	5	1,975	3,945	5,920	1,552
Investments	6	216	-	216	64
<b>Total income</b>		<b>325,991</b>	<b>1,431,542</b>	<b>1,757,533</b>	<b>1,630,526</b>
<b>Expenditure on:</b>					
Raising funds	7	11,571	-	11,571	8,816
Charitable activities	8	268,561	1,449,453	1,718,014	1,512,905
<b>Total resources expended</b>		<b>280,132</b>	<b>1,449,453</b>	<b>1,729,585</b>	<b>1,521,721</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>45,859</b>	<b>(17,911)</b>	<b>27,948</b>	<b>108,805</b>
Fund balances at 1 April 2018		329,626	546,893	876,519	767,714
<b>Fund balances at 31 March 2019</b>		<b>375,485</b>	<b>528,982</b>	<b>904,467</b>	<b>876,519</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# SLEEP SCOTLAND

## BALANCE SHEET

AS AT 31 MARCH 2019


	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		199,836		242,242
<b>Current assets</b>					
Debtors	13	235,775		305,525	
Cash at bank and in hand		675,246		549,361	
		<u>911,021</u>		<u>854,886</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(206,390)</u>		<u>(220,609)</u>	
Net current assets			704,631		634,277
<b>Total assets less current liabilities</b>			<u>904,467</u>		<u>876,519</u>
<b>Income funds</b>					
Restricted funds	15		528,982		546,893
Unrestricted funds			375,485		329,626
			<u>904,467</u>		<u>876,519</u>

The Trustees consider that the company is entitled to the exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2019 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to small companies within Part 15 of the Companies Act 2006 and in accordance with Financial Reporting Standard 102.

The financial statements were approved by the Trustees on 9 October 2019

  
K Low  
Trustee

Company Registration No. SC182935

# SLEEP SCOTLAND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	19		128,316		(11,047)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,647)		(12,669)	
Interest received		216		64	
<b>Net cash used in investing activities</b>			(2,431)		(12,605)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			125,885		(23,652)
Cash and cash equivalents at beginning of year			549,361		573,013
<b>Cash and cash equivalents at end of year</b>			<u>675,246</u>		<u>549,361</u>

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# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Charity information

Sleep Scotland is a private company limited by guarantee incorporated in Scotland. The liability of each member in the event of winding-up is £1.

The registered office is 18G Liberton Brae, Edinburgh, EH16 6AE.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with 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 (FRS 102) (effective 1st January 2015) - (Charities SORP (FRS 102), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

#### 1.2 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.



# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

#### 1.3 Incoming resources

All incoming resources are recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income received from donations and legacies are recognised where there is entitlement, certainty of receipt and amounts can be measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income received from charitable activities, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Grants, where entitlement is not conditional on the delivery of a specific performance, are recognised when the charity becomes unconditionally entitled to the grant. Where a grant is received for a specific purpose, it is included in restricted income and any unexpended portion carried forward as a restricted fund.

Income from other trading activities is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income includes interest on funds held on deposit and is included when receivable and the amount can be measured reliably by the charity, normally upon notification of the interest paid or payable by the Bank.

#### 1.4 Donated Services

Donated services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Staff costs are allocated on the basis of time spent on each activity by employees and other overheads according to estimated usage. Expenditure is classified under the following activity headings, where applicable:

Cost of raising funds comprises the costs of the general fundraising activities of the charity, and their associated support costs.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including the costs of delivering various project objectives, and their associated support costs.

Other expenditure comprises costs not falling into any other heading.

The charity is not registered for VAT and therefore all expenditure is recorded inclusive of VAT.

#### 1.6 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, payroll, general administration, and governance costs and are incurred directly in support of expenditure on the objects of the charity. The bases on which support costs have been allocated are on a direct basis or as a proportion of time spent.

#### 1.7 Operating leases

The total cost of assets held under operating leases is charged to the profit and loss account as they fall due.

#### 1.8 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	10% on a straight line basis
Fixtures and fittings	25% on a straight line basis
Office equipment	33% on a straight line basis

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

#### 1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

#### 1.10 Cash at bank and in hand

Cash at bank and cash in hand includes cash and all amounts held within bank current and deposit accounts.

#### 1.11 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 the 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 discounts due.

#### 1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### 1.13 Pensions

The charity operates a defined contribution scheme. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting year.

#### 1.14 Taxation

The charity meets the definition of a charitable company for UK corporation tax purposes and is therefore considered exempt.

#### 1.15 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018 as restated
	£	£	£	£
Donations	50	8,128	8,178	7,333
<b>For the year ended 31 March 2018</b>	<b>-</b>	<b>7,333</b>		<b>7,333</b>

### 4 Charitable activities

	2019 £	2018 £
Grants and awards receivable	266,838	420,406
TEENS+ Service charges	1,152,631	977,433
Training course fees	170,485	107,899
Befriending income	153,265	115,839
	<u>1,743,219</u>	<u>1,621,577</u>
Analysis by fund		
Unrestricted funds	323,750	223,738
Restricted funds	1,419,469	1,397,839
	<u>1,743,219</u>	<u>1,621,577</u>
<b>Grants and Awards Receivable</b>		
LA South Lanarkshire	5,000	5,000
LA East Dumbartonshire	7,024	7,024
LA Edinburgh	11,194	11,194
Scottish Executive (Unified Fund)	85,000	85,000
Scottish Government	14,950	54,874
The Big Lottery	112,170	150,851
Adoption UK	-	63,963
Robertson Trust	10,500	10,500
Other grants and awards	21,000	32,000
	<u>266,838</u>	<u>420,406</u>

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 5 Other trading activities

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Rental income	-	-	-	(500)
Sundry income	1,975	3,945	5,920	2,052
Other trading activities	1,975	3,945	5,920	1,552
<b>For the year ended 31 March 2018</b>	<b>1,473</b>	<b>79</b>		<b>1,552</b>

### 6 Investments

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Bank interest	216	-	216	64
<b>For the year ended 31 March 2018</b>	<b>-</b>	<b>64</b>		<b>64</b>

### 7 Raising funds

	Unrestricted funds	Total
	2019 £	2018 £
<u>Fundraising and publicity</u>		
Other fundraising costs	11,571	8,816
	<u>11,571</u>	<u>8,816</u>

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 8 Charitable activities

	Sleep Counselling and Support	Respite & TEENS	Training	Total	Total 2018 as restated
	2019 £	2019 £	2019 £	2019 £	£
Salary costs	81,593	1,017,098	65,555	1,164,246	837,903
Recruitment, training & travel	4,203	11,957	255	16,415	13,102
Rent, rates & insurance	-	48,748	-	48,748	42,316
Utilities	-	21,681	-	21,681	18,099
Other premises costs	-	32,590	-	32,590	25,758
Office printing & stationery	5,847	13,500	5,204	24,551	18,300
Activities, transport & catering	-	66,158	-	66,158	88,214
Cost of training events	4,079	-	50,485	54,564	63,818
Sleep Support line	61,128	-	-	61,128	123,500
Sleep Counselling activities	-	-	-	-	89,180
	<u>156,850</u>	<u>1,211,732</u>	<u>121,499</u>	<u>1,490,081</u>	<u>1,320,190</u>
Share of support costs (see note 9)	44,731	129,050	25,810	199,591	168,752
Share of governance costs (see note 9)	9,638	15,587	3,117	28,342	23,963
	<u>211,219</u>	<u>1,356,369</u>	<u>150,426</u>	<u>1,718,014</u>	<u>1,512,905</u>
<b>Analysis by fund</b>					
Unrestricted funds	-	118,135	150,426	268,561	230,741
Restricted funds	211,219	1,238,234	-	1,449,453	1,282,164
	<u>211,219</u>	<u>1,356,369</u>	<u>150,426</u>	<u>1,718,014</u>	<u>1,512,905</u>

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 9 Support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between its key charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Support costs	Governance costs	2019	2018
	£	£	£	£
Staff costs	141,318	20,068	161,386	100,595
Depreciation	2,193	311	2,504	23,322
Audit fees	5,149	731	5,880	2,772
Other administrative overheads	50,931	7,232	58,163	66,026
	<u>199,591</u>	<u>28,342</u>	<u>227,933</u>	<u>192,715</u>

All costs are allocated to activities on a direct basis, where appropriate, with all shared expenditure allocated on a percentage basis, calculated related to time spent.

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Direct charitable activity	90	77
Support staff	13	13
	<u>103</u>	<u>90</u>

#### Employment costs

	2019 £	2018 £
Wages and salaries	<u>1,325,632</u>	<u>938,498</u>

The total amount of employee benefits received by key management personnel of the charity is £229,425 (2018 : £194,308). The charity considers its key management personnel comprise the Chief Executive Officer, HR & Operations Director, Sleep Services Director (and deputy CEO), TEENS Education Director, TEENS manager, and finance manager.

There were no employees whose annual remuneration was £60,000 or more.

### 12 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2018	387,698	48,321	436,019
Additions	-	2,647	2,647
At 31 March 2019	<u>387,698</u>	<u>50,968</u>	<u>438,666</u>
<b>Depreciation and impairment</b>			
At 1 April 2018	155,080	38,697	193,777
Depreciation charged in the year	38,770	6,283	45,053
At 31 March 2019	<u>193,850</u>	<u>44,980</u>	<u>238,830</u>
<b>Carrying amount</b>			
At 31 March 2019	<u>193,848</u>	<u>5,988</u>	<u>199,836</u>
At 31 March 2018	<u>232,618</u>	<u>9,624</u>	<u>242,242</u>



# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

<b>13 Debtors</b>		
	<b>2019</b>	<b>2018</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	200,981	301,919
Other debtors and prepayments	34,794	3,606
	<u>235,775</u>	<u>305,525</u>

<b>14 Creditors: amounts falling due within one year</b>		
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	19,555	20,208
Trade creditors	42,349	17,520
Other creditors	16,443	5,367
Accruals and deferred income	128,043	177,514
	<u>206,390</u>	<u>220,609</u>

### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	<b>Movement in funds</b>			<b>Balance at 31 March 2019</b>
	<b>Balance at 1 April 2018</b>	<b>Incoming resources</b>	<b>Resources expended</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Sleep	125,952	266,838	(243,851)	148,939
TEENS+	265,087	1,164,704	(1,179,626)	250,165
Ravenscroft	155,854	-	(25,976)	129,878
	<u>546,893</u>	<u>1,431,542</u>	<u>(1,449,453)</u>	<u>528,982</u>

#### Purposes of Restricted Funds

The Sleep Fund	Amounts represent funding received for Sleep Counselling and the Sound Sleep programmes.
TEENS+	Amounts represent funding received for the TEENS+ education project.
Ravenscroft	Amounts represent funding received from third parties towards the development of Ravenscroft Hall.

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 16 Analysis of net assets between funds

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:				
Tangible assets	69,958	129,878	199,836	242,242
Current assets/(liabilities)	305,527	399,104	704,631	634,277
	<u>375,485</u>	<u>528,982</u>	<u>904,467</u>	<u>876,519</u>

### 17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	57,000	63,431
Between two and five years	223,760	185,880
In over five years	521,639	409,020
	<u>802,399</u>	<u>658,331</u>

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 18 Related party transactions

The charity has provided services to a close family member of Jane Ansell during the year. These services have a value of £74,045 (2018 : £65,673) and have been charged to Jane at arms length. At the balance sheet date, the amount of £6,252 was outstanding in relation to the services provided. This is included within trade debtors in the accounts.

During the year, two close family members of Jane Ansell were employed as sessional workers, the total amount paid to these family members during the period was £13,176 (2018: £13,594).

The charity has provided services to a close family member of Colin Campell during the year. These services have a value of £97,734 (2018 : £73,836) and have been charged to Colin at arms length. At the balance sheet date, the amount of £914 was outstanding in relation to the services provided. This is included within trade debtors in the accounts.

The charity has provided services to a close family member of Alan Taylor during the year. These services have a value of £43,026 (2018 : £41,193) and have been charged to Alan at arms length. At the balance sheet date, the amount of £1,393 was outstanding in relation to the services provided. This is included within trade debtors in the accounts.

#### Prior period adjustment

During the year ended 31 March 2019 the Directors have reviewed the terms of the lease on the Ravenscroft property. It had previously been their understanding that the rent charged was reduced due to the family connection of Jane Ansell to the landlord. In carrying out the rental negotiations the landlord has informed the board that this was not the case and that the reduction was to reflect the refurbishment work carried out by Sleep Scotland. A restatement of the 2018 accounts has been made to remove donated services income of £22,000 and a corresponding reduction to rental expenses of the same amount.

# SLEEP SCOTLAND

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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19 Cash generated from operations	2019 £	2018 £
Surplus for the year	27,948	108,805
Adjustments for:		
Investment income recognised in statement of financial activities	(216)	(64)
Depreciation and impairment of tangible fixed assets	45,053	44,423
Movements in working capital:		
Decrease/(increase) in debtors	69,750	(158,061)
(Decrease) in creditors	(14,219)	(6,150)
<b>Cash generated from/(absorbed by) operations</b>	<u>128,316</u>	<u>(11,047)</u>