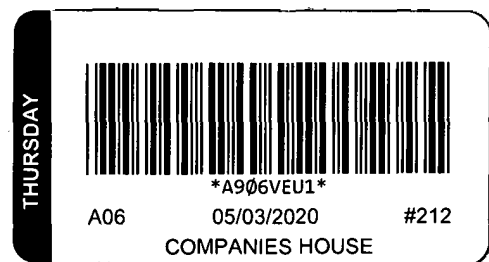


relate

the relationship people



Report and Accounts

For the year ended 31 March 2019

Limited by Guarantee
Company Number 394221
Registered Charity Number 207314

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Chair's introduction

Relate is the leading relationships charity and the Relate Federation is the largest provider of relationship support in England and Wales. We offer counselling, information, mediation and support to individuals, couples and families of all backgrounds and sexualities. Relate's vision is a future where healthy relationships are actively promoted as the heart of a thriving society. Our mission is to make expert information and support for healthy relationships available to everyone. We're human, connected and smart in our work.

Relate offers a range of services that include Adult Relationship Counselling, Sex Therapy, Children and Young People's Counselling, Family Counselling and Mediation, as well as training, education, information and support. Around 1,400 counsellors, mediators and educationalists deliver this work. We offer services face-to-face locally, as well as online and on the phone.

The Relate Federation now comprises Relate – the national charity – and 31 federated Relate Centres (which are also registered charities). The national charity directly delivers services in many locations, as 15 entities that were previously Relate Centres have joined us over the past 18 months. This has been a fundamental change for the national charity in terms of expanding the services we deliver ourselves.

In what was our 80th year, Relate is proud to have reached more than four million people – up from 2.5 million last year – driven by an explosion in the number of those using our website for information and support. This growth is testament both to the number of people who need and value relationship support, and to our expertise in raising the profile of relationships and seeking out those who could benefit from our work. For example, we marked our 80th birthday by releasing the results of an in-depth survey about the ups and downs of long-term relationships, alongside 80 tips for facing them together.

Building new partnerships has also helped us to reach out and amplify Relate's voice to different audiences this year. In February 2019 we came together with iQ Student Accommodation to launch a report on relationships and loneliness at university. Our research identified important insights into the catalysts of student loneliness and we are continuing our partnership to address this issue. In March 2019 we partnered with Lloyds Bank to launch the M-Word campaign, which aims to help people start those all-too-often difficult conversations about money. Using our expertise to bring these important topics to life is crucial for raising awareness of our cause and work, as well as diversifying our income.

Chair's introduction (cont.)

Using our knowledge and expertise to influence the landscape against which relationships are conducted has been another vital facet of our work. In May 2018 we responded to the Government's consultation on transforming the response to domestic abuse and in November 2018 to the consultation on divorce law reform. These pivotal public policy moments are important chances to demonstrate how the insight we gather from our service delivery work can be used to shape the future of relationships. The forthcoming introduction of new protections for those affected by domestic abuse and the proposed scrapping of the fault-based divorce system are landmark moments in this. To support this wider context, we also worked with the British Association of Counselling and Psychotherapy to launch the Invest in Relationships campaign, which calls on the Government to increase funding for relationship support so that everyone who needs it has access, regardless of income.

Relate, the national charity, offers an impressive breadth of relationship support to those we exist to serve. Almost four million people visited our website and the Relate Areas (i.e. the 15 former Relate Centres who joined us recently) provided counselling to nearly 60,000 couples and 6,200 children and young people. In addition, 4,200 family groups benefitted from our mediation and other support. The work of our federated colleagues further increased that reach with, for example, 140,000 couples accessing Relate Centres' Adult Relationship Counselling. More details about this activity will be published in the Annual Review that will be presented at our national conference at the same time as these accounts and will subsequently be published on our website.

Initiatives like more partnership working, proactively seeking new funding sources and reorganising operations to meet more of the demand for our services have all been set in motion and are starting to bear fruit. In addition, we have won two government contracts under the Government's drive to reduce parental conflict, for which delivery began in 2019/20.

Having said that, this has been a challenging year in several other respects. Although our accounts show a healthy income – largely because of the integration of six of the former Relate Centres into the national charity early in the year – the broader picture of our finances is less positive. As predicted in last year's report Relate's existing government funding came to an end and, whilst the impact of this has partly been mitigated by securing new government and commercial contracts, it has created new financial challenges. Our Board of Trustees and Executive Leadership Team have worked hard to manage and begin to relieve the predicted pressure on reserves and cash flow.

Challenges remain: ongoing integration of the now-larger national charity, embedding of the new operational structure and an uncertain economy will all continue to impact Relate in 2019/20, but we are confident that we can steady our course with the actions we have already started to take and the continued dedication of our staff. There is so much opportunity for us to achieve more for those we exist to serve – it is now our job to grasp those opportunities for the sake of the nation's relationships.

1. Reference and Administrative Details of the Charity, its Trustees and Advisors

Registered Number of Company: 394221

Registered Charity Number: 207314

Key personnel: Board members (Trustees of the Charity)

National members

Teresa Cresswell

Michele Grant

John Hill

Gil Hilleard

Juliana Lacey

Sue Maplesden

Malcolm Pearson

Anthony Perryman

Karen Railton

Josephine Turnbull

Ben Wealthy

Patricia Whiteside

(appointed 6 November 2019)

(appointed 6 November 2019)

(resigned 6 November 2019)

(resigned 31 October 2018)

(resigned 6 November 2019)

(appointed 6 November 2019)

(appointed 6 November 2019)

(resigned 31 October 2018)

Co-opted members

Michael Anderson

Lesley Brown – Treasurer

Matthew Chaplin

David Evans

Darren Franklin – Treasurer

Vineeta Manchanda-Singh

Tony Medawar

(resigned 31 October 2018)

(appointed 16 July 2018; resigned 29 May 2019)

(appointed 12 September 2019)

(resigned 6 November 2019)

(appointed 6th June 2019)

(resigned 7 June 2018)

(appointed 31 October 2018; resigned 12 August 2019;

appointed 1 January 2020)

Sally Procopis – Treasurer

(resigned 15 July 2018)

Jayne Seaford

(appointed 31 October 2018; resigned 1 December

2019)

Professor Janet Walker – *Vice Chair*

(resigned 6 November 2019)

Simon Wilson – *Chair*

1. Reference and Administrative Details of the Charity, its Trustees and Advisors (cont.)

Key personnel: (Management Team):

Executive Leadership Team

Chris Sherwood	Chief Executive (resigned 31 July 2018)
James Aidan Jones	Chief Executive (appointed 1 September 2018)
Ben Collins	Director of Services
Sarah Casemore	Director of Operations (appointed 17 October 2019)
Louise Duncan	Interim Commercial Director/Director of Services (joined 1 October 2018; resigned 18 October 2019)
John Fanning	Interim Director of Finance (joined 7 December 2018; resigned 11 October 2019)
Yvonne Laird	Chief Operating Officer and Director of Finance (resigned 28 September 2018)
Sarah Milsom	Assistant Director of Communications & Digital (appointed 1 December 2019)
Huw Thomas	Director of Policy, Information and Communications (resigned 30 April 2018)

President

Ruby Wax	Retired 6 November 2019
Professor Janet Walker	Appointed 6 November 2019

Vice Presidents

Anjula Mutanda
Baroness Tyler of Enfield
Nick Tarsh OBE

Company Secretary

Yvonne Laird	(appointed 1 April 2018; resigned 28 September 2018)
James Aidan Jones	(appointed 29 September 2018)

Registered Office

Premier House, Carolina Court, Lakeside, Doncaster, DN4 5RA.

Auditors

RSM UK Audit LLP, Chartered Accountants, St Philips Point, Temple Row, Birmingham, B2 5AF

Bankers

National Westminster Bank plc, Rugby Branch, 9 North Street, Rugby, CV21 2AH

2. Structure, Governance and Management

Legal & constitutional basis

Relate is a charitable company limited by guarantee and is governed by its Articles of Association, changed by special resolution and approved by the Members at a General Meeting held on 25th June 2014. The changes to the Articles in 2014 were related to the size, composition and the process by which Board Members are elected and co-opted.

The Board of Trustees

Under the revised Articles, the Board is comprised of up to eight Board Members elected nationally at the AGM ('national members') and up to six co-opted Board Members. Whilst in no way detracting from their individual and collective responsibilities as Relate board members, the elected members have a particular role in reflecting the interests and priorities of the independent Relate entities that make up the Relate Federation (see the note below titled 'Federation structure').

A range of methods are used for the identification and appointment of co-opted members including open advertisement of vacancies. The role of the Remuneration and Nominations Committee in Board members recruitment activity is described below.

The Board of Trustees meets on a quarterly basis. It is responsible for:

- developing and maintaining the overall strategy for Relate to deliver against its charitable objects;
- governing Relate in line with its vision, aims and charitable objectives and to provide overall policy direction;
- the overall governance and strategic direction of the Charity, developing its aims, objectives and goals in accordance with the Articles of Association, legal requirements and regulatory guidelines.

The Board is collectively responsible for promoting the success of the Charity by directing and supervising the Charity's affairs. Its role is to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed.

New trustees receive an induction pack containing everything they need to know about the Relate Federation's work, to assist with informed and effective decision making. They also attend an induction day at the Charity's offices. As part of their induction, trustees are provided with the Code of Good Governance guidelines produced by the National Hub of Expertise in Governance¹. Ongoing training is then provided as identified on a case-by-case basis. As in 2017/18 an annual trustee appraisal was conducted.

¹ The National Hub is a collaborative group of charity umbrella groups facilitated by the National Council for Voluntary Organisations (NCVO)

2. Structure, Governance and Management (cont.)

Trustee remuneration

All trustees of Relate give their time voluntarily and receive no benefits from the Charity. Reasonable travel expenses are reclaimed from the Charity and are set out in note 11 to the accounts.

Board Committees

Relate has four Board committees providing additional oversight in the following areas:

Finance and Audit Committee (meets quarterly). This committee ensures there is a framework for accountability, suitable systems and internal controls, timely financial reporting and suitable risk management.

Federation Affairs Committee (meets at least twice per year but in practice meetings are quarterly). This committee monitors effective governance and best practice across the Relate Federation (see section headed 'Federated structure/the 'Relate Federation' on page 9).

Services Committee (meets at least three times per year although in practice meetings are quarterly). This committee has primary responsibility for ensuring that services offered by Relate entities are delivered to a consistently high technical and clinical standard and for promoting the customer and client experience aspect of our work.

Remuneration and Nominations Committee (meets twice a year and otherwise as required). This committee has two main roles: making recommendations to the Board in respect of the Chief Executive's remuneration and overseeing activity relating to the composition, appointment and effectiveness of the Board and its committees.

Other sub-groups may be established on a short-term basis as needed. According to the terms of reference they will report to one of the committees or to directly to the Relate Board.

The following trustees were members of these committees as at 1 March 2020:

Finance & Audit

Darren Franklin (*Chair*)

Michele Grant

Tony Medawar

Anthony Perryman

Remuneration & Nominations

Karen Railton (*Chair*)

Michele Grant

Anthony Perryman

Simon Wilson

Federation Affairs

Ben Wealthy (*Chair*)

Teresa Cresswell

John Hill

Karen Railton

Services

Patricia Whiteside (*Chair*)

Teresa Cresswell

Tony Medawar

Malcolm Pearson

2. Structure, Governance and Management (cont.)

The Chair, Vice Chair, and Chief Executive Officer are ex officio members of all Committees.

The chairs of the Relate Federation regional committees are ex officio members of the Federation Affairs Committee.

The Services Committee is supported in its work by two advisory groups of experts – the Clinical Advisory Group (on clinical, practice and professional issues) and the Policy and Research Advisory Group (on policy, research, impact measurement and evaluation issues).

Chief Executive and Executive Officers

The Chief Executive is responsible for the day-to-day management of the Charity's affairs and for implementing policies and strategies agreed by the Board.

The Chief Executive is assisted by a group of Executive Officers (the "Executive Leadership Team (ELT)"). ELT meets weekly to oversee and review day-to-day operations and activity of the Charity. ELT members attend the Board as well as those Committee meetings that are appropriate to their particular areas of expertise and responsibility.

The Executive Leadership Team, including the Chief Executive, are the key management personnel for Relate.

Remuneration for the Chief Executive is determined by the Remuneration and Nominations Committee on appointment. Remuneration for the Chief Executive and other key management personnel is reviewed annually alongside a review of all staff salaries and is benchmarked periodically against market rates.

Federation structure/the 'Relate Federation'

Relate services are delivered through two distinct channels. The first is a group of 32 independent local operating entities ('Relate Centres') across England plus associated entities in Northern Ireland, the Channel Islands and the Isle of Man.

The second channel is a group of 15 'Relate Areas' in England and Wales that were formerly independent Relate Centres but which migrated into the national charity in the period September 2017 to June 2018.

The 'Relate Federation' comprises the national charity (including the Relate Areas) and the 32 Relate Centres.

2. Structure, Governance and Management (cont.)

The financial statements accompanying this report reflect the financial performance of the national charity (including the 15 Relate Areas) but exclude the financial performance of the federated Relate Centres.

The entities that make up the Relate Federation have agreed common standards and practices in a number of areas including service quality, branding, training and 'influencing' activity (for example with external stakeholders such as government and the media). These standards are formalised in 'Federation Agreements' between the individual Relate Centres and the national charity.

An important part of the role of the trustees who serve on Relate's board is to ensure adherence of the Relate Centres to the Federation Agreements both for the benefit of the national charity (i.e. this organisation) and for the collective benefit of the Relate Federation as a whole.

Relate works collaboratively with Relationships Scotland (with which we have formal referral arrangements) and has working relationships with Relationships Ireland.

3. Objectives and Activities

Charitable Objects

Relate has five charitable objects:

- To educate the public concerning the benefits of secure couple relationships, marriage and family life in order to improve the emotional, sexual and spiritual well-being of individuals which is derived from committed relationships.
- To seek to enhance the good health, both mental and physical, of adults and children by:
 - increasing public awareness of the benefit of committed couple relationships, marriage, and family life; and
 - working to prevent poverty, hardship and distress, caused by the breakdown of such relationships.
- To provide counselling, advice, education, guidance and relief to adults and/or children in relation to any aspect of contemporary life or work which:
 - may prejudice their physical or mental wellbeing; and
 - influence, either directly or indirectly, their present or future family or couple relationships.
- To relieve those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.
- To promote research into all of the above *objects* and to make the results available to the public.

3. Objectives and Activities (cont.)

Public benefit

We have referred to the guidance contained in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Quality assurance

Relate plans and delivers its business within its charitable objects, its vision and mission statement and in accordance with the requirements of its chosen quality assurance system which is the 'Trusted Charity' approach (formerly known as PQASSO) which is backed by the National Council of Voluntary Associations. The PQASSO approach has been integral to the delivery of the Corporate Strategy although whether it continues to be used will be reconsidered during the strategy review (see below).

Corporate Plan 2018-21

The corporate plan is based upon Relate's mission and values. Priority goals have been identified against which progress towards achievement of the plan can be measured.

Relate's vision – is of a future in which healthy relationships are actively promoted as the basis of a thriving society.

Relate's mission – is to develop and support healthy relationships by:

- helping couples, families and individuals to make relationships work better;
- delivering inclusive, high-quality services that are relevant at every stage of life; and
- helping both the public and policymakers improve their understanding of relationships and what makes them flourish.

Relate's priority goals – the priority goals agreed in 2017/18 and reported on in last year's trustees report have continued to inform our strategic approach in 2018/19 and into the early months of 2019/20. The priority goals are:

- i) *Service effectiveness* – helping more people in more ways that work;
- ii) *Influence and visibility* – developing our brand so that it is further understood and valued;
- iii) *Impact and values* – better illustrating the societal benefits of investment in healthy relationships;
- iv) *Income generation* – growing and diversifying our sources of income to reduce risk and address opportunity; and
- v) *Organisation Effectiveness* – particularly in the light of the significant recent changes in structure, ensuring the organisation is fit for purpose now and into the future.

3. Objectives and Activities (cont.)

Refreshing our strategy and corporate plan

The year 2018/19 was a period of significant change in Relate with considerable activity devoted to completing the integration of the 15 former Relate Centres that migrated into Relate between September 2017 and June 2018. There were also a number of leadership changes at both the executive leadership level and in the non-executive group.

As such, the review of our mission and values and the broader review of our strategy and associated priority goals planned to begin in 2018/19 did not take place as planned.

It will now begin in the summer of 2019 with a refreshed strategy scheduled to be rolled out in March 2020 for use in the 2020/2021 financial year and beyond. This delay does not in any way diminish or detract from our vision nor our desire to deliver meaningful societal change. In fact, given the pace of change across many areas of our business and emerging technological opportunities, we think the delay offers us the chance to think further and more deeply about new and different approaches in service innovation and delivery.

We know that the need for our services is as great as ever and we will use the strategy review to identify how we can make our products and services more widely available, particularly to those who find it difficult to afford them. We remain fully committed to making high quality relationship support accessible to everyone who needs it.

4. Achievements and Performance

Changes in operating model and the impact of 'Securing Our Future'

During 2018/19, the remainder of the 15 formerly independent Relate Centres merged with Relate and became known as 'Relate Areas'. Relate, the national charity, is responsible for the services they deliver.

Work continues to ensure the new Relate Federation structure is effective, with Relate – the national charity – delivering services in 15 Relate Areas, and 32 federated Relate Centres (which are also registered charities) also delivering services locally.

Now that Relate directly delivers around one third of the Relate Federation's services, it has a new income stream that is significantly more regular and predictable.

As the leading member of the Relate Federation, Relate also holds responsibility for the Relate brand and has three main roles: to provide leadership for the Relate Federation; to help Centres' development; and to provide support to Centres.

4. Achievements and Performance (cont.)

We believe that the new blended structure will enable us to broaden the scope and reach of our work and will allow us to position ourselves as the main catalyst for a new national conversation about the importance of relationships in securing better social and economic outcomes for a much broader range of society.

Significant events

The general direction of travel of Relate's activity has been described in the previous paragraph. However there have been a number of important events in 2018/19 that should be highlighted and which have directly or indirectly impacted the charity and its financial performance in the period covered by this report.

- *The ongoing impact of the migration of formerly independent Relate Centres* – migrating 15 Centres into the charity in the period September 2017 to June 2018 was a significant undertaking. Whilst the change programme was carefully managed and appropriately resourced various challenges were encountered. These challenges included:-
 - fully combining our common business processes and eliminating minor inconsistencies of practice and interpretation across the migrating entities;
 - integrating financial and other business systems and processes and introducing new systems and processes needed in response to the increased scale and complexity of the organisation;
 - reducing, to the extent that is permitted by employment law and practice, differences inherited employment terms and conditions; and
 - understanding the sometimes considerable differences in 'business models' adopted in the migrating Centres.
- *Completing other aspects of the securing our future programme* – these include ongoing improvements in client service and quality, making Relate a more attractive employment option for relationship counsellors, working with a broader range of delivery and funding partners, launching new services (particularly digital services), and developing the new streams of income acquired as part of the migration (e.g. retail operations).
- *Restructuring programme* – a formal restructuring exercise began in March 2019. The focus of this programme were management grades in the formerly independent Centres. Regrettably this process resulted in seven employees leaving Relate on voluntary exit terms although a small number of new posts were created in response to new and emerging business needs. Because the consultation process began prior to the end of the financial year the full cost of these departures, which was £104k, has been reflected in the SOFA in 2018/19 notwithstanding the fact that the associated staff departures actually took place in April and May 2019. An earlier redundancy action that resulted in the departure of one staff member cost £6k giving a total redundancy cost for the year of £110k (see note 9).

4. Achievements and Performance (cont.)

- *Management changes* – section 2 above shows details of management and trustee changes in Relate. These have been significant changes and whilst the handover and on-boarding processes associated with them have been carefully managed, this level of change has inevitably had some impact on overall business activity.
- *Department of Work and Pensions (DWP) contracts* – as noted above, longstanding DWP contracts finished in 2018/19. Although new contracts have been secured from the same source, activity to finalise the old contracts and the bidding and mobilisation activity on the new ones demanded significant management time and effort.

Other activity

As in previous years there has been a wide range of other activity that justifies brief highlighting in this report. The chairman's introduction has already highlighted the numbers of individuals, couples and families that we have supported (and of course it should be borne in mind that those numbers only relate to support this organisation has provided; the 32 federated Centres add substantially to the overall number).

- We secured substantial sums from a range of sources to develop new services in particular disciplines and geographies and/or to deliver internal development projects. Note 3 to the accompanying financial statements provides more details on this;
- We partnered with the British Association for Counselling and Psychotherapy to produce a joint report called *Invest in Relationships* and we also worked with the student housing provider iQ Student Accommodation on a report called 'Opening Up' which addresses issues of loneliness amongst students;
- We provided public responses to a number of government consultations including those on domestic violence and abuse and divorce law reform;
- We held another successful annual conference;
- We relaunched Relate services in Gloucestershire, Lincolnshire and Devon and Cornwall;
- We substantially increased our digital presence with almost four million unique users of our website in 2018/19 adding to 140,000+ interactions via other channels.

5. Financial Review

Overview

The Statement of Financial Activities (SOFA) set out on page 27 shows that both total income and total expenditure have increased significantly in 2018/19 as compared to the prior year. There have also been significant changes in many of the individual income and expenditure lines in the SOFA.

5. Financial Review (cont.)

These changes have occurred because the financial performance of the nine formerly independent Relate Centres that migrated into Relate on or before 31 March 2018 is reflected across the various income and expenditure categories in the SOFA for a full year. By contrast in 2017/18 – because the majority of these transfers took place on 31 March – most of the financial impact of those structural changes was reflected in the single line 'Federation Centres transferred in' in the 'Income from' line in the SOFA. This treatment reflects the requirements of the Charities SORP².

There were further transfers of Centres in quarter 1 of 2018/19 (see below) and the same accounting approach has been adopted for these migrations i.e. the fair value of the assets of the migrating Centres at the date of transfer is reflected as income in the line 'Federation Centre transferred in' with the financial impact of trading activity in these Centres from the date of transfer being shown against the appropriate income or expenditure line in the remainder of the SOFA. Information about the net asset value of each entity that transferred during 2018/19 can be found in note 25 to the financial statements.

There are two exceptions to the general increase in individual income and expenditure lines.

The first is in income from 'Government contracts' which is shown under the *Charitable activities* line in the SOFA. Two important contracts with the Department for Work and Pensions (DWP) concluded as planned in the late autumn so income from this source represents only eight months of activity in the financial year as opposed to a full 12 months in 2017/18. Having said that an important new contract was agreed with the DWP in February 2019 and the financial statements reflect the early financial impacts of this activity. A smaller DWP contract was secured in mid-March 2019 but this falls outside the period covered by these financial statements.

The second exception is in respect of income from 'membership fees' (which is also under the Charitable activities heading) and the associated costs of providing this service ('membership support'). The migration of Centres has of course now reduced the number of these independent Relate Centres which reduces the external income and the associated cost of the services³.

There have also been some important changes in the balance sheet as a result of the migration of the Centres. Most obviously the value of tangible assets has increased reflecting the assets – including freehold properties – brought across on migration. However there have also been movements in restricted funds and cash as a result of these migrations.

² Statement of Recommended Practice.

³ The overall cost of providing these services remains unchanged as the centres that migrated will of course still be drawing upon these services albeit now as part of the national charity. To aid comparison with the independent centres the migrating entities get a notional charge that is equivalent to the membership fee they would have incurred had they remained independent. These costs are overheads of the expanded entity and are reported as such in the SOFA.

5. Financial Review (cont.)

The overall result was net income for the year of £498k (2017/18 net income of £530k).

Donations and legacies

As noted above the amount shown under donations and legacies includes the net assets of the following entities that transferred to the national charity on the dates below and detailed in note 25:

Relate entity	Date of transfer
Relate Brighton	1 June 2018
Relate East Kent	1 June 2018
Relate Portsmouth	1 June 2018
Relate London South East	1 June 2018
Relate London South West	8 June 2018
Relate Oxfordshire	8 June 2018

Donations and legacies also include funding from a wide range of grant-giving bodies to support areas of development within Relate and for the broader benefit of the Relate Federation.

We continue to use donated resources to help develop new and varied income generation streams with the aim of further diversifying Relate's sources of income. Many of these are long-term initiatives with time delays between resource being expended and a return being realised. Towards the end of 2018/19, two significant 'wins' were realised through the efforts of the work of our business development team with a further large funding proposition secured in the summer of 2019.

Financial investments

Relate's investment policy is reviewed annually. The policy enables cash that is not immediately required to be invested with institutions that are members of the Financial Services Compensation Scheme (FSCS). Within this framework, the best interest rates are sought, and performance is regularly reviewed.

The trustees have decided that it is not appropriate to invest in equities at this time.

One of the impacts of the migration of the formerly independent Relate Centres into the organisation has been a change in the cash profile of our business operations. In the past cash inflows were 'lumpy' as they arose from successful outcomes on a small number of large contracts. The migration of operating units means that significant sums of cash are received each day in respect of our face-to-face relationship counselling activities.

Trustees' Report

5. Financial Review (cont.)

Partly for this reason investment income rose to £3,085 from £273 in 2017/18.

Financial reporting

There is a comprehensive system of business planning which includes an annual budget both reviewed in detail and approved by the Board. Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly.

The monthly management accounts are distributed in the form of a full detailed report to the Executive Leadership Team and summary finance report and revised full year forecast information are presented to the quarterly Finance and Audit Committee and to Board meetings by the finance team.

The new structure of the organisation has resulted in significant changes to some of these processes in 2018/19. For example a single consistent process for the preparation of the annual budget has been introduced. The process for the creation of a single approach to the production of management accounting reports has taken longer than anticipated and this has impacted on the speed with which the internal reporting referred to above has taken place.

Financial policies and procedures

The role of the Finance and Audit Committee is to review the financial policies of the Charity. These set out the authority that is delegated to staff and the financial regulations that should be followed.

Risks and Uncertainties

a) Approach to risk management

The trustees are responsible for the management of the risks faced by the Charity. The strategic risks facing the organisation have been documented in the Corporate Risk Register (CRR).

The CRR is formally reviewed and discussed at the start of each board meeting reflecting the high priority afforded to this issue by the trustee group.

Further consideration of detailed matters relating to risk, including a further review of the CRR and a discussion of risk appetite, takes place at the Finance and Audit Committee (F&A Committee) with other committees also looking at risk in their specific areas of activity.

5. Financial Review (cont.)

Both the Board and the F&A Committee have considered the various ways in which the risk profile has changed as a result of the migration of formerly independent Relate Centres into Relate in the past 18 months. The CRR has been modified regularly both in terms of the number of risks covered and the level of detail provided about risk mitigation approaches. That regular review and update is expected to continue.

b) Principal risks and uncertainties

The CRR considers the extent to which risks could prevent the achievement of the organisation's five priority goals. As noted in section 3 above, these are service effectiveness, influence and visibility, impact and values, business development, and organisational effectiveness.

Relate's Corporate Risk Register has identified the following as the key strategic risks it faces:

- unwitting breaches of legislation, or non-compliance with other binding guidance or statement of good practice in the following areas leads to legal action or other public consequences and/or censure:
 - i) Equality & Diversity
 - ii) Data Protection
 - iii) Quality Standards;
- the impact of individual federated Centres failing on external stakeholders, this organisation, and the Relate Federation as a whole;
- concerns about the financial resilience of the national charity and the consequent impacts on stakeholders and operations in the 15 Relate Areas within this entity and the 32 federated Centres;
- enabling culture slow to develop due to non-engagement across the Federation and/or Relate Areas;
- inadequate income and lack of ability to grow and generate diverse unrestricted income;
- not having the right people with the right skills, attitudes and behaviours to deliver the corporate strategy across the whole organisation.

From a risk perspective, each directorate also has an 'operational' level risk register which is reviewed on a quarterly basis by senior management. Significant changes are subsequently reported to the F&A Committee.

Relate also manages specific projects, each of which have their own project risk register, which are regularly reviewed as part of performance management within the organisation.

5. Financial Review (cont.)

c) Risk mitigation and key controls

In addition to the specific risk management mechanism described above, a number of other key controls help trustees manage the major risks facing the Charity:

- formal agenda for trustee meetings;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, project management, budgeting and management accounting;
- established organisational structure and lines of reporting:
 - i) significant changes to formal written policies and procedures
 - ii) hierarchical authorisation and approval levels including a scheme of delegation.

Financial Resilience

The Statement of Financial Activities demonstrates that income from our charitable activities is insufficient to meet our charitable expenditure. The short fall this year is £2,058,000 (2017/18 £592,000 shortfall) excluding the £171,000 of expenditure related to decision by the Board of Trustees to fund the Securing our Future programme from reserves.

The Board and Executive Leadership Team recognise this and various actions have been taken and continue to be taken to increase charitable income and decrease costs (including the restructuring activity referred to above with these activities continuing into 2019/20).

Changes in financial resilience

Relate has changed very considerably as a result of the Securing our Future programme and, as noted above, a major driver for that programme was to provide greater financial resilience.

The migration in of the 15 Relate Centres has provided important new sources of income in the form of counselling work with private individuals; a series of important local contracts with partners such as county councils, local authorities, health bodies, and schools and colleges; and (in four Areas) charity shops. In addition we continue to benefit from the generosity of local donors and grant-making bodies who provide funds to support Relate activity in their localities (almost all this income is provided on condition that is used locally to discount fees for local clients in low income groups).

In terms of income each of the Areas that migrated into Relate in the period September 2017 to June 2018 has developed its own approaches to individual counselling, local contracting and securing local grants and donations and sharing these practices widely has helped to identify new opportunities in a number of areas.

5. Financial review (cont.)

There has also been useful collaboration on how services can be more effectively and efficiently delivered. In particular a number of the migrating Centres have made greater use of shared business services (for example our Response call centre service) to improve the effectiveness of local service delivery and reduce overall costs.

Although a number of these financial benefits have been delivered there remains considerable scope for further improvements and work to deliver these benefits will continue into 2019/20 and beyond.

We will also refocus on our internal context, taking our lead from the refreshed mission and values, to establish a cohesive culture across the teams in the bigger and more dispersed national charity, as well as reiterating our commitment to delivering services that makes the entire Relate Federation thrive. Our plans are not just about creating a new national organisation, but also about developing a more attractive workforce package and fit-for-purpose digital capability that will help the whole Federation to provide even more of our outstanding relationship support services to more people.

Principle funding sources

The restructuring activity undertaken in the period 2017 to 2019 has resulted in a business with the below principle funding sources:-

- *Relationship counselling and similar services (individuals and couples)* – individual fees are our primary source of income. Private individuals/couples pay for counselling services themselves (albeit in a number of cases the fee is reduced from funds created for this purpose from other sources e.g. donations and philanthropic gifts);
- *Contract provision (national)* – Relate has important contracts with a small number of national organisations. Under these arrangements individual clients or (more usually) couples are referred to Relate but, rather than the client(s) themselves funding the associated counselling, a third party pays for it. As the name suggests, these services are available across the full geography of Relate's operations;
- *Contract provision (local)* – these arrangements are similar to national contracts in that a partner organisation is the main funder but they are confined to specific geographies i.e. they are only delivered in one of the 15 Relate Areas and are with a particular local partner organisation. Partners include schools, local authorities and local health bodies (either acting alone or in partnership with each other). We have also secured contracts with non-statutory entities like BBC Children in Need, Comic Relief and the National Lottery;
- *New services* – although this is not a significant source of income at the moment a range of new digital services have been developed over-and-above the traditional face-to-face counselling offer. These include 'webchat'-type services, telephone counselling and secure video consultations;

5. Financial review (cont.)

- *Gifts and donations* – gifts and donations are received from a wide range of sources including trusts and foundations, philanthropic bodies, local charities, civic bodies and voluntary groups;
- *Retail activities* – income from our 11 charity shops are included in these financial statements;
- *Services to federated Centres* – Relate continues to provide a range of services to the federated Centres for which appropriate financial charges are made;
- *Other sales and services* – the most important income line under this category is the provision of training to individuals, entities within the Relate Federation and external organisations. This training comprises initial qualifications in relationship counselling and continuous professional development.

Reserves

The definition of free reserves used follows the guidance given by the Charity Commission. These are funds available to be used in furtherance of the charitable objects which have not yet been spent, committed or designated.

They therefore exclude restricted funds (where donors impose criteria for their use), fixed assets (which are in current use to support the ongoing work of the charity) and funds designated for specific purposes.

The calculation of easily realisable reserves is shown in note 19 and shows a decrease in the year of £158k (2018: increase of £366k).

This change reflects the further migrations of Relate Centres that took place in 2018/19 and the nature of the assets that those entities brought into the organisation. In particular the fact that two of the six entities held freehold properties and several had significant restricted fund balances has changed the distribution of 'easily realisable reserves'.

As has been noted above the migration of formerly independent Centres over the period September 2017 to June 2018 has significantly changed the basis of Relate's business operations. This has in turn impacted on the risk profile of our business activities and the process needed to assess the necessary level of reserves.

To date the Board has set a target reserves policy of between 2.5 and 3.5 months of expenditure. This approach would allow Relate to meet major financial commitments and provide a 'breathing space' period during which normal activity would continue while consultation with its member organisations is undertaken to ensure service provision continues.

As at 31 March 2019 net funds represented around 2.8 months of 2019/20 planned expenditure. Easily realised reserves were considerably lower. The trustees recognise that this is an uncomfortable position and they have considered both how more of the net funds might be converted into a more easily realisable form and how the business can rebuild reserves through improved trading performance and other methods.

5. Financial review (cont.)

The charity has been through a process of rationalisation since the year which has resulted in free reserves falling short of the lower end of this range by March 2020 by around £1,325k, after accounting for a freehold property disposal which is in progress at the date of signing. The trustees expect the level of reserves to increase from March 2020 following the actions taken by the board.

The Board recognises that the 'months' expenditure' approach may need to be considered further in the light of the recent changes in the structure of the business and in particular the revised nature of some of the liabilities that might arise in the event of a period of heightened financial risk. In particular the Board recognises that the existence of more longer-term leases and a broader range of delivery contracts creates more potential obligations.

Designated funds

The board designated funds in 2017 to be applied to the Securing Our Future programme and associated activities works. A significant proportion of those funds were used in 2017/18 with the balance being used in 2018/19. The Board did not designate new funds for any purpose in 2018/19. Details of designated reserves are contained in note 17.

Going concern

In making their assessment of the Charity's ability to continue as a going concern, the trustees have considered the uncertainties of the external funding environment, the revised basis of operations, the ongoing integration of the formerly independent Relate Centres into the larger organisation, the current performance of those entities and other commercial and business activity as at the time of signing the accounts. Having considered various actions to mitigate any impacts from these factors the trustees have concluded that the going concern basis is appropriate in the preparation of these financial statements.

6. Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

7. Statement as to disclosure of information to auditors

The Board members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Board members has confirmed that they have taken all the steps that they ought to in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

8. Statement of trustees' responsibilities

The trustees (who are also directors of Relate for the purposes of company law) are responsible for preparing the Trustees' Report, incorporating the Strategic 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

9. Employee consultation and disabled employees

The charity encourages the involvement of its employees in its management through regular meetings of the worker/trustee councils which have responsibility for the dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the trust) and for receiving their views on important matters of policy.

The charity will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the charity.

During employment the trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

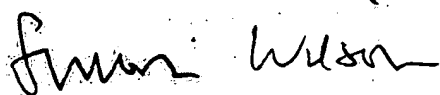
Report and Accounts for year ended 31st March 2019

Trustees' Report

10. Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Trustees' Report, incorporating the Strategic Report, is approved by the Trustees, by whose authority it is signed below:



Simon Wilson
Chair
Relate

Premier House
Carolina Court
Lakeside
Doncaster, DN4 5RA

3 March 2020

Report and Accounts for year ended 31st March 2019

Independent Auditors' Report to the Members of Relate

Opinion

We have audited the financial statements of Relate (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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, 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 requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

- the 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Report and Accounts for year ended 31st March 2019

Independent Auditors' Report to the Members of Relate

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 set out on page 23, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

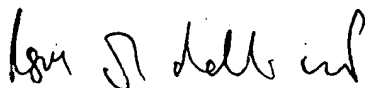
Auditor's responsibilities for the audit of the financial statements

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Oxtoby (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham B2 5AP

Date 4 March 2020

Report and Accounts for year ended 31st March 2019

Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31st March 2019

					2019	2018
	Notes	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
Income from:						
Donations and legacies		103	-	647	750	188
Federation Centres transferred in		1,258	-	97	1,355	1,166
Total income from donations and legacies	3	1,361	-	744	2,105	1,354
Charitable activities						
Government contracts		1,873	-	-	1,873	2,225
Other Contract income		4,653	-	-	4,653	1,138
Membership fees		402	-	-	402	505
Training income		265	-	-	265	304
Other income	5	233	-	-	233	167
Total income from charitable activities		7,426	-	-	7,426	4,339
Other trading activities - charity shop income		619	-	-	619	97
Investments	4	3	-	-	3	-
Total income		9,409	-	744	10,153	5,790
Expenditure on:						
Charitable activities						
Service delivery		6,283	-	518	6,801	2,788
Membership support		337	-	-	337	449
Other support costs	6	2,070	171	27	2,268	1,786
Training		200	-	49	249	237
Total expenditure on charitable activities	7	8,890	171	594	9,655	5,260
Total expenditure		8,890	171	594	9,655	5,260
Net income/(expenditure) for the year	8	519	(171)	150	498	530
Transfers between funds	16	(2)	-	2	-	-
Net movement in funds for the year		517	(171)	152	498	530
Reconciliation of funds						
Total funds brought forward at 1 April 2018		1,547	171	159	1,877	1,347
Total funds carried forward at 31 March 2019		2,064	-	311	2,375	1,877

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure is derived from continuing activities.

Report and Accounts for year ended 31st March 2019

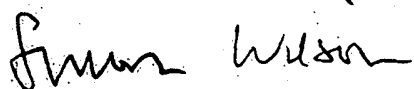
Balance Sheet at 31st March 2019

Company Number: 394221

		2019		2018	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		1,062		378
Intangible assets	13		2		11
Total fixed assets			1,064		389
Current assets					
Debtors	14	719		957	
Cash at bank and in hand		1,524		1,437	
		2,243		2,394	
Creditors					
Amounts falling due within one year	15	(932)		(906)	
Net current assets			1,311		1,488
Total assets less current liabilities			2,375		1,877
			=====		=====
Capital and reserves					
General fund		2,064		1,547	
Restricted funds	16	311		159	
Designated funds	17	-		171	
Total funds			2,375		1,877
			=====		=====

The notes on pages 30 to 50 form part of these financial statements.

The financial statements were approved by Board and authorised for issue on 3 March 2020 and are signed on its behalf by:



Simon Wilson
Chair
Relate

Report and Accounts for year ended 31st March 2019

Statement of Cash Flows

	Note	2019 £'000	2018 £'000
Cash flows from operating activities:			
Net cash used in operating activities	22a	(549)	(803)
Cash flows from investing activities:			
Interest income		3	-
Purchase of tangible fixed assets		(39)	(18)
Cash transferred on transfer of centres to Charity		672	981
Cash provided by investing activities		636	963
Changes in cash and cash equivalents in the year		87	160
Total cash and cash equivalents at the beginning of the year		1,437	1,277
Total cash and cash equivalents at the end of the year	22b	1,524	1,437

1. Company status

The Company has no share capital but is a charitable company limited by guarantee and is registered at the Charity Commission in England and Wales. Under the Memorandum of Association of the Company the liability of individual members is restricted to a maximum of £5. The address of the Charity's registered office and principal place of business is Premier House, Carolina Court, Lakeside, Doncaster, DN4 5RA. The nature of the Charity's operations is set out in the Trustees' Report.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Relate meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Charity.

Monetary amounts in the financial statements are rounded to the nearest £1,000 except where otherwise indicated.

b) Preparation of the accounts on a going concern basis

The Trustees have continued to adopt the going concern basis of preparation in these financial statements.

When assessing the going concern status of the Charity, the Trustees have taken account of historic and projected financial performance, the ability of the Charity to secure profitable revenue contracts and the ability of the business to reduce its cost base, if required, to protect working capital.

The Trustees have prepared forecasts which demonstrate that the Charity has sufficient cash reserves to enable it to settle its liabilities as they fall due for a period of at least 12 months from the date of the signing these financial statements. The Trustees in making this assessment have taken steps to ensure that the charity can react to the uncertainties of the external funding environment and have secured short term overdraft facilities from its bankers and are in the process of disposing of its surplus freehold property to provide resilience against this risk.

On this basis, the Directors have adopted the going concern basis of preparation.

c) Tangible fixed assets and depreciation

Tangible fixed assets are initially recorded at cost and subsequently measured at cost less depreciation and any impairment loss. It is the policy of the Charity to capitalise expenditure on individual items of furniture, fittings and equipment costing in excess of £1,000.

Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Freehold buildings	-	Over 50 years
Short leasehold improvements	-	Over the period of the lease
Furniture & fittings	-	Over 3 years

Impairment reviews are carried out when there are indications that recoverable amounts of fixed assets are below their carrying value.

d) Intangible fixed assets and depreciation

Intangible fixed assets are initially recorded at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. It is the policy of the Charity to capitalise expenditure on intangible assets costing in excess of £1,000. Amortisation is calculated so as to write off the cost of intangible fixed assets by equal annual instalments over their estimated useful lives.

Software and systems development – over 3 years.

Impairment reviews are carried out when there are indications that recoverable amounts of fixed assets are below their carrying value.

e) Leases

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

f) Pension costs

Relate has defined contribution pension schemes in place for staff, including one in the form of an independently administered Growth Plan, which is externally funded and not contracted-out of the State scheme. The scheme is a multi-employer scheme and Relate is unable to identify its share of the underlying assets and liabilities on a consistent and reliable basis.

Under the provision of FRS 102, all schemes are treated as defined contribution schemes and contributions are recognised as they fall due in the year.

a) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. The specific bases used are as follows:

- Donations and legacies include donations, legacies and grants receivable.
- Legacies are recognised as income where there is probability of entitlement to receipt of funds.
- Investment income is accounted for on a receivable basis.
- Charitable activity income is accounted for when earned. Activity income received in advance is deferred until entitlement to the income has arisen.
- Grants are recognised when the entitlement to the grant is confirmed. Grants that provide core funding or are of a general nature provided by the Government and charitable foundations are recorded as donations and legacies.
- Within charitable activity income membership fees and subscriptions are allocated to activity revenue categories on a basis consistent with the use of resources.

b) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. Expenditure is recognised in the period in which it is incurred on the following basis:

- Charitable expenditure comprises direct expenditure attributable to the Charity's activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.
- Support costs include the Charity's central functions and have been allocated to activity cost categories on a basis consistent with the total unrestricted costs for each charitable activity as a percentage of the Charity's total direct costs to reflect the consumption of costs incurred in the furtherance of each of the charitable activities.

c) Funds

Relate has designated funds which are unrestricted funds set aside for specific purposes and which would otherwise form part of Relate's general funds.

Other unrestricted funds are available for Relate to carry out any of its charitable activities.

Restricted funds are funds that have restrictions imposed by donors and can only be applied for the particular purposes specified by the donor.

d) Taxation

Relate is a registered charity and is thus exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable activities.

In the opinion of the trustees, no tax charge has arisen in either period.

e) Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes financing. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

f) Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

g) Transfer of centres into charity

The transfer of six centres into the Charity, involved the transfer of identifiable assets and liabilities and the operation of the centres for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred to the Charity have been valued at their fair values. The fair value has been derived based on that of equivalent items. The amount has been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer of centres to the Charity in the Statement of Financial Activities and analysed under unrestricted funds, designated funds and restricted funds. Further details of the transaction are set out in note 25.

h) Short term employment benefits

Short term employment benefits, such as salaries and compensated absences (holiday pay) are recognised in the year in which employees render services to the charity. The cost of any unused holiday entitlement the charity expects to pay in future periods is recognised in the period in which employees' services are rendered.

3. Donations and legacies

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£'000	£'000	£'000	£'000
Donations and gifts				
Hesperus Trust	25	-	25	-
Others	78	-	78	31
Donations from centres	1,258	97	1,355	1,166
Grants:				
Tampon Tax	-	132	132	20
Comic Relief - Maternal Mental Health	-	96	96	-
Legal Education Foundation	-	65	65	16
BBC Children in Need	-	40	40	34
UFI Charitable Trust	-	40	40	27
Access Impact	-	37	37	13
North Wales Police & Crime Commission Choose to Change	-	36	36	-
Cafcass - Working together for children	-	32	32	-
BBC Children in Need - Time to Talk	-	26	26	-
Wrexham Borough Council - Families First	-	25	25	-
Atal Y Fro	-	19	19	-
Wales Council for Voluntary Action	-	15	15	-
Conwy County Borough Council - Families First	-	12	12	-
Awards For All	-	11	11	-
Conwy County Borough Council - Domestic Abuse	-	10	10	-
Brighton Bursary Fund	-	9	9	-
BBC Children in Need - Contact for non-resident parents	-	6	6	7
Ford Prison	-	6	6	-
Sevenoaks Lions Club	-	5	5	-
Brighton Carers	-	5	5	-
Richmond Parish Lands	-	4	4	-
Cafcass - supported contact	-	3	3	1
Daisey Rich Trust	-	2	2	-
Cobtree Trust	-	2	2	-
Brighton - parent carers	-	2	2	-
Casey Trust Fund	-	1	1	-
Kent Communities Foundation (Howard Trust)	-	1	1	-
Worthing Community Chest	-	1	1	-
Macmillan All Wales	-	-	-	21
Comic Relief	-	-	-	15
Albert Hunt Trust - Young Persons	-	-	-	1
Others (each less than £1,000)	-	4	4	2
	<u>1,361</u>	<u>744</u>	<u>2,105</u>	<u>1,354</u>
	=====	=====	=====	=====

Donations from centres are detailed in note 25.

4. Investment income

	2019	2018
	£'000	£'000
Interest receivable on short term deposits	3	-
	====	=====

5. Other income

Other charitable income comprises recharges to the Federation, rental income, licence fees and royalties, sales of books and materials and miscellaneous income from writing and consultancy advice.

6. Other support costs

Support costs are an apportionment, based on the total unrestricted costs for each charitable activity as a percentage of the charitable company's total direct costs to fairly reflect the consumption of costs incurred in the furtherance of each of the charitable activities, of the following expenses:

	2019	2018
	£'000	£'000
Chief Executive's office	196	189
Policy, research, media & communications	266	319
Corporate Resources	1,310	949
Securing our Future programme	171	329
Charity shops staffing	325	-
	2,268	1,786
	=====	=====

7. Expenditure on charitable activities

Staff costs include all payroll costs. Direct costs include those costs associated with providing the activity, for example external consultancy and contractor fees, as well as a fair share of support costs.

	Service delivery	Membership support	Other support	Training	2019 Total funds	2018 Total funds
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	4,240	256	1,482	132	6,110	2,991
Direct costs	2,561	81	786	117	3,545	2,269
	6,801	337	2,268	249	9,655	5,260
	=====	=====	=====	=====	=====	=====

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Notes to the Financial Statements (cont.)

8. Net income/(expenditure) for the year

The following amounts are charged in the Statement of Financial Activities:

	2019	2018
	£'000	£'000
Operating lease rentals:		
– Land and buildings	505	159
– Plant and machinery	17	8
Depreciation	50	25
Loss on disposal of fixed assets	3	-
Amortisation	9	10
Auditors' remuneration for statutory audit	23	17
	=====	=====

9. Employee information

The average headcount and the average number of full time equivalent employees was as follows:

	Average headcount		Full time equivalent	
	2019	2018	2019	2018
	Number	Number	Number	Number
Service delivery	442	74	146	38
Training	11	2	6	2
Support staff	97	44	59	36
Membership support and governance	10	10	9	8
	=====	=====	=====	=====
	560	130	220	84

The staff costs were as follows:

	2019	2018
	£'000	£'000
Salaries	5,251	2,625
Social security costs	323	227
Pension costs	166	134
Redundancy costs	110	5
Agency costs	187	-
Other staffing costs including apprenticeship levy	73	-
	=====	=====
	6,110	2,991

In 2017-18, agency and other non-payroll staff costs were included in direct costs.

9. Employee information (cont.)

Redundancy costs of £102,349 were paid to a total of 7 staff who were made redundant as a result of a management restructuring process which took place at the end of 2018-19. An earlier redundancy payment of £7,158 to one individual is also included.

The analysis of payroll costs (including redundancy compensation) is as follows:

	2019	2018
	£'000	£'000
Service delivery	4,240	1,030
Membership support	256	356
Training costs	132	71
Support staff	1,482	1,534
	<u>6,110</u>	<u>2,991</u>
	=====	=====

The number of employees whose total emoluments excluding employer pension costs exceeded £60,000 was as follows:

	2019	2018
	Number	Number
£60,001 - £70,000	1	-
£70,001 - £80,000	2	3
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
	=====	=====

Total emoluments are comprised of gross salaries and Health Plan contributions. Pension contributions of £18,014 (2018: £25,143) were paid on behalf of 3 (2018: four) of these employees.

10. Key management personnel remuneration

The key management personnel of the Charity are those having authority and responsibility delegated to them by the trustees, for planning, directing and controlling the activities of the Charity. The total employee benefits and consultancy costs of the key management personnel, including employers' national insurance contributions and employers' contributions to the pension scheme, were £496,880 (2018: £413,163).

11. Amounts payable to Trustees

Expenses for travel and subsistence totalling £8,299 (2018: £10,545) were reimbursed during the year to 9 Trustees (2018: 11). Indemnity insurance on behalf of the trustees was paid by the Charitable Company. The cost of this was £1,521 in the year to 31 March 2019 (2018: £2,375). None of the other Trustees nor any person connected to them received any remuneration from the charitable company during the current or previous year. There were no amounts received by Trustees for other services in the year (2018: £nil).

12. Tangible fixed assets

	Freehold Land and buildings £'000	Short leasehold improvement £'000	Furniture and fittings £'000	Total £'000
Cost				
At 1 April 2018	300	72	133	505
Additions	-	-	39	39
Transfers in from joining centres (note 25)	675	11	12	698
Disposals	-	-	(11)	(11)
At 31 March 2019	975	83	173	1,231
Depreciation				
At 1 April 2018	-	50	77	127
Charge for the year	3	6	41	50
Disposals	-	-	(8)	(8)
At 31 March 2019	3	56	110	169
Net book value				
At 31 March 2019	972	27	63	1,062
	=====	=====	=====	=====
At 31 March 2018	300	22	56	378
	=====	=====	=====	=====

Included in freehold land and buildings above is freehold land but the value of this cannot be separately quantified.

Notes to the Financial Statements (cont.)

13. Intangible fixed assets

	Software £'000
Cost	
At 1 April 2018 and 31 March 2019	<u>28</u>
Amortisation	
At 1 April 2018	17
Charge for the year	9
	<u>26</u>
At 31 March 2019	
Net book value	
At 31 March 2019	2
	===
At 31 March 2018	11
	===

14. Debtors

Amounts falling due within one year:

	2019 £'000	2018 £'000
Trade debtors		
- Relate centres	8	49
- Other trade debtors	308	258
Other debtors	33	1
Prepayments and accrued income	214	181
Amounts owed by Dept. for Work & Pensions	156	468
	<u>719</u>	<u>957</u>
	=====	=====

15. Creditors

Amounts falling due within one year:

	2019	2018
	£'000	£'000
Trade creditors	235	235
Short term compensated absence (holiday pay)	52	36
Other taxation and social security	99	80
Accruals and deferred income	546	555
	932	906
	=====	=====

Included within accruals is £26,131 (2018: £18,523) of outstanding pension contributions.

Analysis of deferred income:

	2019
	£'000
Deferred income at 1 April 2018	392
Amounts released from previous years	(384)
Resources deferred in the period	268
	276
	=====

At the reporting date, the Charity was holding funds received in advance for projects with performance conditions attached which had not been met.

16. Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overheads and support costs. The movements on the restricted funds were as follows:

	At 1 April 2018	Income	Expenditure	Transfers	At 31 March 2019
	£000	£000	£000	£000	£000
Philip King	23	-	(3)	-	20
John Ridley	22	-	-	-	22
Suffolk County Council - Pilot Services	21	-	(6)	-	15
Macmillan All Wales	16	-	(16)	-	-
Prostate Cancer Trust	13	-	(13)	-	-
Dulverton Trust	12	-	(12)	-	-
Children in Need - Contact for non-residents	10	6	(8)	-	8
Children in Need - Lincoln	7	40	(38)	-	9
UFI Charitable Trust	5	40	(45)	-	-
Legal Education Fund	5	65	(34)	-	36
Perpetrators of crime (Flintshire)	(5)	-	-	5	-
Lottery Foothold	5	-	(5)	-	-
Comic Relief - Maternal Mental Health	4	96	(52)	-	48
DCMS Tampon Tax	-	132	(132)	-	-
Access Impact	-	37	(28)	-	9
North Wales Police - Choose to change	-	36	(28)	-	8
Cafcass - Working together for children	-	32	(14)	-	18
BBC Children in Need - Time to Talk	-	26	(25)	-	1
Wrexham Borough Council - Families First	-	25	(25)	-	-
Atal Y Fro	-	19	(19)	-	-
Brighton Carers	-	19	(10)	-	9
Brighton Parent Carers	-	18	(5)	-	13
Wales Council for Voluntary Action	-	15	(11)	-	4
Orchard School Canterbury	-	14	(7)	-	7
Conwy County BC - Families First	-	13	(4)	-	9
Awards for All	-	11	(10)	-	1
Conwy County BC - Domestic Abuse	-	10	(7)	-	3
Hampton Fuel Allotment Charity	-	9	(3)	-	6
Age Concern	-	9	(2)	-	7
Through the Gate	-	9	(7)	-	2
Brighton Bursary	-	9	-	-	9
Ford Prison	-	8	-	-	8
Big Potential	-	7	(6)	-	1
Sevenoaks Lions Club	-	5	-	-	5
Others (40+ in total)	21	34	(19)	(3)	33
	159	744	(594)	2	311

16. Restricted funds (cont.)

The charity has continued to apply funds originally awarded in previous financial years on multi-year projects and as the table on the previous page shows for some projects (for example the Philip King, John Ridley and Suffolk Country Council funding sums will continue to be applied in 2019/20).

Some important new sources of funds have arisen in 2018/19. The Department for Culture, Media & Sport provided significant funding to develop new services to address domestic abuse and to train specialist counsellors across the Relate Federation in this area of clinical activity.

The UFI Charitable Trust provided monies to develop online diagnostic tools that will allow Relate to identify counselling needs more quickly and the Legal Education Fund awarded Relate funding to develop another online tool to help separating couples

The Access Impact programme has allowed Relate to invest in adapting software to provide considerably enhanced internal reporting capability.

Finally Comic Relief and Children in Need provided funding in Wales and Lincolnshire respectively to provide additional counselling services for excluded groups in those areas. The North Wales Police & Crime Commissioner also funded a project to help perpetrators of domestic abuse change their behaviours.

The number of activities undertaken using restricted funding has increased quite significantly in 2018/19. This reflects both ongoing activity by the national charity to seek funding of this nature for projects with a national impact but also more localised projects being secured by the 15 centres that were previously independent but which are now firmly embedded into the national charity.

Relate is grateful to the providers of restricted funding as well as those entities that have provided unrestricted grants and donations (see note 3 above) to the national charity and in the 15 Relate areas.

17. Designated funds

	At 1 April 2018	Income	Expenditure	At 31 March 2019
	£'000	£'000	£'000	£'000
Securing our future	171	-	(171)	-

A designated fund was created by the Board for the purposes of instigating or progressing projects of a strategic nature which will benefit the Charity's (future) clients and members. During 2017/18 the Board approved the use of the fund to support the development of the Securing Our Future strategy and approved the transfer of a further amount from general funds for this purpose, to be utilised in 2018/19 in relation to the Securing our Future programme. By the end of 2018/19, the fund had been fully utilised.

18. Financial commitments

The total future minimum payments in respect of operating leases are shown below:

	Land and buildings		Other	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Expiry date:				
Within one year	368	227	17	9
Between two and five years	677	275	13	14
Greater than five years	378	36	-	7
	1,423	538	30	30
	=====	=====	=====	=====

19. Easily realisable reserves

The easily realisable reserves are calculated as follows:

	2019	2018
	£'000	£'000
Total funds	2,375	1,877
Less restricted funds	(311)	(159)
Less designated funds	-	(171)
Less fixed assets	(1,064)	(389)
Easily realisable reserves	1,000	1,158
	=====	=====

20. Analysis of assets and liabilities between funds

	Fixed Assets	Net current assets	Total
	£'000	£'000	£'000
Unrestricted funds	1,064	1,000	2,064
Restricted funds	-	311	311
	1,064	1,311	2,375
	=====	=====	=====

21. Pensions

Relate participates in a number of pension schemes. The variety and number of schemes has increased over the past 18 months as a result of the migrations of formerly independent centres into Relate described elsewhere in these accounts.

The main scheme is The Pensions Trust's Growth Plan 4 ("the Plan"). This plan is the one of which employees of the core legacy business (i.e. the business existing prior to the migrations) were members and the one into which all new joiners have been enrolled since 1 April 2018 (or the date of migration of their locality into Relate if this was later – see note 25 below).

Eight of the formerly independent centres that migrated into Relate in the period October 2017 to June 2018 also used The Pensions Trust (TPT) as their provider of pension services. In some cases, the relevant employees were enrolled in the Growth Plan 4 scheme and in this situation those enrolments have been switched from the scheme held by the migrating centre to the Relate scheme after securing the appropriate consents from the relevant employees.

In two cases migrating centres had enrolled members in other schemes provided by TPT. The process of migrating those employees is more complex as a transfer can trigger financial adjustments for Relate and/or (more rarely) the employee. A small number of employees continue to be enrolled in these schemes and discussions continue as to whether migrating these employees to "the Plan" is desirable and if so how it is best achieved.

The remaining migrating centres had pension arrangements with NEST, NOW and The Pensions Trust. In all cases these arrangements were defined contribution schemes.

In the medium term, Relate would prefer to consolidate its pension arrangements with a single provider but as noted above changing pension arrangements will require discussions with employees and may result in financial adjustments and charges. Work continues to assess the ease and desirability of undertaking this consolidation process and any associated financial impacts. There is little prospect of these changes taking place in the near future and so the trustees consider any financial impact to represent a remote contingent liability.

The total charge to the Statement of Financial Activities for the year in respect of employer's contributions to all these schemes was £165,555 (2018: £134,072). Contributions totalling £13,558 (2018: £18,523) were payable to the funds at the year end and are included in creditors.

Details of Schemes

Pensions Trust Growth Plan 4 ("the Plan")

The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

21. Pensions (cont.)

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contributions payable.

Relate paid contributions at two rates of 10% and 2% of pensionable salaries during the year (2018: 10% and 1%). The lower rate is applicable to the auto-enrolment plan. Members paid contributions at the rate of 2%, 5%, 7% or 10% (2018: 2% or 5%) during the accounting period.

The Trustees of the Pensions Trust's Growth Plan commission an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The Plan was valued as at 30 September 2017 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £795 million and the Plan's Technical Provisions (i.e. past service liabilities) were £926 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £132 million, equivalent to a funding level of 86%.

Currently Relate is not required to contribute additional payments to support the Plan in making good the overall deficit. This is primarily because Relate moved its contributions from The Plan's Growth Series 3 to Growth Series 4 in 2011. However, were Relate to withdraw from the Plan altogether, the Plan's advisers have estimated that Relate would be liable for an additional payment of £76,037 (2018: £85,376) to cover shortfalls generated during the period it participated in the Plan's Growth Series 3. The Trustees consider this to be a remote contingent liability as Relate has no plans to withdraw from the Plan at this stage.

Further details can be found at the Plan's web-site: <http://www.thepensionstrust.org.uk>

As noted above, the Charity operates a number of defined contribution pension schemes for all qualifying employees in the United Kingdom. The assets of the schemes are held separately from those of the Charity in independently administered funds. The contributions payable by the Charity charged to the Statement of Financial Activities amounted to £16,779 (2018: £nil). Contributions totalling £1,415 (2018: £nil) were payable to the fund at the year end and are included in creditors.

22. Net Cash provided by operating activities

a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £'000	2018 £'000
Net income for the year per the SOFA	498	530
Adjustments for:		
Depreciation and amortisation	59	35
Loss on disposal of fixed assets	3	-
Interest receivable	(3)	-
Decrease/ (increase) in debtors	372	(121)
Decrease in creditors	(123)	(83)
Net gain of transfer in of centres	(1,355)	(1,166)
Net cash used in operating activities	<u>(549)</u> =====	<u>(803)</u> =====

b) Analysis of cash and cash equivalents

	At 1 April 2018 £'000	Cash flows £'000	At 31 March 2019 £'000
Cash at bank and in hand	1,437 =====	87 =====	1,524 =====

23. Financial Instruments

The carrying value of the Charity's financial instruments at 31 March were:

	2019 £'000	2018 £'000
Financial assets:		
Debt instruments measured at amortised cost	537 =====	807 =====
Financial liabilities:		
Debt instruments measured at cost	557 =====	434 =====

24. Critical accounting estimates and judgements

Estimates and judgements are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

25. Acquisition – Centres transferred to the Charity

During the year, all the operations and assets and liabilities of six Relate centres were transferred to the Charity for £nil consideration.

The substance of the transfers is that of a gift and it has been accounted for on that basis. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as income in the Statement of Financial Activities.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Relate entity	Date of transfer	Fixed assets £'000	Current assets £'000	Current liabilities £'000	Net assets gifted £'000
Relate Brighton	1 June 2018	300	138	(20)	418
Relate East Kent	1 June 2018	377	26	(15)	388
Relate Portsmouth	1 June 2018	14	174	(47)	141
Relate London South East	1 June 2018	3	140	(42)	101
Relate London South West	8 June 2018	4	123	(17)	110
Relate Oxfordshire	8 June 2018	-	206	(9)	197
		698	807	(150)	1,355

There has been no further transfers of centres since 1st April 2019 and no further transfers are planned as at the date of signing of these accounts.

26. Related party transactions

There were no transaction with related parties in 2018-19 (2017-18 £nil).

27. Prior year Statement of Financial Activities and Funds notes

		Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	2018 Total Funds £'000
	Notes				
Income from:					
Donations and legacies		32	-	156	188
Federation Centres transferred in		1,121	-	45	1,166
Total income from donations and legacies	3	1,153	-	201	1,354
Charitable activities					
Government contracts		2,225	-	-	2,225
Other Contract income		1,138	-	-	1,138
Membership fees		505	-	-	505
Training income		304	-	-	304
Other income	5	167	-	-	167
Total income from charitable activities		4,339	-	-	4,339
Other trading activities – charity shop income		97	-	-	97
Investments	4	-	-	-	-
Total income		5,589	-	201	5,790
Expenditure on:					
Charitable activities					
Service delivery		2,609	-	179	2,788
Membership support		436	-	13	449
Other support costs	6	1,452	329	5	1,786
Training		234	-	3	237
Total expenditure on charitable activities	7	4,731	329	200	5,260
Total expenditure		4,731	329	200	5,260
Net income/(expenditure) for the year	8	858	(329)	1	530
Transfers between funds		(161)	163	(2)	-
Net movement in funds for the year		697	(166)	(1)	530
Reconciliation of funds					
Total funds brought forward at 1 April 2017		850	337	160	1,347
Total funds carried forward at 31 March 2018		1,547	171	159	1,877

27. Prior year Statement of Financial Activities and Funds notes (cont.)

Restricted funds

	At 1 April 2017	Income	Expenditure	Transfers	At 31 March 2018
	£'000	£'000	£'000	£'000	£'000
Philip King Charitable Trust	31	-	(8)	-	23
John Ridley Fund	25	-	(3)	-	22
Suffolk County Council – Pilot	-	21	-	-	21
Macmillan All Wales	12	21	(17)	-	16
Prostate Cancer Trust	13	-	-	-	13
Dulverton Trust	22	-	(10)	-	12
Comic Relief – Contact for Non-resident parents	5	7	(2)	-	10
BBC Children in Need	-	34	(26)	-	7
UFI	14	27	(36)	-	5
Lottery Foothold Project	7	-	(3)	-	5
Legal Education Foundation	-	16	(11)	-	5
Perpetrators of Crime	11	-	(16)	-	(5)
Comic Relief	-	15	(11)	-	4
Tampon Tax	-	20	(20)	-	-
Doncaster Metropolitan Borough	10	-	-	(10)	-
Big Potential	13	-	(13)	-	-
Access Impact	-	13	(13)	-	-
Other restricted funds	(3)	27	(9)	8	21
	<u>160</u>	<u>201</u>	<u>(200)</u>	<u>(2)</u>	<u>159</u>

Designated Funds

	At 1 April 2017	Income	Expenditure	Transfers	At 31 March 2018
	£'000	£'000	£'000	£'000	£'000
Securing our future	337	-	(329)	163	171
	<u>337</u>	<u>-</u>	<u>(329)</u>	<u>163</u>	<u>171</u>

27. Prior year Statement of Financial Activities and Funds notes (cont.)

Analysis of assets and liabilities between funds

	Fixed assets £'000	Net current assets £'000	Total £'000
Unrestricted funds	389	1,158	1,547
Designated funds	-	171	171
Restricted funds	-	159	159
	<u>389</u>	<u>1,488</u>	<u>1,877</u>
	=====	=====	=====