Kapella

England & Wales · Charity number 1053946

Details

Other names	RELATE BIRMINGHAM
Status	Registered
Legal form	Charitable company
Company number	03174040
Registered	1996-03-21
Register	View on the Charity Commission register

Contact

Address	Kapella 111 Bishopsgate Street Birmingham B15 1ET
Phone	01216431638
Email	info@kapella.org.uk
Website	www.kapella.org.uk

Activities

Objects: 1)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. 2)TO PROMOTE RESEARCH INTO ALL ASPECTS OF COUPLE RELATIONSHIPS AND MARRIAGE AND TO MAKE THE RESULTS AVAILABLE TO THE PUBLIC. 3)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.

Activities: Kapella is a local charity covering Birmingham, Solihull, Sandwell, Walsall, Wolverhampton, Dudley and South Staffordshire. We offer counselling for individuals, couples, families and young people to help them cope with pressures that lead to relationship breakdown and make positive changes in a confidential environment. We also offer sex therapy, training and mediation and child contact.

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** BIRMINGHAM SUTTON COLDFIELD AND SOLIHULL
- Birmingham City
- Dudley
- Sandwell
- Solihull
- Staffordshire
- Walsall
- Wolverhampton

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£706,507	£730,464	£973,831	44
2024-03-31	£767,778	£604,574	£997,788	43
2023-03-31	£602,653	£498,705	£834,584	36
2022-03-31	£425,704	£414,144	-	-
2021-03-31	£669,656	£572,231	£719,076	26

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Trustees

Name	Role	Appointed
Andy Lee		2015-04-20
Ayola Beckford		2023-08-16
Christopher Price		2023-08-16
ELIZABETH WYATT		2012-01-10
Ebony Findley		2023-08-16
Malcolm Pearson		2018-04-23
PAM DHANDA		2015-04-20
Parminder Goray		2023-08-16

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Kapella

England & Wales - Charity number 1053946

Accounts

Registered number: 03174040
Charity number: 1053946

KAPELLA (FORMERLY RELATE BIRMINGHAM)

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Feltons
Chartered Accountants
Birmingham
B1 3JR

KAPELLA (FORMERLY RELATE BIRMINGHAM)
(A company limited by guarantee)

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KAPELLA (FORMERLY RELATE BIRMINGHAM)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Trustees	Malcolm Pearson, Chair Elizabeth Wyatt Andy Lee Pam Dhanda Matthew Booton (resigned 3 September 2025) Ayola Beckford Christopher Price Ebony Findley Parminder Goray
Company registered number	03174040
Charity registered number	1053946
Registered office	111 Bishopsgate Street Birmingham B15 1ET
Company secretary	Ruth Levesley
Key management personnel	Ruth Levesley (Chief Executive) Lisa Hale (Service Manager)
Independent auditors	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	CAF Cash Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ Co-Operative Bank plc PO Box 82 118/120 Colmore Row Birmingham B3 3BA
Solicitors	Tyndallwoods 29 Woodbourne Road Edgbaston Birmingham B17 8BY
Patron	The Lord Mayor of Birmingham

KAPELLA (FORMERLY RELATE BIRMINGHAM)

(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

In recent years, my reports have reflected a consistent message of steady progress and excellent commitment from both the Management and staff in maintaining Kapella's (formerly Relate Birmingham's) positive and sustainable route forwards. This year, however, has brought significant change to the organisation, most notably our new name and branding, which is referenced throughout this report.

In summary, 2025 began with a major development when Relate National and the Relate Brand were acquired by Family Action, effectively bringing the existing Relate Federation to an end. This did not immediately affect Relate Birmingham, as we remained financially independent, and we took time to evaluate the changing situation.

In March 2025, we made the pivotal decision not to enter into a new arrangement with Family Action, but instead to remain independent and move forward under a new identity of Kapella. Whilst recognising that creating and establishing a new brand would require considerable effort, it also gave us the opportunity to build something more flexible that will grow with us as we expand our service offer and reach.

Inspired by Capella, one of the brightest stars in the night sky, our new name symbolises guidance, support, and clarity. It also nods to a cappella—a form of collective, harmonious expression—echoing our belief in togetherness and shared voices. Like a guiding star, Kapella is here to help individuals, couples and families navigate life's challenges, whether they involve relationships, family changes, or emotional wellbeing.

The Board fully supports this step forward and has been impressed by the leadership and ability shown by the Management team and particularly in the successful implementation of the new brand and marketing approach.

Thanks to the strong financial foundation built by the Management team, we are well-positioned to begin this exciting and dynamic phase of development and withstand the changes as we navigate our way ahead.

As a Board, we continue to monitor both our expenditure and business development strategy to ensure continued progress. With the addition of new Board members last year, we have the stability and expertise to support the Management team on this journey.

As in previous years, I am confident in the continued success of Kapella, even through this period of change, and especially in the hands of our current team. I look forward to our further achievement and development.

On behalf of the Board, I wish to express our appreciation to all our Management and Staff for their hard work and dedication in keeping Kapella at the forefront of our sector. Finally, I would also thank my fellow Board members for their support to me and the management team through this period of transformation and change.



Malcolm Pearson
Chairman
Date: 3 September 2025

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Principal activity

The charitable objectives of the company (the Common Purpose Statement) are explained on page 9. The principal activity during the year was the provision of relationship and wellbeing support, delivered through counselling for individuals, couples, families and young people, psychosexual therapy, family mediation, child contact services and education and training work.

STRUCTURE, GOVERNANCE AND MANAGMENT

Governing document

Kapella (formerly Relate Birmingham) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23 October 2013 and is registered as a charity with the Charity Commission. There are currently nine members, each of whom agrees to contribute £1 in the event of the charity winding up.

Appointment of the trustees

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law and the Charity Commission guidance on public benefit and are informed of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity.

Organisation of charity

(a) Executive Committee (The Board of Trustees)

The board, which can have up to 18 members, is responsible for setting the policy of the charity and ensuring that all monies received are used for the objectives of the charity. There were nine members of the executive committee at 31 March 2025.

(b) Chief Executive

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity and has delegated authority, within terms of delegations approved by the trustees for operational matters including finance, marketing, personnel and service delivery. The trustees and Chief Executive developed a business plan during the year, to which the Chief Executive has worked.

(c) Support Staff

The Chief Executive was supported by the 1 Service Manager, 1 part time Finance Manager, 1 Clinical Supervisor, 1 Domestic Abuse Service Co-ordinator, 1 part time Children, Young People and Families Service Lead, 1 Marketing and Communications Manager and 4 paid administrative and reception staff covering Birmingham, Wolverhampton, Solihull, Walsall, Sandwell and Dudley and South Staffordshire. At the start of the year this included:

1 Service Manager	37 hours per week
1 Clinical Supervisor	37 hours per week
1 Domestic Abuse Service Co-ordinator	37 hours per week
1 CYPF Service Lead	24 hours per week
1 Marketing and Communications Manager	35 hours per week
1 Finance Manager	16 hours per week
3 Administrative assistants	103 hours per week

The Birmingham office is the base for the administration team.

(d) Counsellors

At 31 March 2025, there were twenty-two counsellors working between three and twenty-five hours per week. 8% of the total number of counselling sessions delivered was provided by counsellors on a voluntary basis.

(e) Family Team

At 31 March 2025, there were 2 Family Contact Workers and 1 Family Mediator.

(f) Domestic Abuse Services Team

At 31 March 2025, there was 1 Domestic Abuse Service Co-ordinators and 2 Choose2Change programme facilitators and a Partner Safety Worker

(g) CYP Wellbeing Team

At 31 March 2025, there were 4 Children and Young People Wellbeing Practitioners and 1 ADHD Wellbeing Practitioner.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a client or supplier must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions in the current year are described in note 20 to the accounts.

Pay policy

The board of directors, who are trustees and the senior management team together comprise the key management personnel of the charity in charge of directing and operating the charity on a day to day basis. No director received remuneration in the year and details of directors' expenses and related party transactions are disclosed in note 7 to the accounts. The pay of staff is reviewed annually and, where finances permit, are increased in accordance with average earnings

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Founded in 1946 (originally as Birmingham Marriage Guidance and then as Relate Birmingham until June 2025), Kapella is an independent, registered charity. We recognise relationships have difficulties and aim to help individuals, couples and families build better relationships through the counselling, sex therapy, mediation, training and other relationship support and wellbeing services.

At Kapella our mission is to:

- Deliver counselling, mediation and training services
- Enhance the quality of couple, family and parental relationships for adults, families and young people in Birmingham, Solihull, Sandwell, Walsall, Wolverhampton, Dudley and South Staffordshire and surrounding areas.
- Work as part of the Relationships England and Wales Network

OUR SERVICES

Relationship Counselling

Relationship Counselling is for couples and individuals having issues in their personal relationships or need support in their role as parents. We help them cope with issues such as communication, parenting and co-parenting, divorce and separation and improve their relationships with partners, children and relatives. Other issues we work with include domestic abuse, adult survivors and mental health issues. Sessions can be face to face, via webcam or phone.

Sex Therapy

Sex therapy is for people having problems in their sexual relationships due to physical or emotional issues. They can be in a couple or single. Many people are referred by their GP.

Family Counselling

Family Counselling addresses issues occurring in a family situation. This can include difficulties in communication between parents and children, differing parenting ideas causing friction within the family unit, blended families bringing together a 'new' family, children and young people struggling with relationships or supporting family members recovering from the impact of abuse.

Children & Young People's Counselling & Wellbeing

Time for You is our service for children and young people aged 7-18 experiencing changes in their family such as separation, divorce, blended families, absent parents, illness, bereavement, and conflict. It also helps where this has an impact on school, work, peer relationships or where there are issues around bullying or domestic abuse. It gives them an opportunity to be listened to and express their feelings. We also provide wellbeing sessions and ADHD coaching and support.

Lifeskills, Training and Education Services

We can provide relationship, parenting and lifeskills workshops for the public, as well as tailored training courses for other professionals, voluntary groups or organisations supporting families.

Family Mediation

Mediators work with couples involved in family breakdown to make arrangements, either to plan for a separation or divorce, or once a separation or divorce has taken place. Mediation can help to settle disputes over contact and living arrangements, child maintenance, property and money, without having to go to court, paving the way to a smoother separation.

Child Contact

We work directly with children and families, referred to us by CAFCASS, in community settings to promote safe and beneficial contact between separated / non-resident parents and their children.

Domestic Abuse Services

Choose2Change is our group programme designed to help people stop using abusive behaviour towards an intimate partner or ex-partner and to increase the safety of women and children

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Name Change from Relate Birmingham to Kapella.

In January 2025, Family Action acquired Relate National's service delivery and the Relate Brand. In March 2025, we took the decision not to enter a new agreement with Family Action and to move away from the Relate Brand. Over the following 3 months we worked collaboratively with Family Action to have a managed exit process, with the focus on a smooth transition for staff, clients and stakeholders. On 30 June 2025 we officially rebranded as Kapella and this name change is reflected in these annual accounts and reports.

During the year we have continued to provide services covering the area of Birmingham, Solihull, Wolverhampton, Dudley, Sandwell, Walsall and South Staffordshire.

- In line with our plans, we added more face-to-face counselling in our Birmingham centre and Sutton Coldfield premises and reopened our Wolverhampton centre part time in October 2024.
- We made more progress in building the management team, recruiting a full-time marketing and communications manager, part time children and young people's service lead and a full time Clinical Lead supervisor to oversee the quality and safety of our counselling.
- We developed a marketing strategy, updated our website and materials and increased our presence on digital and social channels.
- During 2024-25, we delivered 9,165 hours of service and support, working directly with 2,650 adults, young people and children, and indirectly benefitting a further 1,487 children.
- Overall, we registered 1486 new cases and delivered 6643 hours of counselling and the ongoing strain on relationships and wellbeing is clear. Children and parenting difficulties were an issue for 41% of adults and couples. Mental health was an issue for 34% and domestic abuse was an issue for 20%.
- We believe services should be accessible to all. Many of our clients are on low incomes and 20% live in the most deprived areas. Concerns about work and money worries were the key issue for 29% of self-referral clients, especially with the cost of living pressures. We have continued to provide a subsidised service for clients who need it and a full bursary to support parents with severe financial difficulties. This year, our subsidy rate is 43% on average.
- We also supported clients referred through national Relate benevolent funding for army, navy and RAF personnel and bank workers, as well as retail and licencing trade employees.
- Based on the pilot of a relationship support service to NHS staff affected by the cost of living, the service has been commissioned, and we successfully bid for the first contract. We also provided counselling to patients with relationship and family issues referred by their GP. We also offered counselling in a residential unit for parents undergoing assessment.
- Our Time for You Service for children and young people underwent some changes this year. The SCVO funded project, providing counselling in 11 Sandwell schools, ended in December, as did the Sandwell CAMHS contract and this is reflected in the lower counselling activity. We have started 2 new initiatives –

taking on 4 Community Wellbeing Practitioners and Think ADHD to provide checks, coaching and support for children, young people and their parents.

- Our Domestic Abuse Service continued to work in partnership with St Giles Trust, Black Country Women's Aid, the Police and Relate Coventry on the Pathways to Change project to pilot perpetrator interventions to increase the safety of women and children. The pilot, funded by the OPCC, ended in March and a research paper will be published in 2025.

- Family Mediation continued to support separating or divorcing parents reach agreement about their finances, property and child contact and delivered online and face to face meetings.

- We provided the ICFA service in our area, in partnership with Child Action North West. This service supports parents and children referred by CAFCASS to have safe and beneficial contact through tailored work plans and time-limited contact work. We also maintained our NACCC Accreditation.

Analysis of Activity	**Year to March 2024**	**Year to March 2025**
Total units of work delivered:	**10023**	**9165**
Total number of users	**3357**	**2650**
Total number of new cases:	**2240**	**1486**
Self Referrals		
38% of work is self-referral.		
Number of New Cases Registered	1114	933
Total Hours of Counselling Appointments Given	3305	3511
Total Hours Service Given	3975	3570
Relationship Counselling	84%	80%
Sex Therapy	5%	8%
Children & Young People's Counselling	5%	7%
Family Counselling	3%	4%
Family Mediation	3%	1%
Contracts and Commissioned Services:		
62% of work is contract or commissioned.		
Total Hours Service Given	6048	5595
Primary Care/Health Counselling	11%	22%
CYP CAMHS/School/Project Counselling	61%	31%
Residential Centre Counselling	2%	3%
Child Contact Service	26%	43%
Domestic Abuse Behaviour Change Programme	-	1%

Clients Information

2650 adults, young people and children benefited directly from our services.
1487 children of adult clients benefited indirectly.

Who We Worked With	
Couples	26%
Women	26%
Men	19%
Families	2%
Children/Young People	27%

Presenting Issue– Adults/Couples	
Communication Difficulties	84%
Children, Family, Parenting	41%
Work & Money Worries	29%
Separation and Divorce	28%
Sexual Problems	22%
Mental & Physical Health	39%
Affairs	20%
Domestic Abuse	20%
Impact of Past Relationships	22%
Bereavement	14%
Alcohol and Drug Misuse	11%
Sexual Abuse	4%
Caring Responsibilities	7%

Relationship Status - Adults	
Married//Cohabiting	72%
Separated/Divorced	19%
Single	5%
None	4%
Civil Partnership	0%

Where They live	
Birmingham	38%
Solihull	8%
Sandwell	18%
South Staffs	7%
Walsall	8%
Dudley	12%
Wolverhampton	6%
Other	5%

Ethnicity	
White British/Irish/Other	63%
Asian/Asian British	16%
Black/African/Caribbean/Black British	10%
Mixed/Multiple Ethnic Groups	5%
Other	1%
Not known	5%

Employment Status - Adults	
Full Time	60%
Part Time	17%
Self Employed	10%
At Home	4%
On Benefit	3%
Retired	4%
Student	2%

Summary Financial Information

How We Funded Our Services	£ 2024	£ 2025
Donations and Grants	34,150	29,657
Local Authority	36,464	15,000
Client Contributions	123,955	124,017
Grants & Contracts	587,206	527,012
Education and Training	0	0
Family Mediation	5,890	6,098
Room Hire and Other Income	4,138	4,723
Average cost per counselling hour	56.38	56.54
Average client contribution per hour	28.16	31.92
Average subsidy made per client appointment	28.22	24.62
On average we subsidised clients by	50%	43%

FUTURE PLANS AND DEVELOPMENT

This year we made significant progress, while going through a period of change and instability within Relate. We are now looking forward to building our new future as a fully independent charity, as we rebrand as Kapella from 30 June 2025. Our mission and values haven't changed and we will provide the same relationship and wellbeing services as before and with the same commitment to accessibility and affordability.

This year our objective is to complete the rebrand and market our new identity, make progress on building the team and developing our infrastructure, and seek more contracts and funding to enable us to provide accessible services to more clients with mental health and wellbeing concerns, who are also facing higher living costs. We will continue to broaden our counselling offer and focus on developing Mediation and Family Contact services.

In 2025/26 our priorities are to:

a) Organisational Structure and Systems

Develop the staff structure and recruit to identified roles to deliver the plan.
Extend the opening hours at main centres and build a network of delivery venues.
Update our booking and case management systems – including online booking.
Manage leaving Relate and develop a new strategic plan for Kapella for 2026-2030.

b) Service Delivery

Increase face to face delivery of services.
Develop Counselling services - individual, bereavement, one session, placements
Develop Mediation and Family Contact services.
Expand and strengthen the Domestic Abuse service.
Focus on increasing contracts and funded delivery.

c) Marketing & Income Generation

Rebrand and relaunch as Kapella, including new website.
Develop our digital media and marketing to increase our reach and client engagement.
Increase grant income for our bursary and funded projects to support those in need.

d) HR & Staff Development

Regular communication and engagement during the rebrand and organisational change.
Increase HR support for staff recruitment and development.
Update policies and procedures.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

COMMON PURPOSE STATEMENT

Kapella's distinctive focus is the adult couple, recognising the benefits of this focus to the mental, physical and emotional health of adults and children involved. This focus recognises different cultural understandings of marriage and other couple relationships; and encompasses work with the adults, together or on their own, at any time in the life or ending of their relationship, whether the couple wish to stay together or separate.

Kapella aims to deliver its services with cultural sensitivity and without discrimination.

Kapella's objectives are

- to enhance the quality of couple, parental and family relationships
- to help avoid unnecessary relationship and family breakdown
- to limit the damage which commonly accompanies poor relationships, separation and divorce and increase the prospect of subsequent relationships succeeding

Kapella's tasks are

- to aim to achieve these objectives by the provision of relationship counselling, sex therapy, education, training and related services, which are timely, evaluated and offer equal access and opportunity to all who can benefit from them.
- to influence opinion formers and government, through research and other means, in order that improvements are made in funding, social policy and the law and related public services.

Kapella's work is based in the beliefs

- that an individual's physical well-being and emotional and mental health benefit from a committed relationship
- that the ability of both children and adults to develop and contribute effectively in society is directly related to the quality of their family relationships.
- that since family relationships change, second and split parent, step-family and cohabiting partnerships are no less a focus for Kapella than first families.
- that expressing clear commitment is a helpful contribution to a healthy and secure couple relationship
- that the quality of couple and family relationships can be improved, avoidable breakdowns prevented, and new relationships formed with the help of a trained counsellor or practitioner.

FINANCIAL REVIEW

The financial results of Kapella are detailed in the following pages. It is considered that the finances are sound and well established. The principal funding source is grant and contract income, followed by client contributions income and we have a diverse set of income streams. All expenditure of this income is planned to fulfil the objectives and strategies of the charity.

During the year ended 31 March 2025 total income received was £706,507 and total resources expended were £730,464 giving deficit income over expenditure of £23,957. Compared to the previous year, income was lower due to the ending of grant funded project work and reduced client income. Centre and staff costs increased due to the planned recruitment of new roles and in updating the heating system and premises. We plan to have a deficit budget in 2025-26 as we invest reserves in our infrastructure, marketing and recruiting new roles to generate income.

The principal risks and uncertainties and the plans and strategies adopted to manage these risks are described in the risk management section of the report below.

Investment powers and policy

The trustees have invested surplus funds with CAF Bank. The invested funds achieved an average interest rate of 1.74% which due to wider economic circumstances failed to achieve the rate of increase in the retail price index.

Reserves policy and going concern

The trustees consider that unrestricted funds should not exceed six months of resources expended. Unrestricted reserves amounted to £582,391 (2024 - £603,492). Current reserves are considered to be at a reasonable level as resources expended for the next six months are expected to be £458,843.

The Trustees have reviewed the Charity's need for reserves in line with guidance issued by the Charity Commission. Holding reserves allows the Charity to protect itself against any financial uncertainties, be able to operate despite gaps in funding income and provides a safeguard for the Charity's service commitments.

The reserves of the charity have been divided where appropriate into restricted, designated and general funds in accordance with charity legislation.

Restricted Funds

The restricted fund represents money given to Kapella for specific capital or project work. Our current restricted reserves are £391,440 and they include:

- The current value of the Bishopsgate Street property, which was purchased with a Community Fund grant of £330,238 in December 2001 and depreciates each year. This property was revalued at £250,000 in 2015.
- The Wolverhampton property, which was acquired in June 2014 at a value of £170,000.

Unrestricted Funds

The trustees' policy in respect of the monies held in the general fund is influenced by:

- Forecast levels of income in the ensuing year;
- Forecast expenditure in the ensuing year on the basis of planned activity;
- Funds designated for specific purposes; and
- An analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met from planned expenditure.

Risk Management

The Trustees have a risk management process which comprises:

- An annual review of the principal risks and uncertainties that the Charity faces.
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. Key elements in the management of financial risk are a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of operational debtor and creditor balances to ensure sufficient working capital by the Trust.

Attention has also been focussed on non-financial risks arising from fire, health and safety, employment matters and data protection. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 its incoming resources and application of resources, including its income and expenditure 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 judgements and accounting 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Directors

The following directors have held office during the year:

A Beckford
M Booton (resigned 3 September 2025)
P Dhanda
P Goray
E Findley
A Lee
M Pearson
C Price
E Wyatt

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Statement as to disclosure to our auditors

The directors as set out above confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the members of the board of Trustees on 3 September 2025 and signed on their behalf by:

Malcolm Pearson
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPELLA (FORMERLY RELATE BIRMINGHAM)

Opinion

We have audited the financial statements of Kapella (formerly Relate Birmingham) (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPELLA (FORMERLY RELATE BIRMINGHAM) (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPELLA (FORMERLY RELATE BIRMINGHAM) (CONTINUED)

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the company's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the company's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPELLA (FORMERLY RELATE BIRMINGHAM) (CONTINUED)

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David W Farnsworth FCA (Senior statutory auditor)

for and on behalf of
Feltons

8 Sovereign Court

8 Graham Street

Birmingham

B1 3JR

4 September 2025

KAPELLA (FORMERLY RELATE BIRMINGHAM)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	3	13,492	16,165	29,657	34,150
Charitable activities	4	270,554	401,573	672,127	729,489
Trading activities		-	-	-	48
Investments	5	4,723	-	4,723	4,091
Total income		288,769	417,738	706,507	767,778
Expenditure on:					
Raising funds		35,985	-	35,985	25,427
Charitable activities	6	273,885	420,594	694,479	579,147
Total expenditure		309,870	420,594	730,464	604,574
Net movement in funds		(21,101)	(2,856)	(23,957)	163,204
Reconciliation of funds:					
Total funds brought forward		603,492	394,296	997,788	834,584
Net movement in funds		(21,101)	(2,856)	(23,957)	163,204
Total funds carried forward		582,391	391,440	973,831	997,788

All of the charity's activities derive from continuing operations during the above two financial periods.

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

The notes on pages 21 to 33 form part of these financial statements.

KAPELLA (FORMERLY RELATE BIRMINGHAM)
(A company limited by guarantee)
REGISTERED NUMBER: 03174040

BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	11		395,909		397,460
			395,909		397,460
Current assets					
Debtors	12	173,409		174,906	
Cash at bank and in hand		508,721		607,567	
		682,130		782,473	
Current liabilities					
Creditors: amounts falling due within one year	13	(104,208)		(182,145)	
Net current assets			577,922		600,328
Total assets less current liabilities			973,831		997,788
Net assets excluding pension asset			973,831		997,788
Total net assets			973,831		997,788
Charity funds					
Restricted funds			391,440		394,296
Unrestricted funds			582,391		603,492
Total funds			973,831		997,788

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 03 September 2025 and signed on their behalf by:

Malcolm Pearson
(Chair of Trustees)

The notes on pages 21 to 33 form part of these financial statements.

KAPELLA (FORMERLY RELATE BIRMINGHAM)
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	(101,006)	76,298
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,563)	(900)
Interest received	4,723	4,091
Net cash provided by investing activities	2,160	3,191
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(98,846)	79,489
Cash and cash equivalents at the beginning of the year	607,567	528,078
Cash and cash equivalents at the end of the year	508,721	607,567

The notes on pages 21 to 33 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. General information

Kapella (formerly Relate Birmingham) is a charitable company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are provision of relationship support.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Kapella (formerly Relate Birmingham) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity .

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a period of 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Accounting policies (continued)

2.3 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

- **Grant receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

- **Donated services and gifts in kind**

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

- **Gifts in kind**

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred in activities undertaken to further the purposes of the charity and their associated support costs.

2. Accounting policies (continued)

2.4 Expenditure (continued)

- **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

- **Allocation of support costs**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% - 10% per annum
Fixtures and fittings	- 20% per annum

2.8 Investments

Surplus cash over and above what is considered necessary as working capital is invested in low to medium risk assets. Such assets must be diversified and may include cash if it is considered prudent. The object is to maintain value and keep pace with inflation while providing income for the use of the charity where possible. At the same time holding such funds for future capital expenditure as necessary.

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

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

2.14 Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

2.15 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the trust's work or for specific projects being undertaken by the trust.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

3. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	13,492	16,165	29,657	34,150
Total 2024	10,700	23,450	34,150	

4. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Counselling services	130,115	-	130,115	129,845
Grants and contracts	140,439	401,573	542,012	599,644
	270,554	401,573	672,127	729,489
Total 2024	491,196	238,293	729,489	

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Deposit account interest	4,723	4,723	4,091

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Counselling services	273,885	420,594	694,479	579,147
Total 2024	314,548	264,599	579,147	

7. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Counselling services	335,669	358,810	694,479	579,147
Total 2024	289,172	289,975	579,147	

Analysis of direct costs

	Counselling services 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	288,117	288,117	215,445
Invoiced supplies	39,810	39,810	69,452
Training	4,513	4,513	3,872
Volunteer expenses	520	520	403
Bad debts	2,709	2,709	-
	335,669	335,669	289,172

Total expenditure on charitable activities was £694,479 (2024 - £579,147) of which £273,885 (2024 - £314,548) was unrestricted and £420,594 (2024 - £264,599) was restricted.

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Counselling services 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	243,468	243,468	187,042
Depreciation	4,114	4,114	4,103
Training and recruitment	267	267	8,915
Premises costs	31,694	31,694	15,611
Insurance	9,761	9,761	11,625
General office costs	32,130	32,130	21,822
Legal and other professional	256	256	-
Bank charges	3,600	3,600	3,180
Governance costs	33,520	33,520	37,677
	358,810	358,810	289,975

The allocation of general support and governance costs is based upon Counselling and Educational income as a percentage of total income received.

8. Net expenditure for the year

	2025 £	2024 £
Net expenditure is stated after charging :		
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	3,450	3,433
Depreciation of tangible fixed assets	4,114	4,103
Operating lease rentals - Premises	4,448	6,000
Operating lease rentals - Office equipment	-	1,823

9. Staff costs

	2025 £	2024 £
Wages and salaries	485,275	375,465
Social security costs	37,406	20,462
Pension costs	8,904	6,560
	531,585	402,487

The average number of persons employed by the charitable company during the year was as follows:

	2025	2024
Delivery staff	35	35
Support staff	9	8
	44	43

The average headcount expressed as full-time equivalents was:

	2025 No.	2024 No.
Delivery staff	15	12
Support staff	7	6
	22	18

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	1	-

The charity considers its key management personnel comprise the Chief Executive and Service Manager. The total amount of employee benefits received by key management personnel was £110,621 (2024 - £100,224).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, expenses were reimbursed or paid directly to no Trustee (2024 - to 1 Trustee) broken down as follows:

	2025 £	2024 £
Travel	-	41

11. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2024	420,000	55,934	475,934
Additions	-	2,563	2,563
At 31 March 2025	420,000	58,497	478,497
Depreciation			
At 1 April 2024	25,704	52,770	78,474
Charge for the year	2,856	1,258	4,114
At 31 March 2025	28,560	54,028	82,588
Net book value			
At 31 March 2025	391,440	4,469	395,909
At 31 March 2024	394,296	3,164	397,460

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

12. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	101,686	159,470
Prepayments and accrued income	71,723	15,436
	173,409	174,906

13. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	26,212	23,303
Other taxation and social security	11,225	6,910
Other creditors	28,057	28,761
Accruals and deferred income	38,714	123,171
	104,208	182,145

	2025 £	2024 £
Deferred income		
Deferred income at 1 April 2024	113,313	200,213
Resources deferred during the year	20,278	88,739
Amounts released from previous periods	(104,904)	(175,639)
	28,687	113,313

At the balance sheet date the charity was holding funds received in advance where the qualifying expenditure is expected to be incurred in a future year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

14. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £
General funds	603,492	288,769	(309,870)	582,391
Restricted funds	394,296	417,738	(420,594)	391,440
	997,788	706,507	(730,464)	973,831

Summary of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Balance at 31 March 2024 £
General funds	437,432	506,035	(339,975)	603,492
Restricted funds	397,152	261,743	(264,599)	394,296
	834,584	767,778	(604,574)	997,788

Restricted general fund
Money given to the charity where the donor requires that a grant or donation be spent for a specific project.

Unrestricted general fund
The free reserves of the charity which are not designated for particular purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	4,469	391,440	395,909
Current assets	682,130	-	682,130
Creditors due within one year	(104,208)	-	(104,208)
Total	582,391	391,440	973,831

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	3,164	394,296	397,460
Current assets	782,473	-	782,473
Creditors due within one year	(182,145)	-	(182,145)
Total	603,492	394,296	997,788

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(23,957)	163,204
Adjustments for:		
Depreciation charges	4,114	4,103
Decrease/(increase) in debtors	1,418	(22,981)
Decrease in creditors	(77,858)	(63,937)
Interest receivable	(4,723)	(4,091)
Net cash provided by/(used in) operating activities	(101,006)	76,298

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

17. Analysis of cash and cash equivalents

	2025	2024
	£	£
Cash in hand	508,721	607,567
Total cash and cash equivalents	508,721	607,567

18. Analysis of changes in net debt

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	607,567	(98,846)	508,721
	607,567	(98,846)	508,721

19. Operating lease commitments

At 31 March 2025 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Land and buildings		
Not later than 1 year	-	4,000

20. Related party transactions

The charitable company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the charitable company at 31 March 2025.

21. Post balance sheet events - Federation exit and name change

Following the administration and subsequent takeover of the Relate National Federation, Relate Birmingham took the decision to exit the federation. The transition was completed on 1 July 2025, at which point the charity began operating entirely independently under the new name Kapella. The trustees do not consider this to require any adjustment to the financial statements for the year ended 31 March 2025.

KAPELLA LTD (FORMERLY RELATE BIRMINGHAM)
(A company limited by guarantee)

Trusts and Donations

YEAR ENDING 31 MARCH 2025

Thank you to the following funders who have supported us this year:

Donations

CB & HH Taylor 1984 Trust
Charles Brotherton Trust
Jabbs Foundation
Roger & Douglas Turner Trust
William A Cadbury Charitable Trust

Other personal donations

M Levesley

Grants

Walsall MBC
SCVO

Kapella

England & Wales - Charity number 1053946

Accounts

Relate Birmingham

Annual Report and Financial Statements
Year ended 31 March 2024

Charity Number : 1053946

Company Number : 03174040

Feltons

Chartered Accountants

Birmingham

B1 3JR

Relate Birmingham
REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2024

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Relate Birmingham

Reference and Administrative Details

Chair	Malcolm Pearson	
Trustees		
	Elizabeth Wyatt	
	Andy Lee	
	Pam Dhanda	
	Paola Pedrelli	(Resigned 17/8/23)
	Susan Thomas	(Resigned 17/8/23)
	Malcolm Pearson	
	Matthew Booton	
	Ayola Beckford	(Appointed 16/8/23)
	Christopher Price	(Appointed 16/8/23)
	Ebony Findley	(Appointed 16/8/23)
	Parminder Goray	(Appointed 16/8/23)
Company secretary	Ruth Levesley	
Key management personnel	Ruth Levesley	Chief Executive
	Lisa Hale	Service Manager
Registered office	111 Bishopsgate Street Birmingham B15 1ET	
Charity registration number	1053946	
Company registration number	3174040	
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Bankers	CAF Cash Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ	
	Co-Operative Bank plc PO Box 82 118/120 Colmore Row Birmingham B3 3BA	
Solicitors	Tyndallwoods 29 Woodbourne Rd Edgbaston Birmingham B17 8BY	
Patron	The Lord Mayor of Birmingham	

Relate Birmingham
TRUSTEES' REPORT
Year ended 31 March 2024

CHAIR'S REPORT

In line with recent years, I am delighted to report that Relate Birmingham continues to develop its sustainable business path forwards despite sometimes difficult economic pressures as potential clients are forced to reduce their spending ability

We as a Board continue to look at not only our spending but also our business development and future strategy to ensure that we continue to move forwards positively.

As the Covid Pandemic fades into a memory we cannot forget or underestimate the impact it had on our staff and business and continue to rebuild cautiously. We are now able to return to face to face counselling to further develop to ensure that we can meet client needs

One major highlight this year has been the recruitment of four new Board Members. It is not always easy to recruit Board members given that all positions are voluntary and therefore involve people generously giving of their time. However, we had excellent success and, in our recruitment, and as a result were not only able to recruit Trustees with specific business expertise but also significantly expanded the diversity of the Board.

As previously, I am confident in the continued success of Relate Birmingham in the hands of our current team and look forward to our further achievement and development.

I must also add my appreciation and that of the Board to our Management and Staff for their hard work and dedication in keeping Relate Birmingham at the forefront of our sector.



Malcolm Pearson
Chair

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Principal activity

The charitable objectives of the company (the Common Purpose Statement) are explained on page 9. The principal activity during the year was the provision of relationship support, delivered through counselling for individuals, couples, families and young people, psychosexual therapy, family mediation, child contact services and education and training work.

STRUCTURE, GOVERNANCE AND MANAGMENT

Governing document

Relate Birmingham is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23 October 2013 and is registered as a charity with the Charity Commission. There are currently eight members, each of whom agrees to contribute £1 in the event of the charity winding up. Membership is open to any person or Institution upon receipt at the Office of a signed application in writing in a form approved by the Executive unless the admission of the applicant to Membership would be prejudicial to the interest of the Centre.

Relate Birmingham is a constituent society of the national organisation of Relate and as such is bound by the memorandum and articles of association of Relate, the Relate membership agreements, standards for constituent status and other regulations in force at that time.

Appointment of the trustees

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law and the Charity Commission guidance on public benefit and are informed of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity.

Organisation of charity

(a) Executive Committee (The Board of Trustees)

The board, which can have up to 18 members, is responsible for setting the policy of the charity and ensuring that all monies received are used for the objectives of the charity. There were nine members of the executive committee at 31 March 2024.

(b) Chief Executive

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity and has delegated authority, within terms of delegations approved by the trustees for operational matters including finance, marketing, personnel and service delivery. The trustees and Chief Executive developed a business plan during the year, to which the Chief Executive has worked.

(c) Support Staff

The Chief Executive was supported by the 1 Service Manager, 1 part time Finance Manager, 3 Clinical Supervisors, 1 Service Co-ordinator and 3 paid administrative staff covering Birmingham, Wolverhampton, Solihull, Walsall, Sandwell and Dudley and South Staffordshire. At the start of the year this included:

1 Service Manager	37 hours per week
3 Supervisors	32 hours per week
1 Service Co-ordinator	37 hours per week
1 Finance Manager	16 hours per week
3 Administrative assistants	97 hours per week

The Birmingham office is the base for the administration team.

(d) Counsellors

At 31 March 2024 there were twenty-nine counsellors working between three and twenty-five hours per week. 8% of the total number of counselling sessions delivered was provided by counsellors on a voluntary basis.

(e) Family Team

At 31 March 2024 there were 4 Family Contact Workers and 1 Family Mediator.

(f) Domestic Abuse Services Team

At 31 March 2024 there was 1 part time Domestic Abuse Service Manager and 2 Choose2Change programme facilitators

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a client or supplier must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions in the current year are described in note 17 to the accounts.

Pay policy

The board of directors, who are trustees and the senior management team together comprise the key management personnel of the charity in charge of directing and operating the charity on a day to day basis. No director received remuneration in the year and details of directors' expenses and related party transactions are disclosed in note 7 to the accounts. The pay of staff is reviewed annually and, where finances permit, are increased in accordance with average earnings

Founded in 1946, Relate Birmingham is an independent, registered charity and a member of the national Relate Federation. We recognise relationships have difficulties and aim to support individuals, couples and families to build better relationships through the provision of counselling, sex therapy, education and training and other relationship support and wellbeing services.

At Relate Birmingham our mission is to:

- Deliver counselling and training services
- Enhance the quality of couple, family and parental relationships for adults, families and young people in Birmingham, Solihull, Sandwell, Walsall, Wolverhampton, Dudley and South Staffordshire.
- Work as part of the Relate Federation

OUR SERVICES

Relationship Counselling

Relationship Counselling is for couples and individuals having issues in their personal relationships or need support in their role as parents. We help them cope with issues such as communication, parenting and co- parenting, divorce and separation and improve their relationships with partners, children and relatives. Other issues we work with include domestic abuse, adult survivors and mental health issues. Sessions can be face to face, via webcam or phone.

Sex Therapy

Sex therapy is for people having problems in their sexual relationships due to physical or emotional issues. They can be in a couple or single. Many people are referred by their GP.

Family Counselling

Family Counselling addresses issues occurring in a family situation. This can include difficulties in communication between parents and children, differing parenting ideas causing friction within the family unit, blended families bringing together a 'new' family, children and young people struggling with relationships or supporting family members recovering from the impact of abuse.

Children & Young People's Counselling

Time for You is our service for children and young people aged 7-18 experiencing changes in their family such as separation, divorce, blended families, absent parents, illness, bereavement, and conflict. It also helps where this has an impact on school, work or peer relationships and supports children and young people who may have any issues around the subject of bullying or domestic abuse. It gives them an opportunity to be listened to and express their feelings.

Life skills, Training and Education Services

We can provide relationship, parenting and life skills workshops for the public, as well as tailored training courses for other professionals, voluntary groups or organisations supporting families.

Family Mediation

Mediators work with couples involved in family breakdown to make arrangements, either to plan for a separation or divorce, or once a separation or divorce has taken place. Mediation can help to settle disputes over contact and living arrangements, child maintenance, property and money, without having to go to court, paving the way to a smoother separation.

Child Contact

We work directly with children and families, referred to us by CAFCASS, in community settings to promote safe and beneficial contact between separated / non-resident parents and their children.

Domestic Abuse Services

Choose2Change is our group programme designed to help people stop using abusive behaviour towards an intimate partner or ex-partner and to increase the safety of women and children

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

During the year we have continued to provide services covering the area of Birmingham, Solihull, Wolverhampton, Dudley, Sandwell, Walsall and South Staffordshire.

- Since the Coronavirus pandemic, our premises have been open only for administration, with counsellors working remotely providing sessions over webcam or phone. This June, in line with our plans and responding to client demand, we restarted face to face counselling in our Birmingham centre and Sutton Coldfield premises and we are on track to reopen the Wolverhampton centre in September 2024.

- We made progress in building the management and admin team, recruiting a part time finance manager and 2 administrators. A marketing and communications manager starts later in 2024. We also actively recruited more counsellors and took on 5 new placement students.

- During 2023-24 we delivered 10,023 hours of service and support, working directly with 3257 adults, young people and children, and indirectly benefitting a further 1621 children.

- Overall, we registered 2240 new cases and delivered 8331 hours of counselling and the ongoing strain on relationships and wellbeing is clear. Children and parenting difficulties were an issue for 24% of adults and couples. Mental health was an issue for 25% and domestic abuse was an issue for 15%.

- We believe services should be accessible to all. Many of our clients are on low incomes and 22% live in the most deprived areas. Concerns about work and money worries were the key issue for 18% of self-referral clients, especially with the ongoing cost of living pressures. We have continued to provide a subsidised service for clients who need it and a full bursary to support parents with severe financial difficulties. This year our subsidy rate is 50% on average.

- We also supported clients referred through national Relate benevolent funded counselling and mediation projects for army, navy and RAF personnel and bank workers, as well as retail and licencing trade employees.

- Based on the success of our initial pilot of a relationship support service to NHS staff affected by the cost of living increases, the service was extended this for a second phase this year. We offered counselling sessions and attended events. We also provided counselling to patients with relationship and family issues referred by their GP.

- Our Time for You Service and work with children and young people's expanded rapidly this year and was almost a third of our overall delivery. Our project in Sandwell for children and young people whose emotional well-being had been affected by the impact of Coronavirus was funded by SCVO for a further 2 phases. We provided one to one counselling in 11 primary and secondary schools and also offered sessions online.

- We also began working with Sandwell and Dudley CAMHS, providing counselling for children and young people needing Getting Help support. During the year we increased our counsellor team and worked in partnership with local counselling providers and other Relate Centre.

- We offered counselling in a residential unit for parents undergoing assessment.

- We started new Domestic Abuse Services, recruiting a Service Manager and two facilitators to deliver the Choose2Change behaviour change programme for perpetrators. Since October 2023 we have been working in partnership with St Giles Trust, Black Country Women's Aid, the Police and Relate Coventry on the Pathways to Change project to pilot perpetrator interventions to increase the safety of women and children. This is funded by the OPCC.

- Family Mediation continued to support separating or divorcing parents reach agreement about their finances, property and child contact and delivered online and face to face meetings.

- We provided the ICFA service in our area, in partnership with Child Action North West. This service supports parents and children referred by CAFCASS to have safe and beneficial contact through tailored work plans and time-limited contact work. We maintained our NACCC Accreditation and recruited more family workers to join the team.

Analysis of Activity	**Year to March 2023**	**Year to March 2024**
Total units of work delivered:	**8165**	**10023**
Total number of users	**2539**	**3357**
Total number of new cases:	**-**	**2240**
Self Referrals		
40% of work is self-referral.		
Number of New Cases Registered	1,521	1114
Total Hours of Counselling Appointments Given	4,994	3305
Total Hours Service Given	5073	3975
Relationship Counselling	81%	84%
Sex Therapy	8%	5%
Children & Young People's Counselling	6%	5%
Family Counselling	2%	3%
Training & Workshops	-%	-%
Family Mediation	3%	3%
Contracts and Commissioned Services:		
60% of work is contract or commissioned.		
Total Hours Service Given	3092	6048
Primary Care/Health Counselling	14%	11%
CYP CAMHS/School/Project Counselling	36%	61%
Residential Centre Counselling	5%	2%
Child Contact Service	44%	26%

Clients Information

3257 adults, young people and children benefited directly from our services.
1621 children of adult clients benefited indirectly.

Who We Worked With	
Couples	26%
Women	14%
Men	10%
Families	2%
Children/Young People	48%
Presenting Issue– Adults/Couples	
Communication Difficulties	54%
Children, Family, Parenting	24%
Work & Money Worries	18%
Separation and Divorce	16%
Sexual Problems	17%
Mental & Physical Health	25%
Affairs	14%
Domestic Abuse	15%
Impact of Past Relationships	24%
Bereavement	8%
Alcohol and Drug Misuse	8%
Sexual Abuse	4%
Caring Responsibilities	4%
Relationship Status - Adults	
Married//Cohabiting	68%
Separated/Divorced	17%
Single	8%
None	5%
Civil Partnership	2%

Where They live	
Birmingham	32%
Solihull	5%
Sandwell	20%
South Staffs	8%
Walsall	8%
Dudley	16%
Wolverhampton	6%
Other	5%
Ethnicity	
White British/Irish/Other	68%
Asian/Asian British	16%
Black/African/Caribbean/Black British	8%
Mixed/Multiple Ethnic Groups	6%
Other	2%
Employment Status - Adults	
Full Time	64%
Part Time	15%
Self Employed	4%
At Home	5%
On Benefit	4%
Retired	3%
Student	5%

Summary Financial Information

How We Funded Our Services	£ 2023	£ 2024
Donations and Grants	54,598	34,150
Local Authority	36,464	36,464
Client Contributions	145,321	123,955
Grants & Contracts	358,827	587,206
Education and Training	0	0
Family Mediation	5,120	5,890
Room Hire and Other Income	2,322	4,138
Average cost per counselling hour	57.85	56.38
Average client contribution per hour	28.54	28.16
Average subsidy made per client appointment	29.31	28.22
On average we subsidised clients by	50%	50%

FUTURE PLANS AND DEVELOPMENT

During the year we made significant progress, and our aim is to build on this over the next year.

This year our objective is to make more progress on building our organisation and developing services to meet the needs of clients and staff. This includes developing face to face and digital delivery, the rising cost of living and the increased need for mental health support for adults, children and young people. We will continue to broaden our offer, focussing on developing Mediation, Family Contact and Domestic Abuse Services.

In 2024/25 our priorities are to:

a) Organisational Structure and Systems

Develop the staff structure and recruit to identified roles to deliver the plan.
Re-open the main centres and develop a network of delivery venues.
Increase use of digital systems and update our booking and case management systems.
Develop clinical/service leadership to maintain service quality and safety.

b) Service Delivery

Increase face to face counselling and overall delivery through recruitment and training.
Develop counselling services – individuals, bereavement, CYP, one session therapy.
Develop Family Mediation and Family Contact Services.
Establish and develop the Domestic Abuse Service.
Outcome and evaluation reporting of main services.

c) Marketing & Income Generation

Develop a marketing strategy to increase digital marketing and raise our profile.
Update our website.
Increase grant income for our bursary and projects to support those in need.

d) HR & Staff Development

Increase HR support for staff recruitment and development.
Update policies and procedures.
Provide more opportunities for communication, engagement and team building.
Develop our staff support and wellbeing offer.
Increase opportunities for volunteering.

COMMON PURPOSE STATEMENT

Relate's distinctive focus is the adult couple, recognising the benefits of this focus to the mental, physical and emotional health of adults and children involved. This focus recognises different cultural understandings of marriage and other couple relationships; and encompasses work with the adults, together or on their own, at any time in the life or ending of their relationship, whether the couple wish to stay together or separate.

Relate aims to deliver its services with cultural sensitivity and without discrimination.

Relate's objectives are

- to enhance the quality of couple, parental and family relationships
- to help avoid unnecessary relationship and family breakdown
- to limit the damage which commonly accompanies poor relationships, separation and divorce and increase the prospect of subsequent relationships succeeding

Relate's tasks are

- to aim to achieve these objectives by the provision of relationship counselling, sex therapy, education, training and related services, which are timely, evaluated and offer equal access and opportunity to all who can benefit from them.
- to influence opinion formers and government, through research and other means, in order that improvements are made in funding, social policy and the law and related public services.

Relate's work is based in the beliefs

- that an individual's physical well-being and emotional and mental health benefit from a committed relationship
- that the ability of both children and adults to develop and contribute effectively in society is directly related to the quality of their family relationships.
- that since family relationships change, second and split parent, step-family and cohabiting partnerships are no less a focus for Relate than first families.
- that expressing clear commitment is a helpful contribution to a healthy and secure couple relationship
- that the quality of couple and family relationships can be improved, avoidable breakdowns prevented, and new relationships formed with the help of a trained counsellor.

FINANCIAL REVIEW

The financial results of Relate Birmingham are detailed in the following pages. It is considered that the finances are sound and well established. The principal funding source is grant and contract income, followed by client contributions income and we have a diverse set of income streams. All expenditure of this income is planned to fulfil the objectives and strategies of the charity.

During the year ended 31 March 2024 total income received was £767,778 and total resources expended were £604,574 giving surplus income over expenditure of £163,204. Compared to the previous year, income increased due to obtaining new contracts and grant funded project work. Although our centre and staff costs increased, and we carefully managed expenditure throughout the year, and we now plan to recruit to new roles in 2024-25.

The principal risks and uncertainties and the plans and strategies adopted to manage these risks are described in the risk management section of the report below.

Investment powers and policy

The trustees have invested surplus funds with CAF Bank. The invested funds achieved an average interest rate of 1.35% which due to wider economic circumstances failed to achieve the rate of increase in the retail price index.

Reserves policy and going concern

The trustees consider that unrestricted funds should not exceed six months of resources expended. Unrestricted reserves amounted to £603,492 (2023 - £437,432). Current reserves are considered to be at a reasonable level as resources expended for the next six months are expected to be £400,302.

The Trustees have reviewed the Charity's need for reserves in line with guidance issued by the Charity Commission. Holding reserves allows the Charity to protect itself against any financial uncertainties, be able to operate despite gaps in funding income and provides a safeguard for the Charity's service commitments.

The reserves of the charity have been divided where appropriate into restricted, designated and general funds in accordance with charity legislation.

Restricted Funds

The restricted fund represents money given to Relate Birmingham for specific capital or project work. Our current restricted reserves are £185,916 and they include:

- The current value of the Bishopsgate Street property, which was purchased with a Community Fund grant of £330,238 in December 2001 and depreciates each year. This property was revalued at £250,000 in 2015.
- The Wolverhampton property, which was acquired in June 2014 at a value of £170,000.

Unrestricted Funds

The trustees' policy in respect of the monies held in the general fund is influenced by:

- Forecast levels of income in the ensuing year.
- Forecast expenditure in the ensuing year on the basis of planned activity.
- Funds designated for specific purposes.
- An analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met from planned expenditure.

Risk Management

The Trustees have a risk management process which comprises:

- An annual review of the principal risks and uncertainties that the Charity faces.
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. Key elements in the management of financial risk are a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of operational debtor and creditor balances to ensure sufficient working capital by the Trust.

Attention has also been focussed on non-financial risks arising from fire, health and safety, employment matters and data protection. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 its incoming resources and application of resources, including its income and expenditure 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 judgements and accounting 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The following directors have held office during the year:

A Beckford
M Booton
P Dhanda
P Goray
E Findley
A Lee
M Pearson
C Price
E Wyatt

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Statement as to disclosure to our auditors

The directors as set out above confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board

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Malcolm Pearson
Chair

1 August 2024

Independent Auditor's Report to the Members of Relate Birmingham

Opinion

We have audited the financial statements of Relate Birmingham (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements :

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report.

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

- adequate accounting records have not been kept, 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities statement (set out on page 11), 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the company's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the company's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilites. 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.

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

22 August 2024

Relate Birmingham
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
Year ended 31 March 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income					
Voluntary income:					
Donations and legacies	2	10,700	23,450	34,150	54,598
Income from charitable activities:					
Grant and contracts		361,351	238,293	599,644	395,292
Counselling income		129,845	-	129,845	150,441
Income from trading activities:					
Supervision		-	-	-	1,000
Other income		48	-	48	-
Investment income	3	4,091	-	4,091	1,322
Total income		506,035	261,743	767,778	602,653
Expenditure					
Costs of raising funds :					
Room hire		13,552	-	13,552	6,922
Supervision		11,875	-	11,875	5,133
Charitable activities:					
Operational and support costs	4	314,548	264,599	579,147	486,650
Total expenditure		339,975	264,599	604,574	498,705
Net (expenditure) / income before transfers		166,060	(2,856)	163,204	103,948
Gross transfers between funds	13	-	-	-	-
Net movement in funds		166,060	(2,856)	163,204	103,948
Reconciliation of funds					
Total funds brought forward	13	437,432	397,152	834,584	730,636
Total funds carried forward		603,492	394,296	997,788	834,584

All of the charity's activities derive from continuing operations during the above two financial periods.

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

Relate Birmingham
Company Number : 03174040 / Charity Number : 1053946
BALANCE SHEET
Year ended 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	9		397,460		400,663
Current assets					
Debtors	10	174,906		151,925	
Cash at bank and in hand		607,567		528,078	
		782,473		680,003	
Creditors: amounts falling due within one year	11	182,145		246,082	
Net current assets			600,328		433,921
Net assets			997,788		834,584
Funds of the charity :					
Restricted funds					
General fund	13		394,296		397,152
Unrestricted funds					
General fund	13		603,492		437,432
Total funds			997,788		834,584

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 19 to 27 form part of these accounts.

The financial statements were approved and authorised for issue by the Trustees on 1 August 2024 and signed on their behalf by :

Malcolm Pearson
Chair

Relate Birmingham
STATEMENT OF CASH FLOWS
Year ended 31 March 2024

	Notes	2024 £	2023 £
Cash flow from operating activities	16	76,298	187,434
Net cash flow from operating activities		76,298	187,434
Cash flow from investing activities			
Acquisition of tangible fixed assets		(900)	(3,036)
Interest received		4,091	1,322
Net cash flow from investing activities		3,191	(1,714)
Net increase in cash and cash equivalents		79,489	185,720
Cash and cash equivalents at 1 April 2023		528,078	342,358
Cash and cash equivalents at 31 March 2024		607,567	528,078

1. Accounting policies

a) Basis of preparation

Relate Birmingham is a charitable company limited by guarantee . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are provision of relationship support.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity .

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

b) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a period of 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- **Grants receivable**
  Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**
  Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

- **Donated services and gifts in kind**
  Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

1. Accounting policies (continued)

c) Income recognition (continued)

- **Gifts in kind**
  Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

- **Interest receivable**
  Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

- **Other income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- **Costs of generating funds**
  These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**
  These are costs incurred in activities undertaken to further the purposes of the charity and their associated support costs.

- **Governance costs**
  These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the trust's work or for specific projects being undertaken by the trust.

1. Accounting policies (continued)

f) Allocation of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	2% - 10% per annum
Fixtures, fittings and equipment	20% per annum

h) Investments

Surplus cash over and above what is considered necessary as working capital is invested in low to medium risk assets. Such assets must be diversified and may include cash if it is considered prudent. The object is to maintain value and keep pace with inflation while providing income for the use of the charity where possible. At the same time holding such funds for future capital expenditure as necessary.

i) Operating leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

j) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

k) Pension benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Donations	10,700	23,450	34,150	30,518
Grants	-	-	-	24,080
	10,700	23,450	34,150	54,598

3. Investment income

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Deposit account interest	4,091	-	4,091	1,322
	4,091	-	4,091	1,322

4. Operational and support costs

	Counselling services £	Education & training services £	Total 2024 £	Total 2023 £
Operational and support costs				
Staff costs	215,445	-	215,445	203,501
Invoiced supplies	69,452	-	69,452	15,334
Training	3,872	-	3,872	12,325
Volunteer expenses	403	-	403	-
Support costs (see note 5)	252,298	-	252,298	226,356
Governance costs (see note 5)	37,677	-	37,677	29,134
	579,147	-	579,147	486,650

Total expenditure on charitable activities was £579,147 (2023 - £486,650) of which £314,548 (2023 - £211,274) was unrestricted and £264,599 (2023 - £275,376) was restricted.

5. Analysis of support and governance costs

	General support £	Governance function £	Total 2024 £	Total 2023 £
Management and administrative staff	187,042	-	187,042	186,318
Training and recruitment	8,915	-	8,915	911
Premises costs	15,611	-	15,611	8,671
Insurance	11,625	-	11,625	6,136
General office costs	21,822	-	21,822	16,774
Audit	-	3,433	3,433	3,420
Accountancy	-	13,849	13,849	2,101
Federation fees	-	20,395	20,395	23,613
Legal and other professional	-	-	-	35
Bank charges	3,180	-	3,180	3,425
Depreciation	4,103	-	4,103	4,086
	252,298	37,677	289,975	255,490

The allocation of general support and governance costs is based upon Counselling and Educational income as a percentage of total income received.

6. Net expenditure for the year

Net expenditure is stated after charging:

	Total 2024 £	Total 2023 £
Depreciation of tangible fixed assets	4,103	4,086
Operating lease rentals		
Premises	6,000	6,000
Office equipment	1,823	269
Auditor's remuneration		
Audit fees	3,433	3,420

7. Trustees and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2023 - £nil).

During the year, travel expenses of £41 was reimbursed to one trustee (2023 - £nil).

The Trust considers its key management personnel comprise the Chief Executive and Service Manager (2023 included Operations & Administration Manager). The total amount of employee benefits received by key management personnel was £100,224 (2023 - £114,157).

8. Analysis of staff costs and numbers

Staff costs :

	Total 2024 £	Total 2023 £
Wages and salaries	375,465	364,831
Social security costs	20,462	19,255
Pension	6,560	5,733
	402,487	389,819

No employees received total employee benefits of more than £60,000.

Staff numbers :

The average monthly number of employees and full time equivalents during the year was as follows:

	2024 Number	2024 FTE	2023 Number	2023 FTE
Delivery staff	35	12	28	8
Support staff	8	6	8	6
	43	18	36	14

9. Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2023	420,000	55,034	475,034
Additions	-	900	900
At 31 March 2024	420,000	55,934	475,934
Depreciation			
At 1 April 2023	22,848	51,523	74,371
Charge for the year	2,856	1,247	4,103
At 31 March 2024	25,704	52,770	78,474
Net book values			
At 31 March 2024	394,296	3,164	397,460
At 31 March 2023	397,152	3,511	400,663

9. Tangible fixed assets (continued)

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation at 31 March 2024 is represented by :			
Valuation in 2015	420,000	-	420,000
Cost	-	55,934	55,934
	420,000	55,934	475,934

Freehold properties were revalued by the trustees as at 31 March 2015.

10. Debtors

	Total 2024 £	Total 2023 £
Debtors from operations	159,470	105,854
Prepayments and accrued income	15,436	46,071
	174,906	151,925

11. Creditors - amounts falling due within one year

	Total 2024 £	Total 2023 £
Creditors from operations	23,303	6,279
Other taxation and social security	6,910	5,461
Accruals and deferred income	123,171	204,599
Other creditors	28,761	29,743
	182,145	246,082

Deferred income

Deferred income at 1 April 2023	200,213	95,673
Resources deferred in the year	88,739	181,421
Amounts released from previous years	(175,639)	(76,881)
Deferred income at 31 March 2024	113,313	200,213

At the balance sheet date the charity was holding funds received in advance where the qualifying expenditure is expected to be incurred in a future year.

12. Commitments under operating leases

At 31 March 2024 the charity was committed to making the following payments under non-cancellable operating leases :

	Land and buildings	
	Total 2024 £	Total 2023 £
Within one year	4,000	6,000
Within two to five years inclusive	-	4,000
	4,000	10,000

13. Analysis of funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 March 2024 £
Restricted funds					
General fund	397,152	261,743	(264,599)	-	394,296
Unrestricted funds					
General fund	437,432	506,035	(339,975)	-	603,492
Total funds	834,584	767,778	(604,574)	-	997,788

Name of fund	Description, nature and purpose of fund
Restricted general fund	Money given to the charity where the donor requires that a grant or donation be spent for a specific project.
Unrestricted general fund	The free reserves of the charity which are not designated for particular purposes.

14. Analysis of net assets between funds

Fund balances at 31 March 2024 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	3,164	394,296	397,460
Current assets	782,473	-	782,473
Current liabilities	(182,145)	-	(182,145)
Total net assets	603,492	394,296	997,788

15. Capital commitments

There were no capital commitments at 31 March 2024 nor at 31 March 2023.

16. Reconciliation of net expenditure to net cash flow from operating activities

	Total 2024 £	Total 2023 £
Net income for the year	163,204	103,948
Depreciation	4,103	4,086
Interest receivable	(4,091)	(1,322)
Decrease in debtors	(22,981)	(32,699)
Increase in creditors	(63,937)	113,421
Net cash flow from operating activities	76,298	187,434

17. Related party transactions

No related party transactions took place in either the current or previous period of account.

RELATE BIRMINGHAM

Trusts and Donations

YEAR ENDING 31 MARCH 2024

Thank you to the following funders who have supported us this year:

Donations

CB & HH Taylor 1984 Trust
Charles Brotherton Trust
Jabbs Foundation
Roger & Douglas Turner Trust
William A Cadbury Charitable Trust

Other personal donations

Grants

Sandwell MBC
Walsall MBC
SCVO

Kapella

England & Wales - Charity number 1053946

Accounts

Relate Birmingham

Annual Report and Financial Statements
Year ended 31 March 2023

Charity Number : 1053946

Company Number : 03174040

Feltons

Chartered Accountants

Birmingham

B1 3JR

Relate Birmingham
REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2023

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Relate Birmingham

Reference and Administrative Details

Chair	Malcolm Pearson	
Trustees		
	Elizabeth Wyatt	
	Andy Lee	
	Pam Dhanda	
	Paola Pedrelli	(Resigned 17/8/23)
	Susan Thomas	(Resigned 17/8/23)
	Malcolm Pearson	
	Matthew Booton	
	Ayola Beckford	(Appointed 16/8/23)
	Christopher Price	(Appointed 16/8/23)
	Ebony Findley	(Appointed 16/8/23)
	Parminder Goray	(Appointed 16/8/23)
Company secretary	Ruth Levesley	
Key management personnel	Ruth Levesley	Chief Executive
	Lisa Hale	Service Manager
	Christopher Moore	Operations & Administration Manager
Registered office	111 Bishopsgate Street Birmingham B15 1ET	
Charity registration number	1053946	
Company registration number	3174040	
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Bankers	CAF Cash Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ	
	Co-Operative Bank plc PO Box 82 118/120 Colmore Row Birmingham B3 3BA	
Solicitors	Tyndallwoods 29 Woodbourne Rd Edgbaston Birmingham B17 8BY	
Patron	The Lord Mayor of Birmingham	

Relate Birmingham
TRUSTEES' REPORT
Year ended 31 March 2023

CHAIR'S REPORT

I said in last year's Chair's report, that I was delighted to report that finally we were moving positively forward after the most challenging two Pandemic years defending our organisation in line with most other charities and businesses. I am to be able to report that the progress has continued over this Financial Year

Much of the Board and Management's time is still being invested into development of future operations and planning whilst still being conscious of the need to progress cautiously following Covid.

As we continue the recovery and development phase with both our clients and staff I am once again mindful to record our appreciation to the Relate Birmingham team for their tremendous efforts, often in difficult circumstances.

Our team continue to look at new work initiatives and ways to deliver on new work proposals. Our management structure is being shaped for the future as business opportunities continue to expand into different areas. We are also looking at our premises portfolio and how best to use these facilities moving forward.

We are making progress back into traditional face to face counselling services for which there is still a significant demand. This is being done in ways to ensure the safety of both Relate employees and clients.

As previously, I am confident in the continued success of Relate Birmingham in the hands of our current team and look forward to our further achievement and development.



Malcolm Pearson
Chair

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Principal activity

The charitable objectives of the company (the Common Purpose Statement) are explained on page 9. The principal activity during the year was the provision of relationship support, delivered through counselling for individuals, couples, families and young people, psychosexual therapy, family mediation, child contact services and education and training work.

STRUCTURE, GOVERNANCE AND MANAGMENT

Governing document

Relate Birmingham is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23 October 2013 and is registered as a charity with the Charity Commission. There are currently eight members, each of whom agrees to contribute £1 in the event of the charity winding up. Membership is open to any person or Institution upon receipt at the Office of a signed application in writing in a form approved by the Executive unless the admission of the applicant to Membership would be prejudicial to the interest of the Centre.

Relate Birmingham is a constituent society of the national organisation of Relate and as such is bound by the memorandum and articles of association of Relate, the Relate membership agreements, standards for constituent status and other regulations in force at that time.

Appointment of the trustees

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law and the Charity Commission guidance on public benefit and are informed of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity.

Organisation of charity

(a) Executive Committee (The Board of Trustees)

The board, which can have up to 18 members, is responsible for setting the policy of the charity and ensuring that all monies received are used for the objectives of the charity. There were seven members of the executive committee at 31 March 2023.

(b) Chief Executive

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity and has delegated authority, within terms of delegations approved by the trustees for operational matters including finance, marketing, personnel and service delivery. The trustees and Chief Executive developed a business plan during the year, to which the Chief Executive has worked.

(c) Support Staff

The Chief Executive was supported by the 1 Service Manager, 2 Supervisors, 1 Operations and Administration Manager, Office/Admin Co-ordinator and 3 part-time paid administrative staff covering Birmingham, Wolverhampton, Solihull, Walsall, Sandwell and Dudley and South Staffordshire. At the start of the year this included:

2 Supervisors	28 hours per week
1 Service Manager	37 hours per week
1 Operations and Administration Manager	37 hours per week
1 Office/Admin Co-ordinator	26 hours per week
3 P/T Administrative assistants	63 hours per week

Our centres were closed for most of the year due being shut during the Coronavirus pandemic. The Birmingham office is now used by the administration team.

(d) Counsellors

At 31 March 2023 there were twenty-four counsellors working between three and twenty hours per week. 15% of the total number of counselling sessions delivered was provided by counsellors on a voluntary basis.

(e) Family Team

At 31 March 2023 there were 4 Family Contact Workers and 1 Family Mediator.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a client or supplier must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions in the current year are described in note 17 to the accounts.

Pay policy

The board of directors, who are trustees and the senior management team together comprise the key management personnel of the charity in charge of directing and operating the charity on a day to day basis. No director received remuneration in the year and details of directors' expenses and related party transactions are disclosed in note 7 to the accounts. The pay of staff is reviewed annually and, where finances permit, are increased in accordance with average earnings

Founded in 1946, Relate Birmingham is an independent, registered charity and a member of the national Relate Federation. We recognise relationships have difficulties and aim to support individuals, couples and families to build better relationships through the provision of counselling services, sex therapy and education and training.

At Relate Birmingham our mission is to:

- Deliver counselling and training services
- Enhance the quality of couple, family and parental relationships for adults, families and young people in Birmingham, Solihull, Sandwell, Walsall, Wolverhampton, Dudley and South Staffordshire.
- Work as part of the Relate Federation

OUR SERVICES

Relationship Counselling

Relationship Counselling is for couples and individuals who have come across issues in their personal relationships or need support in their role as parents. We help them cope with issues such as communication problems, impact of having a new baby, parenting and step-parenting, divorce and separation and improve their relationships with partners, children and relatives. Other issues we work with include domestic violence, adult survivors of sexual abuse and mental health issues. The service is available in our centres or via webcam or telephone for clients with mobility issues, childcare or caring responsibilities or work commitments.

Sex Therapy

Sex therapy is for people who have problems in their sexual relationships due to physical or emotional problems. People who come for sex therapy can be in a couple, single, in a same sex relationship, young or old. Many people are referred by their GP.

Family Counselling

Family Counselling addresses issues occurring in a family situation. This can include difficulties in communication between parents and children, differing parenting ideas causing friction within the family unit, blended families coping in bringing together a 'new' family, children and young people struggling with relationships or supporting family members recovering from the impact of abuse.

Children & Young People's Counselling

Time for You is our free service for children and young people aged 5-18 who are experiencing or have experienced changes in their family such as separation, divorce, step-families, absent parents/family members, illness, bereavement, and conflict. It also helps where this has had an impact on school, work or peer relationships and offers support to children and young people who may have any issues around the subject of bullying or domestic violence. It gives them an opportunity to be listened to and express their feelings.

Lifeskills, Training and Education Services

We have a small team of trainers who run a programme of relationship, parenting and lifeskills workshops for the public. We also provide accredited and tailored training courses for other professionals, voluntary groups or organisations supporting families.

Family Mediation

Mediators work with couples involved in family breakdown to make arrangements, either to plan for a separation or divorce, or once a separation or divorce has taken place. Mediation can help to settle disputes over contact and living arrangements, child maintenance, property and money, without having to go to court, paving the way to a smoother separation.

Child Contact

We work directly with children and families, referred to us by CAFCASS, in community settings to promote safe and beneficial contact between separated / non-resident parents and their children.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

During the year we have continued to provide services covering the area of Birmingham, Solihull, Wolverhampton, Dudley, Sandwell, Walsall and South Staffordshire.

- Since the Coronavirus pandemic, our premises have been mainly closed except for administration. Counsellors have worked remotely, providing sessions over webcam or phone and also delivered face to face community-based counselling and projects and increased our work in schools. We continue to monitor client numbers and we've responded and adapted to changes throughout the year.

- We have developed a 2 year strategic plan to March 2025 and recruited 4 new Trustees with diverse skills and experience to strengthen the Board.

- Through careful management and planning, we are rebuilding the counselling team. We've actively recruited new counsellors and we supported existing counsellors to train as supervisors or specialise in working with families. We are on track to provide face to face service delivery from June 2023.

- During 2022-23 we delivered 8165 hours of service and support, working directly with 2539 adults, young people and children, and indirectly benefitting a further 1756 children.

- Overall, we registered 1986 new cases and delivered 6780 hours of counselling. The impact of Coronavirus on clients' relationships, families and wellbeing was clear. Children and parenting issues increased further to 42% from 36% the year before. Mental health was an issue for 30% and domestic abuse was an issue for 16%.

- We believe services should be accessible to all. Many of our clients are on low incomes and 22% live in the most deprived areas. Concerns about work and money worries were an issue for 30% of clients, especially with the ongoing cost of living pressures and high fuel prices. Requests for free or low-cost counselling increased. We have continued to provide a subsidised service for clients who need it and a full bursary to support parents with severe financial difficulties. This year our subsidy rate is 50% on average.

- We also supported clients referred through national Relate benevolent funded counselling and mediation projects for army, navy and RAF personnel and bank workers, as well as retail and licencing trade employees.

- We piloted a relationship support service to NHS staff affected by the cost of living increase. We offered both one-off web chats as well as longer term counselling. We also provided counselling to patients with relationship and family issues referred by their GP.

- Our Time for You children and young people's service continued to develop. Our focus this year was delivering a new project to provide counselling to children and young people in Sandwell who's emotional well-being has been affected by the impact of Coronavirus. We also received ongoing support from Children in Need funding and provided counselling in primary schools and supervision support for college mentors.

- Our successful Relate Macmillan service, giving relationship support to anyone in our area affected by cancer and the project, came to an end in July 2022 after over 5 years.

- We offered counselling in a residential unit for parents undergoing assessment.

- Family Mediation continued to support separating or divorcing parents to reach agreement about their finances, property and child contact and delivered online and face to face meetings.

- We provided the ICFA service in our area, in partnership with Child Action North West. This service supports parents and children referred by CAFCASS to have safe and beneficial contact through tailored work plans and time-limited contact work. We achieved our NACCC Accreditation and recruited more family workers to join the team.

Analysis of Activity	Year to March 2022	Year to March 2023
Total number of hours work delivered:	**6585**	**8165**
Relate Centres: **62% of work is self –referral and based in our Centres.**		
Number of New Cases Registered for Counselling	1,630	1,521
Total Hours of Counselling Appointments Given	4,800	4,994
Total Hours Service Given	6,020	5073
Relationship Counselling (including Macmillan)	82%	81%
Sex Therapy	8%	8%
Children & Young People's Counselling	4%	6%
Family Counselling	3%	2%
Training & Workshops	1%	-%
Family Mediation	1%	3%
Community Based & Commissioned Services: **38% of work is community based or commissioned.**		
Total Hours Service Given	1,785	3092
Primary Care/Health Counselling	47%	14%
CYP CAMHS/School/Project Counselling	8%	36%
Residential Centre	9%	5%
Probation	9%	-%
Supervision/Mentoring	2%	1%
Child Contact Service	26%	44%

Clients Information

2539 adults, young people and children benefited directly from our services.
1756 children of adult clients benefited indirectly.

Who We Worked With	
Couples	32%
Women	18%
Men	12%
Families	2%
Children/Young People	36%
Presenting Problems	
Communication Difficulties	74%
Children, Family, Parenting	42%
Work & Money Worries	30%
Separation and Divorce	23%
Sexual Problems	27%
Physical Health	8%
Mental Health	30%
Affairs	20%
Domestic Abuse	16%
Impact of Past Relationships	20%
Bereavement	12%
Alcohol and Drug Misuse	8%
Sexual Abuse	4%
Caring Responsibilities	4%
Relationship Status	
Married/Living together	61%
Separated/Divorced	14%
Single	8%
None	15%
Civil Partnership	2%

Where They live	
Birmingham	44%
Solihull	6%
Sandwell	12%
South Staffs	12%
Walsall	3%
Dudley	8%
Wolverhampton	8%
Other	7%
Ethnicity	
White	68%
Asian/Asian British	15%
Black/African/Caribbean/Black British	9%
Mixed/Multiple Ethnic Groups	6%
Other	2%
Employment Status	
Full Time	55%
Part Time	13%
Self Employed	7%
At Home	5%
On Benefit	4%
Retired	3%
Student	13%

Summary Financial Information

How We Funded Our Services	£ 2022	£ 2023
Donations and Grants	45,331.	54,598
Local Authority	36,464	36,464
Client Contributions	121,480	145,321
Grants & Contracts	209,743	358,827
Education and Training	195	0
Family Mediation	5,538	5,120
Room Hire and Other Income	6,953	2,322
Average cost per counselling hour	55.64	57.85
Average client contribution per hour	29.78	28.54
Average subsidy made per client appointment	25.86	29.31
On average we subsidised clients by	46%	50%

FUTURE PLANS AND DEVELOPMENT

During the year we made significant progress and our aim is to build on this over the next year.

This year our objective is to make progress on building our organisation and developing services to meet the needs of clients and staff in the post pandemic world. This includes developing face to face and digital delivery, meeting the need for mental health support for adults, children and young people and ongoing support for the effect of cost-of-living rises.

In 2023/24 our priorities are to:

a) ***Organisational Structure and Systems***

Develop the staff structure and recruit to management and admin roles to deliver the plan.
Re-open the main centres and develop a network of delivery venues.
Develop clinical leadership to maintain service quality and safety.
Move to new online appointment booking system.

b) ***Service Delivery***

Restart face to face counselling
Increase counselling and reduce wait times, through recruitment and training.
Develop services - individual counselling, CYP service in schools and meditation.
Pilot new digital short intervention services e.g. livechat.

c) ***Marketing & Income Generation***

Recruit a marketing post to increase digital marketing and raise our profile.
Update our website and develop our branding.
Increase grant income for our bursary and projects to support those in need.

d) ***HR & Staff Development***

Improve HR processes, communication and meeting structure.
Develop our staff support and wellbeing offer.
Increase opportunities for volunteering.

COMMON PURPOSE STATEMENT

Relate's distinctive focus is the adult couple, recognising the benefits of this focus to the mental, physical and emotional health of adults and children involved. This focus recognises different cultural understandings of marriage and other couple relationships; and encompasses work with the adults, together or on their own, at any time in the life or ending of their relationship, whether the couple wish to stay together or separate.

Relate aims to deliver its services with cultural sensitivity and without discrimination.

Relate's objectives are

- to enhance the quality of couple, parental and family relationships
- to help avoid unnecessary relationship and family breakdown
- to limit the damage which commonly accompanies poor relationships, separation and divorce and increase the prospect of subsequent relationships succeeding

Relate's tasks are

- to aim to achieve these objectives by the provision of relationship counselling, sex therapy, education, training and related services, which are timely, evaluated and offer equal access and opportunity to all who can benefit from them.
- to influence opinion formers and government, through research and other means, in order that improvements are made in funding, social policy and the law and related public services.

Relate's work is based in the beliefs

- that an individual's physical well-being and emotional and mental health benefit from a committed relationship
- that the ability of both children and adults to develop and contribute effectively in society is directly related to the quality of their family relationships.
- that since family relationships change, second and split parent, step-family and cohabiting partnerships are no less a focus for Relate than first families.
- that expressing clear commitment is a helpful contribution to a healthy and secure couple relationship
- that the quality of couple and family relationships can be improved, avoidable breakdowns prevented and new relationships formed with the help of a trained counsellor.

FINANCIAL REVIEW

The financial results of Relate Birmingham are detailed in the following pages. It is considered that the finances are sound and well established. The principal funding source is grant and contract income, followed by client contributions income and we have a diverse set of income streams. All expenditure of this income is planned to fulfil the objectives and strategies of the charity.

During the year ended 31 March 2023 total income received was £602,653 and total resources expended were £498,705 giving surplus income over expenditure of £103,948. Compared to the previous year, income increased due to obtaining new contracts and grant funded project work. Although our centre and staff costs increased and we carefully managed expenditure throughout the year and we now plan to recruit to new roles in 2023-24.

The principal risks and uncertainties and the plans and strategies adopted to manage these risks are described in the risk management section of the report below.

Investment powers and policy

The trustees have invested surplus funds with CAF Bank. The invested funds achieved an average interest rate of 0.64% which due to wider economic circumstances failed to achieve the rate of increase in the retail price index.

Reserves policy and going concern

The trustees consider that unrestricted funds should not exceed six months of resources expended. Unrestricted reserves amounted to £437,432 (2022 - £330,628). Current reserves are considered to be at a reasonable level as resources expended for the next six months are expected to be £442.000.

The Trustees have reviewed the Charity's need for reserves in line with guidance issued by the Charity Commission. Holding reserves allows the Charity to protect itself against any financial uncertainties, be able to operate despite gaps in funding income and provides a safeguard for the Charity's service commitments.

The reserves of the charity have been divided where appropriate into restricted, designated and general funds in accordance with charity legislation.

Restricted Funds

The restricted fund represents money given to Relate Birmingham for specific capital or project work. Our current restricted reserves are £397,152 and they include:

- The current value of the Bishopsgate Street property, which was purchased with a Community Fund grant of £330,238 in December 2001 and depreciates each year. This property was revalued at £250,000 in 2015.
- The Wolverhampton property, which was acquired in June 2014 at a value of £170,000.

Unrestricted Funds

The trustees' policy in respect of the monies held in the general fund is influenced by:

- Forecast levels of income in the ensuing year ;
- Forecast expenditure in the ensuing year on the basis of planned activity ;
- Funds designated for specific purposes ; and
- An analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met from planned expenditure.

Risk Management

The Trustees have a risk management process which comprises:

- An annual review of the principal risks and uncertainties that the Charity faces.
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. Key elements in the management of financial risk are a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of operational debtor and creditor balances to ensure sufficient working capital by the Trust.

Attention has also been focussed on non-financial risks arising from fire, health and safety, employment matters and data protection. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 its incoming resources and application of resources, including its income and expenditure 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 judgements and accounting 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The following directors have held office during the year:

M Booton
P Dhanda
A Lee
M Pearson
P Pedrelli
S Thomas
E Wyatt

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Statement as to disclosure to our auditors

The directors as set out above confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have haven all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board

Malcolm Pearson
Chair

8 December 2023

Independent Auditor's Report to the Members of Relate Birmingham

Opinion

We have audited the financial statements of Relate Birmingham (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements :

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report.

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

- adequate accounting records have not been kept, 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities statement (set out on page 11), 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.

Independent Auditor's Report to the Members of Relate Birmingham

(continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the company's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the company's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilites. 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.



David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

14 December 2023

Relate Birmingham
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
Year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income					
Voluntary income:					
Donations and legacies	2	9,750	44,848	54,598	45,331
Income from charitable activities:					
Grant and contracts		167,620	227,672	395,292	253,135
Counselling income		150,441	-	150,441	127,018
Education and training		-	-	-	195
Income from trading activities:					
Supervision		1,000	-	1,000	-
Investment income	3	1,322	-	1,322	25
Total income		330,133	272,520	602,653	425,704
Expenditure					
Costs of raising funds :					
Room hire		6,922	-	6,922	6,925
Supervision		5,133	-	5,133	3,630
Charitable activities:					
Operational and support costs	4	211,274	275,376	486,650	403,589
Total expenditure		223,329	275,376	498,705	414,144
Net (expenditure) / income before transfers		106,804	(2,856)	103,948	11,560
Gross transfers between funds	13	-	-	-	-
Net movement in funds		106,804	(2,856)	103,948	11,560
Reconciliation of funds					
Total funds brought forward	13	330,628	400,008	730,636	719,076
Total funds carried forward		437,432	397,152	834,584	730,636

All of the charity's activities derive from continuing operations during the above two financial periods.

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

Relate Birmingham
Company Number : 03174040 / Charity Number : 1053946
BALANCE SHEET
Year ended 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	9		400,663		401,713
Current assets					
Debtors	10	151,925		119,226	
Cash at bank and in hand		528,078		342,358	
		680,003		461,584	
Creditors: amounts falling due within one year	11	246,082		132,661	
Net current assets			433,921		328,923
Net assets			834,584		730,636
Funds of the charity :					
Restricted funds					
General fund	13		397,152		400,008
Unrestricted funds					
General fund	13		437,432		330,628
Total funds			834,584		730,636

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 16 to 27 form part of these accounts.

The financial statements were approved and authorised for issue by the Trustees on 8 December 2023 and signed on their behalf by :

Malcolm Pearson
Chair

Relate Birmingham
STATEMENT OF CASH FLOWS
Year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flow from operating activities	16	187,434	(44,790)
Net cash flow from operating activities		187,434	(44,790)
Cash flow from investing activities			
Acquisition of tangible fixed assets		(3,036)	-
Interest received		1,322	25
Net cash flow from investing activities		(1,714)	25
Net increase / (decrease) in cash and cash equivalents		185,720	(44,765)
Cash and cash equivalents at 1 April 2022		342,358	387,123
Cash and cash equivalents at 31 March 2023		528,078	342,358

1. Accounting policies

a) Basis of preparation

Relate Birmingham is a charitable company limited by guarantee . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are provision of relationship support.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity .

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

b) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a period of 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- **Grants receivable**
  Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**
  Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

- **Donated services and gifts in kind**
  Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

1. Accounting policies (continued)

c) Income recognition (continued)

- **Gifts in kind**
  Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

- **Interest receivable**
  Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

- **Other income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- **Costs of generating funds**
  These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**
  These are costs incurred in activities undertaken to further the purposes of the charity and their associated support costs.

- **Governance costs**
  These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the trust's work or for specific projects being undertaken by the trust.

1. Accounting policies (continued)

f) Allocation of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	2% - 10% per annum
Fixtures, fittings and equipment	20% per annum

h) Investments

Surplus cash over and above what is considered necessary as working capital is invested in low to medium risk assets. Such assets must be diversified and may include cash if it is considered prudent. The object is to maintain value and keep pace with inflation while providing income for the use of the charity where possible. At the same time holding such funds for future capital expenditure as necessary.

i) Operating leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

j) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

k) Pension benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donations	9,750	20,768	30,518	22,641
Grants	-	24,080	24,080	22,690
	9,750	44,848	54,598	45,331

3. Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Deposit account interest	1,322	-	1,322	25
	1,322	-	1,322	25

4. Operational and support costs

	Counselling services £	Education & training services £	Total 2023 £	Total 2022 £
Operational and support costs				
Staff costs	203,501	-	203,501	140,817
Invoiced supplies	15,334	-	15,334	16,422
Training	12,325	-	12,325	1,105
Support costs (see note 5)	226,356	-	226,356	208,965
Governance costs (see note 5)	29,134	-	29,134	36,280
	486,650	-	486,650	403,589

Total expenditure on charitable activities was £486,650 (2022 - £403,589) of which £211,274 (2022 - £174,236) was unrestricted and £275,376 (2022 - £229,353) was restricted.

5. Analysis of support and governance costs

	General support £	Governance function £	Total 2023 £	Total 2022 £
Management and administrative staff	186,318	-	186,318	174,896
Training and recruitment	911	-	911	1,735
Premises costs	8,671	-	8,671	7,668
Insurance	6,136	-	6,136	5,573
General office costs	16,774	-	16,774	11,780
Audit	-	3,420	3,420	3,120
Accountancy	-	2,101	2,101	2,233
Federation fees	-	23,613	23,613	30,927
Legal and other professional	35	-	35	-
Bank charges	3,425	-	3,425	3,594
Depreciation	4,086	-	4,086	3,719
	226,356	29,134	255,490	245,245

The allocation of general support and governance costs is based upon Counselling and Educational income as a percentage of total income received.

6. Net expenditure for the year

Net expenditure is stated after charging:

	Total 2023 £	Total 2022 £
Depreciation of tangible fixed assets	4,086	3,719
Operating lease rentals		
Premises	6,000	6,000
Office equipment	269	190
Auditor's remuneration		
Audit fees	3,420	3,120

7. Trustees and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2022 - £nil).

During the year, no travel expenses were reimbursed or paid directly to any trustees (2022 - £15 paid to one trustee).

The Trust considers its key management personnel comprise the Chief Executive, Service Manager, Operations & Administration Manager (2022: included Chief Executive, Service Manager, Operations & Administration Manager). The total amount of employee benefits received by key management personnel was £114,157 (2022 - £109,980).

8. Analysis of staff costs and numbers

Staff costs :

	Total 2023 £	Total 2022 £
Wages and salaries	364,831	296,925
Social security costs	19,255	14,389
Pension	5,733	4,399
	389,819	315,713

No employees received total employee benefits of more than £60,000.

Staff numbers :

The average monthly number of employees and full time equivalents during the year was as follows:

	2023 Number	2023 FTE	2022 Number	2022 FTE
Delivery staff	28	8	25	9
Support staff	8	6	7	5
	36	14	32	14

9. Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2022	420,000	51,998	471,998
Additions	-	3,036	3,036
At 31 March 2023	420,000	55,034	475,034
Depreciation			
At 1 April 2022	19,992	50,293	70,285
Charge for the year	2,856	1,230	4,086
At 31 March 2023	22,848	51,523	74,371
Net book values			
At 31 March 2023	397,152	3,511	400,663
At 31 March 2022	400,008	1,705	401,713

9. Tangible fixed assets (continued)

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation at 31 March 2023 is represented by :			
Valuation in 2015	420,000	-	420,000
Cost	-	55,034	55,034
	420,000	55,034	475,034

Freehold properties were revalued by the trustees as at 31 March 2015.

10. Debtors

	Total 2023 £	Total 2022 £
Debtors from operations	105,854	95,323
Prepayments and accrued income	46,071	23,903
	151,925	119,226

11. Creditors - amounts falling due within one year

	Total 2023 £	Total 2022 £
Creditors from operations	6,279	3,901
Other taxation and social security	5,461	-
Accruals and deferred income	204,599	101,261
Other creditors	29,743	27,499
	246,082	132,661

Deferred income

Deferred income at 1 April 2022	95,673	91,145
Resources deferred in the year	181,421	76,881
Amounts released from previous years	(76,881)	(72,353)
Deferred income at 31 March 2023	200,213	95,673

At the balance sheet date the charity was holding funds received in advance where the qualifying expenditure is expected to be incurred in a future year.

12. Commitments under operating leases

At 31 March 2023 the charity was committed to making the following payments under non-cancellable operating leases :

	Land and buildings	
	Total 2023 £	Total 2022 £
Within one year	6,000	6,000
Within two to five years inclusive	4,000	10,000
	10,000	16,000

13. Analysis of funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 March 2023 £
Restricted funds					
General fund	400,008	272,520	(275,376)	-	397,152
Unrestricted funds					
General fund	330,628	330,133	(223,329)	-	437,432
Total funds	730,636	602,653	(498,705)	-	834,584

Name of fund	Description, nature and purpose of fund
Restricted general fund	Money given to the charity where the donor requires that a grant or donation be spent for a specific project.
Unrestricted general fund	The free reserves of the charity which are not designated for particular purposes.

14. Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	3,511	397,152	400,663
Current assets	680,003	-	680,003
Current liabilities	(246,082)	-	(246,082)
Total net assets	437,432	397,152	834,584

15. Capital commitments

There were no capital commitments at 31 March 2023 nor at 31 March 2022.

16. Reconciliation of net expenditure to net cash flow from operating activities

	Total 2023 £	Total 2022 £
Net income for the year	103,948	11,560
Depreciation	4,086	3,719
Interest receivable	(1,322)	(25)
Decrease in debtors	(32,699)	(69,264)
Increase in creditors	113,421	9,220
Net cash flow from operating activities	187,434	(44,790)

17. Related party transactions

No related party transactions took place in either the current or previous period of account.

RELATE BIRMINGHAM

Trusts and Donations

YEAR ENDING 31 MARCH 2023

Thank you to the following funders who have supported us this year:

Donations

CB & HH Taylor 1984 Trust
Charles Brotherton Trust
Jabbs Foundation
Roger & Douglas Turner Trust
William A Cadbury Charitable Trust

Other personal donations

Grants

Children in Need
Macmillan Cancer Support
Sandwell MBC
Walsall MBC
SCVO

Kapella

England & Wales - Charity number 1053946

Accounts

Relate Birmingham

Annual Report and Financial Statements
Year ended 31 March 2022

Charity Number : 1053946

Company Number : 03174040

Feltons

Chartered Accountants

Birmingham

B1 3JR

Relate Birmingham
REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2022

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Relate Birmingham

Reference and Administrative Details

Chair	Malcolm Pearson	
Trustees	Elizabeth Wyatt Andy Lee Pam Dhanda Paola Pedrelli Susan Thomas Malcolm Pearson Matthew Booton	
Company secretary	Ruth Levesley	
Key management personnel	Ruth Levesley Lisa Hale Christopher Moore	Chief Executive Service Manager Operations & Administration Manager
Registered office	111 Bishopsgate Street Birmingham B15 1ET	
Charity registration number	1053946	
Company registration number	3174040	
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Bankers	CAF Cash Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ Co-Operative Bank plc PO Box 82 118/120 Colmore Row Birmingham B3 3BA	
Solicitors	Tyndallwoods 29 Woodbourne Rd Edgbaston Birmingham B17 8BY	
Patron	The Lord Mayor of Birmingham	

Relate Birmingham
TRUSTEES' REPORT
Year ended 31 March 2022

CHAIR'S REPORT

In writing this year's Chair's report, I am delighted to report that finally we are moving positively forward after the most challenging two years defending our organisation in line with most other charities and businesses.

Much of the Board and Management's time is now being invested into development of future operations and planning whilst still being conscious of the continued presence of Covid. I was hoping we would be saying that at least a year ago, but the Global Pandemic continued to impact greatly on our operations at that time.

Complying with all Government initiatives and our own changes to protect both our clients and staff during the pandemic imposed a massive extra load on our Management and Administrative team. I and the Board recognise the dedication and loyalty of staff during that time and once again wish to record our appreciation to our team for their tremendous efforts.

Our team are now looking at new work initiatives and ways to deliver on any new work proposals. Our management structure is being shaped for the future as business opportunities begin once again to expand. We are also looking at our premises portfolio and how best to use these facilities moving forward.

Whilst everyone has adjusted well to cope with virtual and telephone working one of the most difficult challenges remaining is the return to face to face counselling for which there is still a significant demand. This must be done in ways to ensure the safety of both Relate employees and clients.

Once again, I am confident in the continued success of Relate Birmingham in the hands of our current team and look forward to be able to present an even more optimistic view of the future in next year's report.



Malcolm Pearson
Chair

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Principal activity

The charitable objectives of the company (the Common Purpose Statement) are explained on page 9. The principal activity during the year was the provision of relationship support, delivered through counselling for individuals, couples, families and young people, psychosexual therapy, family mediation and education and training work.

STRUCTURE, GOVERNANCE AND MANAGMENT

Governing document

Relate Birmingham is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23 October 2013 and is registered as a charity with the Charity Commission. There are currently eight members, each of whom agrees to contribute £1 in the event of the charity winding up. Membership is open to any person or Institution upon receipt at the Office of a signed application in writing in a form approved by the Executive unless the admission of the applicant to Membership would be prejudicial to the interest of the Centre.

Relate Birmingham is a constituent society of the national organisation of Relate and as such is bound by the memorandum and articles of association of Relate, the Relate membership agreements, standards for constituent status and other regulations in force at that time.

Appointment of the trustees

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law and the Charity Commission guidance on public benefit, and are informed of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity.

Organisation of charity

(a) Executive Committee (The Board of Trustees)

The board, which can have up to 18 members, is responsible for setting the policy of the charity and ensuring that all monies received are used for the objectives of the charity. There were seven members of the executive committee at 31 March 2022.

(b) Chief Executive

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity and has delegated authority, within terms of delegations approved by the trustees for operational matters including finance, marketing, personnel and service delivery. The trustees and Chief Executive developed a business plan during the year, to which the Chief Executive has worked.

(c) Support Staff

The Chief Executive was supported by the 1 Service Manager, 2 Supervisors, 1 Operations and Administration Manager, Office/Admin Co-ordinator and 3 part-time paid administrative staff covering Birmingham, Wolverhampton, Solihull, Walsall, Sandwell and Dudley and South Staffordshire. At the start of the year this included:

2 Supervisors	28 hours per week
1 Service Manager	37 hours per week
1 Operations and Administration Manager	37 hours per week
1 Office/Admin Co-ordinator	26 hours per week
3 P/T Administrative assistants	63 hours per week

Our centres were closed for most of the year due to the Coronavirus pandemic and by the end of the year the structure had been reorganised.

(d) Counsellors

At 31 March 2022 there were twenty-four counsellors working between three and twenty hours per week. 5% of the total number of counselling sessions delivered was provided by counsellors on a voluntary basis.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a client or supplier must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions in the current year are described in note 17 to the accounts.

Pay policy

The board of directors, who are trustees and the senior management team together comprise the key management personnel of the charity in charge of directing and operating the charity on a day to day basis. No director received remuneration in the year and details of directors' expenses and related party transactions are disclosed in note 7 to the accounts. The pay of staff is reviewed annually and, where finances permit, are increased in accordance with average earnings

Founded in 1946, Relate Birmingham is an independent, registered charity and a member of the national Relate Federation. We recognise relationships have difficulties and aim to support individuals, couples and families to build better relationships through the provision of counselling services, sex therapy and education and training.

At Relate Birmingham our mission is to:

- Deliver counselling and training services
- Enhance the quality of couple, family and parental relationships for adults, families and young people in Birmingham, Solihull, Sandwell, Walsall, Wolverhampton, Dudley and South Staffordshire.
- Work as part of the Relate Federation

OUR SERVICES

Relationship Counselling

Relationship Counselling is for couples and individuals who have come across issues in their personal relationships or need support in their role as parents. We help them cope with issues such as communication problems, impact of having a new baby, parenting and step-parenting, divorce and separation and improve their relationships with partners, children and relatives. Other issues we work with include domestic violence, adult survivors of sexual abuse and mental health issues. The service is available in our centres or via telephone for clients with mobility issues, childcare or caring responsibilities or work commitments.

Sex Therapy

Sex therapy is for people who have problems in their sexual relationships due to physical or emotional problems. People who come for sex therapy can be in a couple, single, in a same sex relationship, young or old. Many people are referred by their GP.

Family Counselling

Family Counselling addresses issues occurring in a family situation including:

- Parents and children with communication difficulties.
- Parents whose different ideas about parenting causes friction within the family unit.
- Children/young people struggling with relationships.
- Blended families coping in bringing together a 'new' family.
- Family members recovering from the impact of abuse

Children & Young People's Counselling

Time for You is our free service for children and young people aged 5-18 who are experiencing or have experienced changes in their family such as separation, divorce, step-families, absent parents/family members, illness, bereavement, and conflict. It also helps where this has had an impact on school, work or peer relationships and offers support to children and young people who may have any issues around the subject of bullying or domestic violence. It gives them an opportunity to be listened to and express their feelings.

Lifeskills, Training and Education Services

We have a small team of trainers who run a programme of relationship, parenting and lifeskills workshops for the public. We also provide accredited and tailored training courses for other professionals, voluntary groups or organisations supporting families.

Family Mediation

Mediators work with couples involved in family breakdown to make arrangements, either to plan for a separation or divorce, or once a separation or divorce has taken place. Mediation can help to settle disputes over contact and living arrangements, child maintenance, property and money, without having to go to court, paving the way to a smoother separation.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

During the year we have continued to provide services covering the area of Birmingham, Solihull, Wolverhampton, Dudley, Sandwell, Walsall and South Staffordshire.

- Since March 2020, due to the Coronavirus pandemic, our premises have been closed except for administration. Counsellors have worked remotely, providing sessions over webcam or phone, although some community based counselling and project work has now restarted face to face. Client numbers and referrals have continued to fluctuate during the last 12 months. We've responded and adapted to changes throughout the year.

- Through careful management and planning, we have worked to rebuild the counselling team and aim to reopen for face-to-face service delivery during 2022. We've actively recruited new counsellors and trainees, rolled out updated training on domestic abuse in couple work, introduced an online client payment system and refurbished our Wolverhampton premises.

- During 2021-22 we delivered 6585 hours of support, working directly with 2894 adults, young people and children, and indirectly benefitting a further 1742 children.

- We registered 1336 new cases and delivered 5500 hours of counselling. The impact of Coronavirus on clients' relationships, families and wellbeing was clear. Children and parenting were issues for 36% of clients, mental health was an issue for 32% and domestic abuse was an issue for 16%.

- We believe services should be accessible to all. Many of our clients are on low incomes and 21% live in the most deprived areas. Concerns about work and money worries were an issue for 30% of clients and requests for free or low cost counselling increased. We have continued to provide a subsidised service for clients who need it and a full bursary to support parents with severe financial difficulties.

- We also supported national Relate benevolent funded counselling and mediation projects for army, navy and RAF personnel and bank workers, as well as retail and licencing trade employees.

- We provided counselling to patients with relationship and family issues referred by their GP and continued to support an increase in patients in our area who were under additional strain due the impact of Coronavirus, through NHS COVID funding.

- We expanded our Time for You children and young people's service, recruiting 4 new counsellors, and received ongoing support from Children in Need funding. We also provided counselling in primary schools and supervision support for college mentors. In late February we secured a grant for a new project to deliver counselling to children and young people in Sandwell who's emotional wellbeing has been affected by Coronavirus.

- Our successful Relate Macmillan service continued to give relationship support to anyone in our area affected by cancer and the project will come to an end in July after over 5 years.

- We worked with Probation services (CRC) to provide support sessions to clients and we offered counselling in a residential unit for parents undergoing assessment.

- Family Mediation continued to support separating or divorcing parents to reach agreement about their finances, property and child contact and we attended CPD on the upcoming changes to the divorce law and 'no fault' divorce.

- We provided the ICFA service in our area, in partnership with Child Action North West. This service supports parents and children referred by CAFCASS to have safe and beneficial contact through tailored work plans and time-limited contact work. We have appointed a team leader and recruited more family workers and are applying for NACCC Accreditation.

Analysis of Activity	Year to March 2021	Year to March 2022
Total number of hours work delivered:	**8080**	**6585**
Relate Centres:		
72% of work is self –referral and based in our Centres.		
Number of New Cases Registered for Counselling	1,336	1,630
Total Hours of Counselling Appointments Given	5,370	6,020
Total Hours Service Given	5,500	4,800
Relationship Counselling (including Macmillan)	85%	82%
Sex Therapy	7%	8%
Children & Young People's Counselling	2%	4%
Family Counselling	2%	3%
Training & Workshops	1%	1%
Family Mediation	3%	1%
Community Based & Commissioned Services:		
28% of work is community based or commissioned.		
Total Hours Service Given	2,710	1,785
Primary Care/Health Counselling	81%	47%
School/CYP Project Counselling	1%	8%
Residential Centre	5%	9%
Probation	8%	9%
Supervision/Mentoring	4%	2%
Child Contact Service	-	26%

Clients Information

2894 adults, young people and children benefited directly from our services.
1742 children of adult clients benefited indirectly.

Who We Worked With	
Couples	55%
Women	20%
Men	16%
Families	4%
Children/Young People	5%

Presenting Problems	
Communication Difficulties	62%
Children, Family, Parenting	36%
Work & Money Worries	30%
Separation and Divorce	20%
Sexual Problems	21%
Physical Health	12%
Mental Health	32%
Affairs	16%
Domestic Abuse	16%
Impact of Past Relationships	21%
Bereavement	12%
Alcohol and Drug Misuse	9%
Sexual Abuse	4%
Caring Responsibilities	4%

Relationship Status	
Married/Living together	68%
Separated/Divorced	20%
Single	4%
None	7%
Civil Partnership	1%

Where They live	
Birmingham	47%
Solihull	7%
Sandwell	6%
South Staffs	11%
Walsall	7%
Dudley	7%
Wolverhampton	9%
Other	7%

Ethnicity	
White	66%
Asian/Asian British	18%
Black/African/Caribbean/Black British	8%
Mixed/Multiple Ethnic Groups	6%
Other	2%

Employment Status	
Full Time	57%
Part Time	16%
Self Employed	8%
At Home	6%
On Benefit	4%
Retired	4%
Student	3%

Summary Financial Information

How We Funded Our Services	£ 2021	£ 2022
Donations and Grants	58,458	45,331.
Local Authority	36,464	36,464
Client Contributions	150,162	121,480
Grants & Contracts	410,677	209,743
Education and Training	-	195
Family Mediation	8,321	5,538
Room Hire and Other Income	5,574	6,953
Average cost per counselling hour	52.38	55.64
Average client contribution per hour	27.63	29.78
Average subsidy made per client appointment	24.75	25.86
On average we subsidised clients by	47%	46%

FUTURE PLANS AND DEVELOPMENT

During the year we made significant progress and our aim is to build on this over the next year.

This year our objective is continued recovery from the impact of Coronavirus with phased developments to meet the needs of clients and support for staff in the post pandemic world, including more need for mental health services and the support for the effect of cost-of-living rises.

In 2022/23 our priorities are to:

a) ***Organisation***
Strengthen the Board, including Trustee recruitment
Develop the staff structure and recruit additional capacity to deliver the plan.
Devise a strategy for 2022-25.
Update our IT. Move to new online appointment and HR systems.

b) ***Service Delivery***
Increase counselling and reduce wait times, through recruitment and training.
Increase individual counselling provision, including a placement scheme.
Build the Family/Parent's Service – increase Mediation and child contact.

c) ***Accessible Services***
Increase grant income for our bursary and projects to support those in need.
Seek ongoing funding for the CYP service.
Restart face to face work and build a new network of delivery venues.

d) ***Marketing***
Recruit a marketing/PR post to increase digital marketing and raise our profile.
Update our website and develop our branding.

e) ***HR & Staff Development***
Hold a staff day.
Develop our staff support and wellbeing offer.
Increase opportunities for volunteering.

COMMON PURPOSE STATEMENT

Relate's distinctive focus is the adult couple, recognising the benefits of this focus to the mental, physical and emotional health of adults and children involved. This focus recognises different cultural understandings of marriage and other couple relationships; and encompasses work with the adults, together or on their own, at any time in the life or ending of their relationship, whether the couple wish to stay together or separate.

Relate aims to deliver its services with cultural sensitivity and without discrimination.

Relate's objectives are

- to enhance the quality of couple, parental and family relationships
- to help avoid unnecessary relationship and family breakdown
- to limit the damage which commonly accompanies poor relationships, separation and divorce and increase the prospect of subsequent relationships succeeding

Relate's tasks are

- to aim to achieve these objectives by the provision of relationship counselling, sex therapy, education, training and related services, which are timely, evaluated and offer equal access and opportunity to all who can benefit from them.
- to influence opinion formers and government, through research and other means, in order that improvements are made in funding, social policy and the law and related public services.

Relate's work is based in the beliefs

- that an individual's physical well-being and emotional and mental health benefit from a committed relationship
- that the ability of both children and adults to develop and contribute effectively in society is directly related to the quality of their family relationships.
- that since family relationships change, second and split parent, step-family and cohabiting partnerships are no less a focus for Relate than first families.
- that expressing clear commitment is a helpful contribution to a healthy and secure couple relationship
- that the quality of couple and family relationships can be improved, avoidable breakdowns prevented and new relationships formed with the help of a trained counsellor.

FINANCIAL REVIEW

The financial results of Relate Birmingham are detailed in the following pages. It is considered that the finances are sound and well established. The principal funding source is grant and contract income, followed by client contributions income and we have a diverse set of income streams. All expenditure of this income is planned to fulfil the objectives and strategies of the charity.

During the year ended 31 March 2022 total income received was £425,704 and total resources expended were £414,144 giving surplus income over expenditure of £11,560. Compared to the previous year, income decreased due to ongoing Covid and lockdown measures and the ending of a 4 year NHS contract. Our centre and staff costs decreased in line with this, and we carefully managed expenditure throughout the year. We started a new contract in May 2021 and expect to see the positive impact of this in next year's figures and we plan to recruit to new roles in 2022-23

The principal risks and uncertainties and the plans and strategies adopted to manage these risks are described in the risk management section of the report below.

Investment powers and policy

The trustees have invested surplus funds with CAF Bank. The invested funds achieved an average interest rate of 0.4% which due to wider economic circumstances failed to achieve the rate of increase in the retail price index.

Reserves policy and going concern

The trustees consider that unrestricted funds should not exceed six months of resources expended. Unrestricted reserves amounted to £330,628. (2021 - £316,212). Current reserves are considered to be at a reasonable level as resources expended for the next six months are expected to be £407,802.

The Trustees have reviewed the Charity's need for reserves in line with guidance issued by the Charity Commission. Holding reserves allows the Charity to protect itself against any financial uncertainties, be able to operate despite gaps in funding income and provides a safeguard for the Charity's service commitments.

The reserves of the charity have been divided where appropriate into restricted, designated and general funds in accordance with charity legislation.

Restricted Funds

The restricted fund represents money given to Relate Birmingham for specific capital or project work. Our current restricted reserves are £400,008 and they include:

- The current value of the Bishopsgate Street property, which was purchased with a Community Fund grant of £330,238 in December 2001 and depreciates each year. This property was revalued at £250,000 in 2015.
- The Wolverhampton property, which was acquired in June 2014 at a value of £170,000.

Unrestricted Funds

The trustees' policy in respect of the monies held in the general fund is influenced by:

- Forecast levels of income in the ensuing year ;
- Forecast expenditure in the ensuing year on the basis of planned activity ;
- Funds designated for specific purposes ; and
- An analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met from planned expenditure.

Risk Management

The Trustees have a risk management process which comprises:

- An annual review of the principal risks and uncertainties that the Charity faces.
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. Key elements in the management of financial risk are a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of operational debtor and creditor balances to ensure sufficient working capital by the Trust.

Attention has also been focussed on non-financial risks arising from fire, health and safety, employment matters and data protection. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 its incoming resources and application of resources, including its income and expenditure 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 judgements and accounting 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The following directors have held office during the year:

M Booton
P Dhanda
A Lee
M Pearson
P Pedrelli
S Thomas
E Wyatt

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Statement as to disclosure to our auditors

The directors as set out above confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have haven all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board

.....
Malcolm Pearson
Chair

11 August 2022

Independent Auditor's Report to the Members of Relate Birmingham

Opinion

We have audited the financial statements of Relate Birmingham (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements :

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report.

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

- adequate accounting records have not been kept, 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities statement (set out on page 11), 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.

Independent Auditor's Report to the Members of Relate Birmingham

(continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the company's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the company's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilites. 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.

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

18 August 2022

Relate Birmingham
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
Year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income					
Voluntary income:					
Donations and legacies	2	5,700	39,631	45,331	58,458
Income from charitable activities:					
Grant and contracts		66,269	186,866	253,135	447,141
Counselling income		127,018	-	127,018	158,483
Education and training		195	-	195	-
Income from trading activities:					
Supervision		-	-	-	624
Other income		-	-	-	4,868
Investment income	3	25	-	25	82
Total income		199,207	226,497	425,704	669,656
Expenditure					
Costs of raising funds :					
Room hire		6,925	-	6,925	6,398
Supervision		3,630	-	3,630	16,709
Charitable activities:					
Operational and support costs	4	174,236	229,353	403,589	549,124
Total expenditure		184,791	229,353	414,144	572,231
Net (expenditure) / income		14,416	(2,856)	11,560	97,425
Net gains on investments			-	-	-
Net (expenditure) / income before transfers		14,416	(2,856)	11,560	97,425
Gross transfers between funds	13	-	-	-	-
Net movement in funds		14,416	(2,856)	11,560	97,425
Reconciliation of funds					
Total funds brought forward	13	316,212	402,864	719,076	621,651
Total funds carried forward		330,628	400,008	730,636	719,076

All of the charity's activities derive from continuing operations during the above two financial periods.

Relate Birmingham
Company Number : 03174040 / Charity Number : 1053946
BALANCE SHEET
Year ended 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		401,713		405,432
Current assets					
Debtors	10	119,037		49,773	
Cash at bank and in hand		342,358		387,123	
		461,395		436,896	
Creditors: amounts falling due within one year	11	132,472		123,252	
Net current assets			328,923		313,644
Net assets			730,636		719,076
Funds of the charity :					
Restricted funds					
General fund	13		400,008		402,864
Unrestricted funds					
General fund	13	330,628		316,212	
			330,628		316,212
Total funds			730,636		719,076

The directors acknowledge their responsibilities for:

a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its income and expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 19 to 27 form part of these accounts.

The financial statements were approved and authorised for issue by the Trustees on 11 August 2022 and signed on their behalf by :

Malcolm Pearson
Chair

Relate Birmingham
STATEMENT OF CASH FLOWS
Year ended 31 March 2022

	Notes	2022 £	2021 £
Cash flow from operating activities	16	(44,790)	128,416
Net cash flow from operating activities		(44,790)	128,416
Cash flow from investing activities			
Interest received		25	82
Net cash flow from investing activities		25	82
Net (decrease) / increase in cash and cash equivalents		(44,765)	128,498
Cash and cash equivalents at 1 April 2021		387,123	258,625
Cash and cash equivalents at 31 March 2022		342,358	387,123

1. Accounting policies

a) Basis of preparation

Relate Birmingham is a charitable company limited by guarantee . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are provision of relationship support.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity .

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

b) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a period of 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- **Grants receivable**
  Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**
  Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

- **Donated services and gifts in kind**
  Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

1. Accounting policies (continued)

c) Income recognition (continued)

- **Gifts in kind**
  Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

- **Interest receivable**
  Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

- **Other income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- **Costs of generating funds**
  These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**
  These are costs incurred in activities undertaken to further the purposes of the charity and their associated support costs.

- **Governance costs**
  These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the trust's work or for specific projects being undertaken by the trust.

1. Accounting policies (continued)

f) Allocation of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	2% - 10% per annum
Fixtures, fittings and equipment	20% per annum

h) Investments

Surplus cash over and above what is considered necessary as working capital is invested in low to medium risk assets. Such assets must be diversified and may include cash if it is considered prudent. The object is to maintain value and keep pace with inflation while providing income for the use of the charity where possible. At the same time holding such funds for future capital expenditure as necessary.

i) Operating leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

j) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

k) Pension benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations	5,700	16,941	22,641	18,908
Grants	-	22,690	22,690	39,550
	5,700	39,631	45,331	58,458

3. Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Deposit account interest	25	-	25	82
	25	-	25	82

4. Operational and support costs

	Counselling services £	Education & training services £	Total 2022 £	Total 2021 £
Operational and support costs				
Staff costs	140,733	84	140,817	191,573
Invoiced supplies	16,412	10	16,422	71,726
Training	1,104	1	1,105	2,750
Support costs (see note 5)	208,840	125	208,965	259,901
Governance costs (see note 5)	36,280	-	36,280	23,174
	403,369	220	403,589	549,124

Total expenditure on charitable activities was £403,589 (2021 - £549,124) of which £174,236 (2021 - £101,964) was unrestricted and £229,353 (2021 - £447,160) was restricted.

5. Analysis of support and governance costs

	General support £	Governance function £	Total 2022 £	Total 2021 £
Management and administrative staff	174,896	-	174,896	209,658
Training and recruitment	1,735	-	1,735	-
Premises costs	7,668	-	7,668	12,897
Insurance	5,573	-	5,573	4,572
General office costs	11,780	-	11,780	25,707
Audit	-	3,120	3,120	2,970
Accountancy	-	2,233	2,233	2,401
Federation fees	-	30,927	30,927	17,803
Bank charges	3,594	-	3,594	3,348
Depreciation	3,719	-	3,719	3,719
	208,965	36,280	245,245	283,075

The allocation of general support and governance costs is based upon Counselling and Educational income as a percentage of total income received.

6. Net expenditure for the year

Net expenditure is stated after charging:

	Total 2022 £	Total 2021 £
Depreciation of tangible fixed assets	3,719	3,719
Operating lease rentals		
Office equipment	190	1,258
Auditor's remuneration		
Audit fees	3,120	2,970

7. Trustees and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2021 - £nil).

During the year, travel expenses totalling £15 (2021 - £nil) were reimbursed or paid directly to one (2021 - nil) trustee.

The Trust considers its key management personnel comprise the Chief Executive, Service Manager, Operations & Administration Manager (2021: included Clinical Supervisor). The total amount of employee benefits received by key management personnel was £109,980 (2021 - £98,399).

8. Analysis of staff costs and numbers

Staff costs :

	Total 2022 £	Total 2021 £
Wages and salaries	296,925	378,983
Social security costs	14,389	17,659
Pension	4,399	4,589
	315,713	401,231

Included in wages and salaries are redundancy payments of £nil (2021: £12,542).

No employees received total employee benefits of more than £60,000.

Staff numbers :

The average monthly number of employees and full time equivalents during the year was as follows:

	2022 Number	2022 FTE	2021 Number	2021 FTE
Delivery staff	25	9	20	7
Support staff	7	5	6	4
	32	14	26	11

9. Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2021	420,000	51,998	471,998
Additions	-	-	-
At 31 March 2022	420,000	51,998	471,998
Depreciation			
At 1 April 2021	17,136	49,430	66,566
Charge for the year	2,856	863	3,719
At 31 March 2022	19,992	50,293	70,285
Net book values			
At 31 March 2022	400,008	1,705	401,713
At 31 March 2021	402,864	2,568	405,432

9. Tangible fixed assets (continued)

	Freehold land and buildings	Fixtures, fittings and equipment	Total
	£	£	£
Cost or valuation at 31 March 2022 is represented by :			
Valuation in 2015	420,000	-	420,000
Cost	-	51,998	51,998
	420,000	51,998	471,998

Freehold properties were revalued by the trustees as at 31 March 2015.

10. Debtors

	Total 2022	Total 2021
	£	£
Debtors from operations	95,323	39,459
Prepayments and accrued income	23,714	10,314
	119,037	49,773

11. Creditors - amounts falling due within one year

	Total 2022	Total 2021
	£	£
Creditors from operations	3,901	6,419
Other taxation and social security	(189)	8,770
Accruals and deferred income	101,261	107,713
Other creditors	27,499	350
	132,472	123,252

Deferred income

Deferred income at 1 April 2021	91,145	47,760
Resources deferred in the year	76,881	56,977
Amounts released from previous years	(72,353)	(13,592)
Deferred income at 31 March 2022	95,673	91,145

At the balance sheet date the charity was holding funds received in advance where the qualifying expenditure is expected to be incurred in a future year.

12. Commitments under operating leases

At 31 March 2022 the charity was committed to making the following payments under non-cancellable operating leases :

	Land and buildings	
	Total 2022 £	Total 2021 £
Within one year	6,000	8,817
Within two to five years inclusive	10,000	16,000
	16,000	24,817

13. Analysis of funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 March 2022 £
Restricted funds					
General fund	402,864	226,497	(229,353)	-	400,008
Unrestricted funds					
General fund	316,212	199,207	(184,791)	-	330,628
Total funds	719,076	425,704	(414,144)	-	730,636

Name of fund	Description, nature and purpose of fund
Restricted general fund	Money given to the charity where the donor requires that a grant or donation be spent for a specific project.
Unrestricted general fund	The free reserves of the charity which are not designated for particular purposes.

14. Analysis of net assets between funds

Fund balances at 31 March 2022 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,705	400,008	401,713
Current assets	461,395	-	461,395
Current liabilities	(132,472)	-	(132,472)
Total net assets	330,628	400,008	730,636

15. Capital commitments

There were no capital commitments at 31 March 2022 nor at 31 March 2021.

16. Reconciliation of net expenditure to net cash flow from operating activities

	Total 2022 £	Total 2021 £
Net income/(expenditure) for the year	11,560	97,425
Depreciation	3,719	3,719
Interest receivable	(25)	(82)
Decrease in debtors	(69,264)	(12,976)
Increase in creditors	9,220	40,330
Net cash flow from operating activities	(44,790)	128,416

17. Related party transactions

No related party transactions took place in either the current or previous period of account.

RELATE BIRMINGHAM

Trusts and Donations

YEAR ENDING 31 MARCH 2022

Thank you to the following funders who have supported us this year:

Donations

CB & HH Taylor 1984 Trust
Charles Brotherton Trust
Jabbs Foundation
Jarman Charitable Trust
William A Cadbury Charitable Trust

Other personal donations

Grants

Children in Need
Macmillan Cancer Support
Sandwell MBC
Walsall MBC

Kapella

England & Wales - Charity number 1053946

Accounts

Relate Birmingham

Annual Report and Financial Statements
Year ended 31 March 2021

Charity Number : 1053946

Company Number : 03174040

Feltons

Chartered Accountants

Birmingham

B1 3JR

Relate Birmingham
REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2021

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Relate Birmingham

Reference and Administrative Details

Chair	Malcolm Pearson	
Trustees	Elizabeth Wyatt Andy Lee Pam Dhanda Paola Pedrelli Susan Thomas Malcolm Pearson Matthew Booton	
Company secretary	Ruth Levesley	
Key management personnel	Ruth Levesley Lisa Hale Rosemarie Swindale	Chief Executive Service Manager Clinical Supervisor
Registered office	111 Bishopsgate Street Birmingham B15 1ET	
Charity registration number	1053946	
Company registration number	3174040	
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Bankers	CAF Cash Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ Co-Operative Bank plc PO Box 82 118/120 Colmore Row Birmingham B3 3BA	
Solicitors	Tyndallwoods 29 Woodbourne Rd Edgbaston Birmingham B17 8BY	
Patron	The Lord Mayor of Birmingham	

Relate Birmingham
TRUSTEES' REPORT
Year ended 31 March 2021

CHAIR'S REPORT

As I wrote my Chair's report for 2019/20 we were in the early stages of Covid 19 and unsure where it would take us. However, in the financial year 2020/21 in line with most other Businesses and Charities, by far the most overriding influence and impact on our operations has been the Pandemic, continuing to affect us far longer and more seriously than ever initially expected. As will be seen from the Annual Report, every part of our organisation has been impacted by this unprecedented event.

Firstly, and most importantly I want to register the appreciation of myself and the Board for the efforts of all of our staff. Our Counsellors have had to adapt to carrying out all appointments virtually either by telephone or webcam, our administrative staff have had to cope with flexible working both in location and working arrangements and of course our Management has had to deal with managing all of the foregoing, with changes impacting more regularly than ever expected. As an organisation, we have survived due to the team's dedication and effort.

We are now moving into our next phase of returning to something approaching "normality". I am sure there will still be difficult times ahead, but we are ready for this phase, with a new structure adjusted to "the new norm".

We must not let the Pandemic override the many good things that have been achieved this year. To their credit, our team has been able to develop new business opportunities and extend existing commitments, making the future for Relate Birmingham healthy.

We are constantly reviewing when we can safely, for both clients and staff, return to "in the room" counselling, being aware that whilst virtual counselling has worked for many, there are still some who prefer a "live" meeting to build the working relationship.

I am confident in the continued success of Relate Birmingham as we move into the challenge of the new future.

Malcolm Pearson
Chair

The Trustees present their annual report together with the financial statements of the charity for the year ended 31 March 2021 which also meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Principal activity

The charitable objectives of the company (the Common Purpose Statement) are explained on page 9. The principal activity during the year was the provision of relationship support, delivered through counselling for individuals, couples, families and young people, psychosexual therapy, family mediation and education and training work.

STRUCTURE, GOVERNANCE AND MANAGMENT

Governing document

Relate Birmingham is a company limited by guarantee governed by its Memorandum and Articles of Association dated 23 October 2013 and is registered as a charity with the Charity Commission. There are currently nine members, each of whom agrees to contribute £1 in the event of the charity winding up. Membership is open to any person or Institution upon receipt at the Office of a signed application in writing in a form approved by the Executive unless the admission of the applicant to Membership would be prejudicial to the interest of the Centre.

Relate Birmingham is a constituent society of the national organisation of Relate and as such is bound by the memorandum and articles of association of Relate, the Relate membership agreements, standards for constituent status and other regulations in force at that time.

Appointment of the trustees

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law and the Charity Commission guidance on public benefit, and are informed of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity.

Organisation of charity

(a) Executive Committee (The Board of Trustees)

The board, which can have up to 18 members, is responsible for setting the policy of the charity and ensuring that all monies received are used for the objectives of the charity. There were seven members of the executive committee at 31 March 2021.

(b) Chief Executive

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity and has delegated authority, within terms of delegations approved by the trustees for operational matters including finance, marketing, personnel and service delivery. The trustees and Chief Executive developed a business plan during the year, to which the Chief Executive has worked.

(c) Support Staff

The Chief Executive was supported by the Clinical Practice Manager and supervisor, 2 Service Managers, 2 Office/Admin Managers and 12 part-time paid administrative staff covering Birmingham, Wolverhampton, Solihull, Walsall, Sandwell and Dudley and South Staffordshire. We are grateful for the support of 2 volunteer receptionists at our Solihull and Sutton Coldfield premises. At the start of the year this included:

Clinical Practice Manager/Supervisor	36 hours per week
2 Service Managers	62 hours per week
2 Office/Admin Managers	58 hours per week
3 P/T Administrative assistants	76 hours per week
9 P/T appointment secretaries	115 hours per week

Our centres were closed for most of the year due to the Coronavirus pandemic and by the end of the year the structure had been reorganised and the support staff team had reduced.

(d) Counsellors

During the year, due to the impact of the Coronavirus pandemic there were changes in the counsellor team and over the year the team reduced. At 31 March 2021 there were twenty counsellors working between three and twenty hours per week. 5% of the total number of counselling sessions delivered was provided by counsellors on a voluntary basis.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with a client or supplier must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Related party transactions in the current year are described in note 17 to the accounts.

Pay policy

The board of directors, who are trustees and the senior management team together comprise the key management personnel of the charity in charge of directing and operating the charity on a day to day basis. No director received remuneration in the year and details of directors' expenses and related party transactions are disclosed in note 7 to the accounts. The pay of staff is reviewed annually and, where finances permit, are increased in accordance with average earnings

Founded in 1946, Relate Birmingham is an independent, registered charity and a member of the national Relate Federation. We recognise relationships have difficulties and aim to support individuals, couples and families to build better relationships through the provision of counselling services, sex therapy and education and training.

At Relate Birmingham our mission is to:

- Deliver counselling and training services
- Enhance the quality of couple, family and parental relationships for adults, families and young people in Birmingham, Solihull, Sandwell, Walsall, Wolverhampton, Dudley and South Staffordshire.
- Work as part of the Relate Federation

OUR SERVICES

Relationship Counselling

Relationship Counselling is for couples and individuals who have come across issues in their personal relationships or need support in their role as parents. We help them cope with issues such as communication problems, impact of having a new baby, parenting and step-parenting, divorce and separation and improve their relationships with partners, children and relatives. Other issues we work with include domestic violence, adult survivors of sexual abuse and mental health issues. The service is available in our centres or via telephone for clients with mobility issues, childcare or caring responsibilities or work commitments.

Sex Therapy

Sex therapy is for people who have problems in their sexual relationships due to physical or emotional problems. People who come for sex therapy can be in a couple, single, in a same sex relationship, young or old. Many people are referred by their GP.

Family Counselling

Family Counselling addresses issues occurring in a family situation including:

- Parents and children with communication difficulties.
- Parents whose different ideas about parenting causes friction within the family unit.
- Children/young people struggling with relationships.
- Blended families coping in bringing together a 'new' family.
- Family members recovering from the impact of abuse

Children & Young People's Counselling

Time for You is our free service for children and young people aged 5-18 who are experiencing or have experienced changes in their family such as separation, divorce, step-families, absent parents/family members, illness, bereavement, and conflict. It also helps where this has had an impact on school, work or peer relationships and offers support to children and young people who may have any issues around the subject of bullying or domestic violence. It gives them an opportunity to be listened to and express their feelings.

Lifeskills, Training and Education Services

We have a small team of trainers who run a programme of relationship, parenting and lifeskills workshops for the public. We also provide accredited and tailored training courses for other professionals, voluntary groups or organisations supporting families.

Family Mediation

Mediators work with couples involved in family breakdown to make arrangements, either to plan for a separation or divorce, or once a separation or divorce has taken place. Mediation can help to settle disputes over contact and living arrangements, child maintenance, property and money, without having to go to court, paving the way to a smoother separation.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

During the year we have continued to provide services covering the area of Birmingham, Solihull, Wolverhampton, Dudley, Sandwell, Walsall and South Staffordshire.

- In March 2020, due to the Coronavirus pandemic, we closed our premises and all counsellors worked remotely, using online systems and providing sessions over webcam or phone. We changed our whole way of working and service delivery within a few days. Client numbers and referrals have fluctuated with lockdowns and, as time went on, we have had to make some difficult staffing decisions. We have responded to the challenges and changes throughout the year and continued to provide high quality services for our clients.

- We upgraded our IT and telephony systems, developed our procedures and safeguarding protocols and set up training sessions to support the new ways of working.

- Through careful management of resources and use of the furlough scheme and business support grants, we are now in a stable financial position and working to rebuild the team and reopen when it is safe to do so.

- During 2020-21 we delivered 8,080 hours of support, working directly with 2394 adults, young people and children, and indirectly benefitting a further 552 children.

- We registered 1336 new cases and delivered 5500 hours of counselling. Children and parenting were issues for 38% of clients, work and money worries were an issue for 25%, mental health was an issue for 28% and domestic abuse was an issue for 15%

- We believe services should be accessible to all. Many of our clients are on low incomes and 21% live in the most deprived areas. We have continued to provide a subsidised service for clients who need it and a full bursary to support parents with severe financial difficulties.

- We provided counselling to patients with relationship and family issues referred by their GP and supported national Relate counselling and mediation projects for army, navy and RAF personnel and bank workers, as well as retail and licencing trade employees.

- We secured £50k COVID funding to support an increase in patients in our area who were under additional strain due the impact of Coronavirus and we took part in a Relate National NHS employee pilot, for NHS staff in the Midlands whose mental health was affected by the effects of the pandemic. We also delivered training to the NHS psychological wellbeing triage team on telephone counselling skills.

- We successfully delivered the primary care counselling service for patients of all the GPs in Wolverhampton. We are the lead provider in a partnership with 5 other charities.

- Our Time for You children and young people's service, which is supported by Children in Need funding, continued this year. We also provided counselling in primary schools and supervision support for college mentors.

- The Relate Macmillan service continued to give relationship support to anyone in our area affected by cancer. Our grant has been extended for a further year, to support the increasing number affected by shielding or coping with delays to their treatment because of Coronavirus.

- Family Mediation delivery moved to webcam and continued to support separating or divorcing parents to reach agreement about their finances, property and child contact.

- We worked with Probation services (CRC) to provide support sessions to clients and supervision to staff delivering community based domestic violence perpetrator programmes. We offered counselling in a residential unit for parents undergoing assessment.

- In partnership with Child Action North West, we have a new contract to provide the ICFA service in our area. This service supports parents and children referred by CAFCASS to have safe and beneficial contact through tailored work plans and time-limited contact work.

Analysis of Activity	Year to March 2020	Year to March 2021
Total number of hours work delivered:	**14502**	**8080**
Relate Centres: **66% of work is self –referral and based in our Centres.**		
Number of New Cases Registered for Counselling	2354	1336
Total Hours of Counselling Appointments Given	8810	5370
Total Hours Service Given	8977	5500
Relationship Counselling (including Macmillan)	83%	85%
Sex Therapy	5%	7%
Children & Young People's Counselling	5%	2%
Family Counselling	3%	2%
Training & Workshops	1%	1%
Family Mediation	3%	3%
Community Based & Commissioned Services: **33% of work is community based or commissioned.**		
Total Hours Service Given	5525	2710
Primary Care/Health Counselling	87%	81%
School/College Counselling	3%	1%
Residential Centre	4%	5%
Probation	6%	8%
Supervision/Mentoring	0%	4%

Clients Information

2394 adults, young people and children benefited directly from our services.
1552 children of adult clients benefited indirectly.

Who We Worked With	
Couples	58%
Women	22%
Men	14%
Families	3%
Children/Young People	3%
Presenting Problems	
Communication Difficulties	74%
Children, Family, Parenting	38%
Work & Money Worries	25%
Separation and Divorce	23%
Sexual Problems	24%
Physical Health	11%
Mental Health	28%
Affairs	16%
Domestic Abuse	15%
Impact of Past Relationships	18%
Bereavement	10%
Alcohol and Drug Misuse	9%
Sexual Abuse	4%
Caring Responsibilities	4%
Relationship Status	
Married/Living together	67%
Separated/Divorced	20%
Single	5%
None	6%
Civil Partnership	2%

Where They live	
Birmingham	37%
Solihull	7%
Sandwell	4%
South Staffs	8%
Walsall	5%
Dudley	5%
Wolverhampton	28%
Other	6%
Ethnicity	
White	67%
Asian/Asian British	17%
Black/African/Caribbean/Black British	9%
Mixed/Multiple Ethnic Groups	5%
Other	2%
Employment Status	
Full Time	58%
Part Time	16%
Self Employed	8%
At Home	6%
On Benefit	6%
Retired	4%
Student	2%

Summary Financial Information

How We Funded Our Services	£ 2020	£ 2021
Donations and Grants	67,403	58,458
Local Authority	36,251	36,464
Client Contributions	282,403	150,162
Grants & Contracts	293,975	410,677
Education and Training	8,895	-
Family Mediation	16,519	8,321
Room Hire and Other Income	26,800	5,574
Average cost per counselling hour	46.95	52.38
Average client contribution per hour	31.15	27.63
Average subsidy made per client appointment	15.80	24.75
On average we subsidised clients by	33%	47%

FUTURE PLANS AND DEVELOPMENT

During the year we made significant progress and our aim is to build on this over the next year.

In response to the Coronavirus pandemic and subsequent lockdowns and delays to the easing of restrictions, we have revised our business plan for 2021/22. Ensuring we operate effectively and sustainably across our geographic area and deliver accessible and safe services that benefit our clients are key parts of our work. We are also looking ahead, building on what we have learnt and how we developed over the last year.

In 2021/22 our priorities are to:

a) ***Organisation***
Develop the staff structure and recruit to build capacity to deliver the plan.
Strengthen the Board of Trustees including recruitment and development.
Demonstrate our commitment to increased diversity and inclusion for our staff and clients.
Move to an online appointments system and case management system.

b) ***Service Delivery:***
Offer a flexible delivery model to meet our clients' needs post lockdown.
Recruit or train more relationship and family counsellors to meet demand.
Set up the individual counselling service.
Build Children and Young People's service.
Start the Parent's Service, including supported contact

c) ***Accessible Services:***
Have a bursary scheme and funded projects to provide subsidised services to those that need them.
Seek ongoing funding for our cancer support services.
Re-open premises when it is safe to do so and build a new network of venues to meet client's needs.

d) ***Marketing and Development:***
Raise our profile and awareness of the range of our services.
Increase our use of social media and digital marketing.

e) **Staff Development**
Staff training to support new ways of working and build team working for remote staff.
Roll out updated response to Domestic Abuse in couple work.
Increase opportunities for volunteering.

COMMON PURPOSE STATEMENT

Relate's distinctive focus is the adult couple, recognising the benefits of this focus to the mental, physical and emotional health of adults and children involved. This focus recognises different cultural understandings of marriage and other couple relationships; and encompasses work with the adults, together or on their own, at any time in the life or ending of their relationship, whether the couple wish to stay together or separate.

Relate aims to deliver its services with cultural sensitivity and without discrimination.

Relate's objectives are

- to enhance the quality of couple, parental and family relationships
- to help avoid unnecessary relationship and family breakdown
- to limit the damage which commonly accompanies poor relationships, separation and divorce and increase the prospect of subsequent relationships succeeding

Relate's tasks are

- to aim to achieve these objectives by the provision of relationship counselling, sex therapy, education, training and related services, which are timely, evaluated and offer equal access and opportunity to all who can benefit from them.
- to influence opinion formers and government, through research and other means, in order that improvements are made in funding, social policy and the law and related public services.

Relate's work is based in the beliefs

- that an individual's physical well-being and emotional and mental health benefit from a committed relationship
- that the ability of both children and adults to develop and contribute effectively in society is directly related to the quality of their family relationships.
- that since family relationships change, second and split parent, step-family and cohabiting partnerships are no less a focus for Relate than first families.
- that expressing clear commitment is a helpful contribution to a healthy and secure couple relationship
- that the quality of couple and family relationships can be improved, avoidable breakdowns prevented and new relationships formed with the help of a trained counsellor.

FINANCIAL REVIEW

The financial results of Relate Birmingham are detailed in the following pages. It is considered that the finances are sound and well established. The principal funding source is grant and contract income, followed by client contributions income and we have a diverse set of income streams. All expenditure of this income is planned to fulfil the objectives and strategies of the charity.

During the year ended 31 March 2021 total income received was £669,656 and total resources expended were £572,231, giving surplus income over expenditure of £97,425. Compared to the previous year, income decreased due to Covid and lockdown and expenditure reduced as our centre costs decreased and our staff count reduced, also due to Covid. The original budget for the year was for a small deficit as we planned to recruit to new roles in 2020-21. The surplus income includes furlough income from the Government's Coronavirus Job Retention Scheme and Coronavirus business support grants.

The principal risks and uncertainties and the plans and strategies adopted to manage these risks are described in the risk management section of the report below.

Investment powers and policy

The trustees have invested surplus funds with CAF Bank. The invested funds achieved an average interest rate of 0.4% which due to wider economic circumstances failed to achieve the rate of increase in the retail price index.

Reserves policy and going concern

The trustees consider that unrestricted funds should not exceed six months of resources expended. Unrestricted reserves amounted to £316,212 (2020 - £215,931). Current reserves are considered to be at a reasonable level as resources expended for the next six months are expected to be £344,020.

The Trustees have reviewed the Charity's need for reserves in line with guidance issued by the Charity Commission. Holding reserves allows the Charity to protect itself against any financial uncertainties, be able to operate despite gaps in funding income and provides a safeguard for the Charity's service commitments.

The reserves of the charity have been divided where appropriate into restricted, designated and general funds in accordance with charity legislation.

Restricted Funds

The restricted fund represents money given to Relate Birmingham for specific capital or project work. Our current restricted reserves are £402,864 and they include:

- The current value of the Bishopsgate Street property, which was purchased with a Community Fund grant of £330,238 in December 2001 and depreciates each year. This property was revalued at £250,000 in 2015.
- The Wolverhampton property, which was acquired in June 2014 at a value of £170,000.

Unrestricted Funds

The trustees' policy in respect of the monies held in the general fund is influenced by:

- Forecast levels of income in the ensuing year ;
- Forecast expenditure in the ensuing year on the basis of planned activity ;
- Funds designated for specific purposes ; and
- An analysis of any future needs, opportunities, contingencies or risks, the effects of which are not likely to be met from planned expenditure.

Risk Management

The Trustees have a risk management process which comprises:

- An annual review of the principal risks and uncertainties that the Charity faces.
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. Key elements in the management of financial risk are a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of operational debtor and creditor balances to ensure sufficient working capital by the Trust.

Attention has also been focussed on non-financial risks arising from fire, health and safety, employment matters and data protection. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 its incoming resources and application of resources, including its income and expenditure 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 judgements and accounting 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors

The following directors have held office during the year:

M Booton
P Dhanda
A Lee
M Pearson
P Pedrelli
S Thomas
E Wyatt

All directors of the company are also trustees. Trustees are elected from eligible members, by members, at the Annual General Meeting. The third longest serving Trustees stand down each year and may stand for re-election at the Annual General Meeting. The Trustees have the power to appoint and fill vacancies arising during the year.

Statement as to disclosure to our auditors

The directors as set out above confirm, so far as we are aware, that:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have haven all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board

.....
Malcolm Pearson
Chair

2 August 2021

Independent Auditor's Report to the Members of Relate Birmingham

Opinion

We have audited the financial statements of Relate Birmingham (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements :

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 trustees' report.

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

- adequate accounting records have not been kept, 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities statement (set out on page 11), 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.

Independent Auditor's Report to the Members of Relate Birmingham

(continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the company's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the company's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilites. 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.

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

26 October 2021

Relate Birmingham
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
Year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income					
Voluntary income:					
Donations and legacies	2	13,500	44,958	58,458	67,403
Income from charitable activities:					
Grant and contracts		47,795	399,346	447,141	330,226
Counselling income		158,483	-	158,483	298,922
Education and training		-	-	-	8,895
Income from trading activities:					
Room hire		-	-	-	17,975
Supervision		624	-	624	-
Other income		4,868	-	4,868	3,041
Investment income	3	82	-	82	345
Total income		225,352	444,304	669,656	726,807
Expenditure					
Costs of raising funds :					
Room hire		6,398	-	6,398	32,709
Supervision		16,709	-	16,709	34,077
Charitable activities:					
Operational and support costs	4	101,964	447,160	549,124	710,725
Total expenditure		125,071	447,160	572,231	777,511
Net (expenditure) / income		100,281	(2,856)	97,425	(50,704)
Net gains on investments			-	-	5,439
Net (expenditure) / income before transfers		100,281	(2,856)	97,425	(45,265)
Gross transfers between funds	13	-	-	-	-
Net movement in funds		100,281	(2,856)	97,425	(45,265)
Reconciliation of funds					
Total funds brought forward	13	215,931	405,720	621,651	666,916
Total funds carried forward		316,212	402,864	719,076	621,651

All of the charity's activities derive from continuing operations during the above two financial periods.

Relate Birmingham
Company Number : 03174040 / Charity Number : 1053946
BALANCE SHEET
Year ended 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		405,432		409,151
Current assets					
Debtors	10	49,773		36,797	
Cash at bank and in hand		387,123		258,625	
		436,896		295,422	
Creditors: amounts falling due within one year	11	123,252		82,922	
Net current assets			313,644		212,500
Net assets			719,076		621,651
Funds of the charity :					
Restricted funds					
General fund	13		402,864		405,720
Unrestricted funds					
General fund	13	316,212		215,931	
			316,212		215,931
Total funds			719,076		621,651

The directors acknowledge their responsibilities for:

a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its income and expenditure for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 19 to 27 form part of these accounts.

The financial statements were approved and authorised for issue by the Trustees on 2 August 2021 and signed on their behalf by :

Malcolm Pearson
Chair

Relate Birmingham
STATEMENT OF CASH FLOWS
Year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flow from operating activities	16	128,416	(6,801)
Net cash flow from operating activities		128,416	(6,801)
Cash flow from investing activities			
Acquisition of tangible fixed assets		-	(2,694)
Interest received		82	345
Movement in listed investments		-	97,756
Net cash flow from investing activities		82	95,407
Net (decrease) / increase in cash and cash equivalents		128,498	88,606
Cash and cash equivalents at 1 April 2020		258,625	170,019
Cash and cash equivalents at 31 March 2021		387,123	258,625

1. Accounting policies

a) Basis of preparation

Relate Birmingham is a charitable company limited by guarantee . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are provision of relationship support.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity .

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

b) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for a period of 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- **Grants receivable**
  Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**
  Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

- **Donated services and gifts in kind**
  Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

1. Accounting policies (continued)

c) Income recognition (continued)

- **Gifts in kind**
  Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

- **Interest receivable**
  Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

- **Other income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- **Costs of generating funds**
  These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**
  These are costs incurred in activities undertaken to further the purposes of the charity and their associated support costs.

- **Governance costs**
  These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the trust's work or for specific projects being undertaken by the trust.

1. Accounting policies (continued)

f) Allocation of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources.

g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	2% - 10% per annum
Fixtures, fittings and equipment	20% per annum

h) Investments

Surplus cash over and above what is considered necessary as working capital is invested in low to medium risk assets. Such assets must be diversified and may include cash if it is considered prudent. The object is to maintain value and keep pace with inflation while providing income for the use of the charity where possible. At the same time holding such funds for future capital expenditure as necessary.

i) Operating leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

j) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

k) Pension benefits

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations	13,500	5,408	18,908	34,084
Grants	-	39,550	39,550	33,319
	13,500	44,958	58,458	67,403

3. Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Deposit account interest	82	-	82	345
	82	-	82	345

4. Operational and support costs

	Counselling services £	Education & training services £	Total 2021 £	Total 2020 £
Operational and support costs				
Staff costs	191,573	-	191,573	229,829
Invoiced supplies	71,726	-	71,726	96,348
Training	2,750	-	2,750	25,270
Volunteer expenses	-	-	-	563
Support costs (see note 5)	259,901	-	259,901	332,534
Governance costs (see note 5)	23,174	-	23,174	26,181
	549,124	-	549,124	710,725

Total expenditure on charitable activities was £549,124 (2020 - £710,725) of which £101,964 (2020 - £363,671) was unrestricted and £447,160 (2020 - £347,054) was restricted.

5. Analysis of support and governance costs

	General support £	Governance function £	Total 2021 £	Total 2020 £
Management and administrative staff	209,658	-	209,658	261,881
Training and recruitment	-	-	-	2,722
Premises costs	12,897	-	12,897	18,429
Insurance	4,572	-	4,572	4,487
General office costs	25,707	-	25,707	23,109
Audit	-	2,970	2,970	2,940
Accountancy	-	2,401	2,401	4,188
Federation fees	-	17,803	17,803	19,053
Legal and other professional	-	-	-	13,144
Bank charges	3,348	-	3,348	5,345
Depreciation	3,719	-	3,719	3,417
	259,901	23,174	283,075	358,715

The allocation of general support and governance costs is based upon Counselling and Educational income as a percentage of total income received.

6. Net expenditure for the year

Net expenditure is stated after charging:

	Total 2021 £	Total 2020 £
Depreciation of tangible fixed assets	3,719	3,417
Operating lease rentals		
Office equipment	1,258	3,240
Auditor's remuneration		
Audit fees	2,970	2,940

7. Trustees and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020 - £nil).

During the year, travel expenses totalling £nil (2020 - £303) were reimbursed or paid directly to no (2020 - one) trustees.

The Trust considers its key management personnel comprise the Chief Executive, Clinical Practice Manager (until 31/3/20), Service Managers, Macmillan Service Coordinator and Clinical Supervisor. The total amount of employee benefits received by key management personnel was £98,399 (2020 - £119,914).

8. Analysis of staff costs and numbers

Staff costs :

	Total 2021 £	Total 2020 £
Wages and salaries	378,983	461,792
Social security costs	17,659	23,767
Pension	4,589	5,848
	401,231	491,407

Included in wages and salaries are redundancy payments of £12,542.

No employees received total employee benefits of more than £60,000.

Staff numbers :

The average monthly number of employees and full time equivalents during the year was as follows:

	2021 Number	2021 FTE	2020 Number	2020 FTE
Delivery staff	20	7	30	10
Support staff	6	4	19	10
	26	11	49	20

9. Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2020 and at 31 March 2021	420,000	51,998	471,998
Depreciation			
At 1 April 2020	14,280	48,567	62,847
Charge for the year	2,856	863	3,719
At 31 March 2021	17,136	49,430	66,566
Net book values			
At 31 March 2021	402,864	2,568	405,432
At 31 March 2020	405,720	3,431	409,151

9. Tangible fixed assets (continued)

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation at 31 March 2021 is represented by :			
Valuation in 2015	420,000	-	420,000
Cost	-	51,998	51,998
	420,000	51,998	471,998

Freehold properties were revalued by the trustees as at 31 March 2015.

10. Debtors

	Total 2021 £	Total 2020 £
Debtors from operations	39,459	31,020
Prepayments and accrued income	10,314	5,777
	49,773	36,797

11. Creditors - amounts falling due within one year

	Total 2021 £	Total 2020 £
Creditors from operations	6,419	9,273
Other taxation and social security	8,770	6,270
Accruals and deferred income	107,713	66,449
Other creditors	350	930
	123,252	82,922

Deferred income

Deferred income at 1 April 2020	47,760	12,083
Resources deferred in the year	56,977	47,760
Amounts released from previous years	(13,592)	(12,083)
Deferred income at 31 March 2021	91,145	47,760

At the balance sheet date the charity was holding funds received in advance where the qualifying expenditure is expected to be incurred in a future year.

12. Commitments under operating leases

At 31 March 2021 the charity was committed to making the following payments under non-cancellable operating leases :

	Land and buildings		Other	
	Total 2021 £	Total 2020 £	Total 2021 £	Total 2020 £
Within one year	8,817	7,817	-	756
Within two to five years inclusive	16,000	24,817	-	-
	24,817	32,634	-	756

13. Analysis of funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 March 2021 £
Restricted funds					
General fund	405,720	444,304	(447,160)	-	402,864
Unrestricted funds					
General fund	215,931	225,352	(125,071)	-	316,212
Total funds	621,651	669,656	(572,231)	-	719,076

Name of fund	Description, nature and purpose of fund
Restricted general fund	Money given to the charity where the donor requires that a grant or donation be spent for a specific project.
Unrestricted general fund	The free reserves of the charity which are not designated for particular purposes.

14. Analysis of net assets between funds

Fund balances at 31 March 2021 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,568	402,864	405,432
Current assets	436,896	-	436,896
Current liabilities	(123,252)	-	(123,252)
Total net assets	316,212	402,864	719,076

15. Capital commitments

There were no capital commitments at 31 March 2021 nor at 31 March 2020.

16. Reconciliation of net expenditure to net cash flow from operating activities

	Total 2021 £	Total 2020 £
Net income/(expenditure) for the year	97,425	(45,265)
Depreciation	3,719	3,417
Interest receivable	(82)	(345)
Decrease in debtors	(12,976)	(4,848)
Increase in creditors	40,330	40,240
Net cash flow from operating activities	128,416	(6,801)

17. Related party transactions

No related party transactions took place in either the current or previous period of account.

RELATE BIRMINGHAM

Trusts and Donations

YEAR ENDING 31 MARCH 2021

Thank you to the following funders who have supported us this year:

Donations

CB & HH Taylor 1984 Trust
Charles Brotherton Trust
29 May 1961 Trust Charity
Harborne Parish Lands Charity
Joseph Hopkins & Henry James Sayer Charity
Jabbs Foundation
Jarman Charitable Trust
Roger and Douglas Turner Trust
William A Cadbury Charitable Trust

Tesco Community Champions equipment donation

Other personal donations

Grants

Macmillan Cancer Support
Sandwell MBC
Walsall MBC