

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

Relate Birmingham

TRUSTEES' REPORT (continued)

Year ended 31 March 2022

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.

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TRUSTEES' REPORT (continued)
Year ended 31 March 2022

(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

Relate Birmingham

TRUSTEES' REPORT (continued)

Year ended 31 March 2022

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.

Relate Birmingham
TRUSTEES' REPORT (continued)
Year ended 31 March 2022

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.

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TRUSTEES' REPORT (continued)
Year ended 31 March 2022

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%

Where They live

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

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%

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%

Relationship Status

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

Relate Birmingham
TRUSTEES' REPORT (continued)
Year ended 31 March 2022

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.

Relate Birmingham
TRUSTEES' REPORT (continued)
Year ended 31 March 2022

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.

Relate Birmingham
TRUSTEES' REPORT (continued)
Year ended 31 March 2022

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.

Relate Birmingham
TRUSTEES' REPORT (continued)
Year ended 31 March 2022

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.

Relate Birmingham
TRUSTEES' REPORT (continued)
Year ended 31 March 2022

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 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

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.

Independent Auditor's Report to the Members of Relate Birmingham

(continued)

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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



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

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

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

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- 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		<u>(44,790)</u>	<u>128,416</u>
Cash flow from investing activities			
Interest received		25	82
Net cash flow from investing activities		<u>25</u>	<u>82</u>
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		<u>342,358</u>	<u>387,123</u>

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022

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.

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022 (continued)

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.

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022 (continued)

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.

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022 (continued)

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
	<u>5,700</u>	<u>39,631</u>	<u>45,331</u>	<u>58,458</u>

3. Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Deposit account interest	25	-	25	82
	<u>25</u>	<u>-</u>	<u>25</u>	<u>82</u>

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
	<u>403,369</u>	<u>220</u>	<u>403,589</u>	<u>549,124</u>

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.

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022 (continued)

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
	<u>208,965</u>	<u>36,280</u>	<u>245,245</u>	<u>283,075</u>

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
	<u> </u>	<u> </u>

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).

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022 (continued)

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
	<u>315,713</u>	<u>401,231</u>

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
	<u>32</u>	<u>14</u>	<u>26</u>	<u>11</u>

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	<u>420,000</u>	<u>51,998</u>	<u>471,998</u>
Depreciation			
At 1 April 2021	17,136	49,430	66,566
Charge for the year	2,856	863	3,719
At 31 March 2022	<u>19,992</u>	<u>50,293</u>	<u>70,285</u>
Net book values			
At 31 March 2022	<u>400,008</u>	<u>1,705</u>	<u>401,713</u>
At 31 March 2021	<u>402,864</u>	<u>2,568</u>	<u>405,432</u>

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022 (continued)

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
	<u>420,000</u>	<u>51,998</u>	<u>471,998</u>

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
	<u>119,037</u>	<u>49,773</u>

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
	<u>132,472</u>	<u>123,252</u>

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	<u>95,673</u>	<u>91,145</u>

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.

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022 (continued)

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	Total
	2022	2021
	£	£
Within one year	6,000	8,817
Within two to five years inclusive	10,000	16,000
	<u>16,000</u>	<u>24,817</u>

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	<u>402,864</u>	<u>226,497</u>	<u>(229,353)</u>	<u>-</u>	<u>400,008</u>
Unrestricted funds					
General fund	<u>316,212</u>	<u>199,207</u>	<u>(184,791)</u>	<u>-</u>	<u>330,628</u>
Total funds	<u>719,076</u>	<u>425,704</u>	<u>(414,144)</u>	<u>-</u>	<u>730,636</u>

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.

Relate Birmingham
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2022 (continued)

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