

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**

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

<b>Trustees</b>	Malcolm Pearson, Chair Elizabeth Wyatt Andy Lee Pam Dhanda Matthew Booton (resigned 3 September 2025) Ayola Beckford Christopher Price Ebony Findley Parminder Goray
<b>Company registered number</b>	03174040
<b>Charity registered number</b>	1053946
<b>Registered office</b>	111 Bishopsgate Street Birmingham B15 1ET
<b>Company secretary</b>	Ruth Levesley
<b>Key management personnel</b>	Ruth Levesley (Chief Executive) Lisa Hale (Service Manager)
<b>Independent auditors</b>	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
<b>Bankers</b>	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
<b>Solicitors</b>	Tyndallwoods 29 Woodbourne Road Edgbaston Birmingham B17 8BY
<b>Patron</b>	The Lord Mayor of Birmingham

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**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



**KAPELLA (FORMERLY RELATE BIRMINGHAM)**  
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**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.

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

**(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

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**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.

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

**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 –

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

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%

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

**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%

**Where They live**

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

**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%

**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%

**Relationship Status - Adults**

Married//Cohabiting	72%
Separated/Divorced	19%
Single	5%
None	4%
Civil Partnership	0%

**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%

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

**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.

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**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.



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

**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.

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

**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.

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**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

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**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.

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

**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.



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

**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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

**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 £
<b>Income from:</b>					
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
<b>Total income</b>		<u>288,769</u>	<u>417,738</u>	<u>706,507</u>	<u>767,778</u>
<b>Expenditure on:</b>					
Raising funds		35,985	-	35,985	25,427
Charitable activities	6	273,885	420,594	694,479	579,147
<b>Total expenditure</b>		<u>309,870</u>	<u>420,594</u>	<u>730,464</u>	<u>604,574</u>
<b>Net movement in funds</b>		<u>(21,101)</u>	<u>(2,856)</u>	<u>(23,957)</u>	<u>163,204</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		603,492	394,296	997,788	834,584
Net movement in funds		(21,101)	(2,856)	(23,957)	163,204
<b>Total funds carried forward</b>		<u>582,391</u>	<u>391,440</u>	<u>973,831</u>	<u>997,788</u>

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

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

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

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

**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.

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

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

**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.

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

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

**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.

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

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

**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.

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

**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
	<u>13,492</u>	<u>16,165</u>	<u>29,657</u>	<u>34,150</u>
Total 2024	<u>10,700</u>	<u>23,450</u>	<u>34,150</u>	

**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
	<u>270,554</u>	<u>401,573</u>	<u>672,127</u>	<u>729,489</u>
Total 2024	<u>491,196</u>	<u>238,293</u>	<u>729,489</u>	

**5. Investment income**

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Deposit account interest	4,723	4,723	4,091
	<u>4,723</u>	<u>4,723</u>	<u>4,091</u>

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

**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.



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

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

**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
	<u>358,810</u>	<u>358,810</u>	<u>289,975</u>

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
	<u>          </u>	<u>          </u>

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

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

**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
	<u>531,585</u>	<u>402,487</u>

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
	<u>44</u>	<u>43</u>

The average headcount expressed as full-time equivalents was:

	2025 No.	2024 No.
Delivery staff	15	12
Support staff	7	6
	<u>22</u>	<u>18</u>

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).

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

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

**11. Tangible fixed assets**

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

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

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

**12. Debtors**

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

**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
	<u>104,208</u>	<u>182,145</u>

	2025 £	2024 £
<b>Deferred income</b>		
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)
	<u>28,687</u>	<u>113,313</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.

**KAPELLA (FORMERLY RELATE BIRMINGHAM)**  
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**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
	<u>997,788</u>	<u>706,507</u>	<u>(730,464)</u>	<u>973,831</u>

**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
	<u>834,584</u>	<u>767,778</u>	<u>(604,574)</u>	<u>997,788</u>

**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.

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**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)
<b>Total</b>	<b>582,391</b>	<b>391,440</b>	<b>973,831</b>

**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)
<b>Total</b>	<b>603,492</b>	<b>394,296</b>	<b>997,788</b>

**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
<b>Adjustments for:</b>		
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)
<b>Net cash provided by/(used in) operating activities</b>	<b>(101,006)</b>	<b>76,298</b>

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**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
<b>Total cash and cash equivalents</b>	<b>508,721</b>	<b>607,567</b>

**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
	<b>607,567</b>	<b>(98,846)</b>	<b>508,721</b>

**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 £
<b>Land and buildings</b>		
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)**  
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**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