

RELATE NORTH EAST LONDON LIMITED
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

RELATE NORTH EAST LONDON LIMITED
(A Company Limited by Guarantee)

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RELATE NORTH EAST LONDON LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	P Whiteside, Chairman B Bezdel, Vice Chairman M Grant G Hawker T Slyce J Thornicroft M Gentry (appointed 14 September 2020) M Wallace (appointed 14 September 2020) D Stoton (appointed 1 December 2020, deceased 12 October 2021)
Company registered number	03209287
Charity registered number	1057291
Registered office	12a Bridge Close Romford RM7 0AU
Company secretary	Pamela Forsyth
Independent examiners	Larking Gowen LLP Chartered Accountants 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL
Bankers	NatWest Bank Plc Hornchurch RM12 4UL Charities Aid Foundation 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

RELATE NORTH EAST LONDON LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of Relate North East London Limited for the year 1 April 2020 to 31 March 2021. The Annual Report serves the purpose of both a Trustees' Report and a Directors Report under Company Law. The trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2008 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, Governance and Management

The charity is constituted as a company limited by guarantee, incorporated on 7 June 1996 and registered as a charity on 2nd August 1996 and is therefore governed by a Memorandum and Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of the Management Committee

The Directors of the Company are also charity trustees for the purposes of Charity Law and under the company's Articles are known as Members of the Management Committee. Under the requirements of the Memorandum and Articles of Association the members of the Managing Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. The Management committee has the power to appoint additional trustees as it considers fit. The committee meets regularly to review and give direction to the running of the Charity, in order to retain this mix, trustees are asked to provide a list of their skills (updated every year). Should any of these skills be lost due to retirement or similar we can ensure that individuals who have the appropriate skill set are approached to offer themselves for election onto the management committee.

Trustee Induction and Training

New trustees have a series of meetings with the senior officers of the charity and the Chair of Trustees which cover:

- Obligations of the management committee members
- The main documents which set out the management framework for the charity, including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objectives

Trustees are also encouraged to access the on-line induction training which is available on the Relate intranet, and trustees are invited to attend ad hoc training events which occur throughout the year.

Trustees Indemnity Insurance

Insurance includes trustee indemnity insurance, which provides against third party claims arising from breach of professional duty by any reason of neglect, error or omission committed in good faith by any of the paid advisors or volunteers.

Risk Management

A risk register was established in 2008 and continues to be updated quarterly. Where appropriate, systems have been established to mitigate the risks which the charity faces. Significant external risks to funding highlighted in the original risk review led to the development of a strategic plan which allows for the

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

diversification of funding and activities, internal control risks are minimized by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety, and we have engaged a specific Health and Safety Information provider, Peninsula, to help us with this. For a monthly fee they provide all health and safety information, guidelines and help with issues. To comply with requirements for continued BACP accreditation and the Mediation Quality Mark procedures are periodically reviewed and changes made where necessary.

Objects of the charity, principal activities and organisation of our work

The key objectives of the charity are:

- a) To educate the public concerning the nature of relationships with particular reference to emotional, physical and sexual relationships and with a view to developing personal responsibilities and enriching family life.
- b) To promote research into all aspects of married life and to publish the results
- c) To safeguard and protect the good health both marital and physical of adults and children and to prevent poverty, hardship and distress caused by the break-up of relationships.

To this end the charity provides counselling, education and training, and family mediation services. The charity is affiliated to Relate National Office which provides services and advice to charities following their national strategy in relation to counselling, training and mediation. The family mediation service is affiliated to the College of Mediators, who are members of the Family Mediation Council.

Report and Accounts for period March 2021

The period covering this year represented probably the most difficult time in our organisational history, as the Covid virus pushed us into lockdown at the end of March.

All our services up until this time were offered on a face-to-face basis, with clients being offered appointments from 9am – 9pm Monday to Friday, at our various leased locations and rented rooms. We had on several occasions before this, asked practitioners if they were prepared to use on-line methods of working, but no-one wished to take up this option. We were also in the position of integrating a new staff team from Relate South Essex, who had merged with us on January 1st, 2020.

We had the stark choice of putting all our staff on furlough, and shutting the offices, or training practitioners to work with zoom. As we had commitments with leased properties, running costs etc, shutting the office would leave us with a large amount of costs each month, and as we had no end date for the lockdown, we decided that the best way forward was to train as many staff as possible on working with webcams, and whilst that was happening, to use furlough to keep our costs as low as possible.

April and May were very difficult, as clients were not willing to undertake zoom counselling or mediation and preferred to wait until they could see a practitioner in person. However, when it became obvious that this was not practical, clients did start to return in June and we had a steady increase until about October, when demand has leveled out. Clients do like the ease of access that zoom allows, and people on the whole have got used to talking on screen, so this method of working is successful. However, there are still people who cannot or will not use this medium, and who are waiting for face-to-face work to return.

Whilst we were able to run a service, we have found that we have fewer people calling us, on both our mediation and counselling services, than pre-pandemic. We can offer people an immediate service, as we have lost our large waiting list, and so appointments can be made quickly. However, because webcam services can be provided in any area, there is a vast amount of competition. We have high infrastructure costs as we comply with safety and quality regulations both from BACP and also from Relate, and although we always offer a discounted service to clients with financial difficulties, other counsellors who work for themselves are able to offer sessions for less.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

This lessening of income is mitigated by the savings made on room rental, travelling and meeting expenses, which has allowed us to bring in a small surplus for the year. The Government furlough scheme was also a major help in getting us through this very difficult period, although we did ensure that we cut down our reliance on it as time went on, thus avoiding a cliff edge situation.

Numbers of clients for counselling in this pandemic year:

We provided support for 2953 people
We offered 10,011 sessions, comprising:
Assessments: 233
Family Counselling :140
PST: 302
Counselling for young people: 171
Relationship Counselling: 1845

Number of clients for mediation in this pandemic year

We provided support for 744 people for MIAMS
Private clients: 548
Legal Aid clients: 196

We conducted 222 mediation cases in this pandemic

Legal Aid cases: 62
Child only: 42 cases
Property and Finance: 8 cases
All Issues Mediation: 12 cases

Private cases = 160
Private = 44 cases
Property and Finance: 63 cases
All Issues Mediation: 53 cases

Total child only cases: 86
Total P&F: 71
Total AIM: 65
Number of Children involved in mediation: 735

Future Developments

We hope to have face to face services resumed, albeit in a very small way, by October 2021 providing that it is safe to do so. Our staff team has become smaller as people have got used to working from home, also many have had profound changes to their family and finances and have taken the decision to make major changes in their lives. Fortunately, we have also had trainees who have helped to bolster the staff team, and we expect at least five more people to come onto the team in mid-2021.

We are determined to ensure the wellbeing of our teams and will not insist that people return physically to the workplace if they can work successfully from home. We think that it will be a difficult transition to make as there are so many unknowns, we cannot guess how many clients will want a face to face service and whilst we have always had a high demand for work, we believed this will be split with zoom, which may account for at least half of it. We have equipped our buildings with facilities to allow for a mixture of working practices, and we feel confident that we have done our utmost to mitigate for difficult circumstances, and hopefully the future demand will start to become more predictable!

We are planning a large bid for improved staffing and infrastructure costs, hopefully this will be successful and allow us to employ a Business Development Manager, we anticipate this role paying for itself within 2 years. We are planning training courses for the general public, focused around easing the difficulties of people

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

splitting up and divorcing. We already have a Litigants in Person course running and are bringing on board courses to enable people to manage finances better, and to deal with the issues around blended families and how to ensure children can best maintain good relations with both natural and stepparents. Our Mediation division, who run these courses, are working closely with the Youth Justice Board to ensure we have the best information available for the welfare of children and young people. There are many opportunities to improve lives for those who have gone through the trauma of relationship problems, and we hope that our courses can enable them to manage difficult circumstances better.

Public Benefit

In keeping with changing legislative requirements, we have been reviewing our service in the light of the public benefit we offer as a charity. We feel that the work we offer provides families and couples with a haven in which to make some of the most important decisions in their lives, both for themselves and their children.

Taking the route offered through Relate Counselling and Family Mediation, clients are able to work through their issues in a dignified manner without the stresses of outside interventions by family, friends or lawyers, however well meaning. Our Mediation service provides a practical way of divorcing or separating whilst encouraging parents to cooperate with each other, rather than in an adversarial manner often found when solicitors are used. We particularly stress the impact on the entire family if this is not handled in a way that puts the child in the centre. We offer cost effective, helpful ways of working together with an ex- partner to ensure the family, in whatever new grouping, stays together. Parents who reach the conclusion that they are going to separate through the help of their Relate counsellor are better prepared for the changes that will happen in their family. Those who decide to stay together are far more aware of the impact of good communications within the family, and usually become a stronger family unit, much less likely to have problems as their children move through the turbulent teenage years. Our support for children aged 5 – 11 means that fewer children are excluded from school, and children who attend our services are far less disruptive in school, thus enabling other children to progress. Also, much research shows that addressing potential mental health issues at a very young age avoids further interventions later, particularly around the teenage years. Moving on to our youth work for young people aged 11-19, we know that there are enormous public benefits from the work, mainly in developing social responsibility, lessening of antisocial behaviour, high achievement levels, lessening of risky sexual behaviour, and improved mental health levels, in particular around anxiety, bullying and eating disorders.

Financial Review

This year has been the most challenging of our history. In January 2020, we had just merged with Relate South Essex, and were working on getting all the office processes in line, and everything had to stop when the Pandemic hit. We changed our business model completely to allow us to still supply help and assistance to our clients, and had services up and running in three weeks from lockdown.

We found the government furlough scheme very helpful whilst we were ensuring that we have the necessary equipment, licences for zoom usage, and the Willingness of staff to work completely differently. We brought back the staff teams gradually, lessening our dependence on the furlough scheme every month. In the interim we accessed funds from the National Lottery and Basildon Council through their Covid 19 programmes, which helped us to buy the equipment to run virtual services. Most of our buildings were empty or with a skeleton staff, so our utilities and room rental costs were much reduced, and coupled with the furlough scheme, we managed to finish the year end with a small surplus. We could not have done this without the enthusiasm and loyalty of our staff, volunteers and trustees, who were tireless in their determination to make the organisation safe. We had the added benefit of funds from South Essex, and the two houses which we now have in our charge, giving our security for the future.

This year the trustees have been able to open an investment account with CCLA, something we had not had the financial stability to do before.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Transactions and financial position

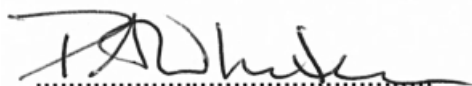
The Statement of Activities show an income of £983,171 (2020 - £1,454,834) for the year. This year the charity reported a surplus of £54,766 (2020 - surplus of £552,019). Direct expenditure was 49.9% (2020 - 44.4%) of the charity's total expenditure.

Reserves Policy

The Management Committee has examined the charity's requirement for reserves in the light of the main risks in the organisation. The charity has established a policy of holding a minimum of three months costs, with an aim of increasing this to six months costs. As at 31st March 2021 the charity had free reserves, excluding designated funds, of £340,723 which represents 4 months running costs.

Our merger with Relate South Essex has brought us the security of having two properties which we can use for our work with minimal costs. However, the future is unknown, the pandemic has not gone away and we need to ensure that we have sufficient reserves to allow us to build back our services as there is no guarantee when this pandemic will end. In future years we would aim to improve the salary levels of our staff team, hopefully this can be done in 21/22, and we have earmarked £40,000 of reserves to fund possible pay rises in 2021/22, which are being held in a designated fund.

Approved by order of the members of the board of Trustees on 16 December 2021 and signed on their behalf by:



P Whiteside

RELATE NORTH EAST LONDON LIMITED
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

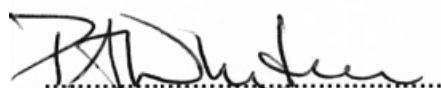
The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



P Whiteside
Chairman and Trustee

Date: 16/12/2021

RELATE NORTH EAST LONDON LIMITED
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Independent Examiner's Report to the Trustees of Relate North East London Limited ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and Basis of Report

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed: 

Dated: 20 December 2021

Giles Kerkham FCA DChA

Larking Gowen LLP

Chartered Accountants

Ipswich

RELATE NORTH EAST LONDON LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations	3	-	-	-	648,365
Charitable activities	4	952,306	29,500	981,806	801,777
Other trading activities	5	240	-	240	4,610
Investments	6	1,125	-	1,125	82
		<u>953,671</u>	<u>29,500</u>	<u>983,171</u>	<u>1,454,834</u>
Total income					
Expenditure on:					
Trading activities	7	2,892	-	2,892	26,829
Charitable activities		907,764	18,028	925,792	875,986
		<u>910,656</u>	<u>18,028</u>	<u>928,684</u>	<u>902,815</u>
Total expenditure					
Net income before net gains on investments		43,015	11,472	54,487	552,019
Net gains on investments		279	-	279	-
		<u>43,294</u>	<u>11,472</u>	<u>54,766</u>	<u>552,019</u>
Net income		43,294	11,472	54,766	552,019
Transfers between funds	18	3,545	(3,545)	-	-
		<u>46,839</u>	<u>7,927</u>	<u>54,766</u>	<u>552,019</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward as previously stated		859,772	-	859,772	331,125
Prior year adjustment	17	-	-	-	(23,372)
		<u>859,772</u>	<u>-</u>	<u>859,772</u>	<u>307,753</u>
Total funds brought forward as restated		859,772	-	859,772	307,753
Net movement in funds		46,839	7,927	54,766	552,019
		<u>906,611</u>	<u>7,927</u>	<u>914,538</u>	<u>859,772</u>
Total funds carried forward					

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 31 form part of these financial statements.

RELATE NORTH EAST LONDON LIMITED
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REGISTERED NUMBER: 03209287

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	525,888	530,523
Investments	13	150,279	-
		<u>676,167</u>	<u>530,523</u>
Current assets			
Debtors	14	33,459	38,111
Cash at bank and in hand		276,553	386,511
		<u>310,012</u>	<u>424,622</u>
Creditors: amounts falling due within one year	15	(71,641)	(82,640)
Net current assets		238,371	341,982
Provisions for liabilities	16	-	(12,733)
Net assets excluding pension asset		<u>914,538</u>	<u>859,772</u>
Total net assets		<u><u>914,538</u></u>	<u><u>859,772</u></u>
Charity funds			
Restricted funds:			
Restricted funds	18	7,927	-
Unrestricted funds	18	906,611	859,772
Total funds		<u><u>914,538</u></u>	<u><u>859,772</u></u>

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

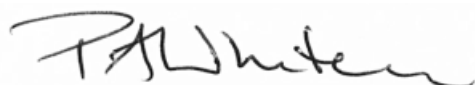
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

RELATE NORTH EAST LONDON LIMITED
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REGISTERED NUMBER: 03209287

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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 and signed on their behalf by:



P Whiteside
Chairman and Trustee

Date: 16/12/2021

The notes on pages 14 to 31 form part of these financial statements.

RELATE NORTH EAST LONDON LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	20	42,464	97,691
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,547)	(32,558)
Purchase of investments		(150,000)	-
Interest income		1,125	82
Net cash used in investing activities		(152,422)	(32,476)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		(109,958)	65,215
Cash and cash equivalents at the beginning of the year		386,511	321,296
Cash and cash equivalents at the end of the year	21	276,553	386,511

The notes on pages 14 to 31 form part of these financial statements

RELATE NORTH EAST LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Relate North East London Limited is a company limited by guarantee incorporated in England and Wales, registration number 03209287. The registered office is 12a Bridge Close, Romford, RM7 0AU.

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) and the Companies Act 2006.

Relate North East London Limited 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 comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

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 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. 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.

2.3 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charities ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

RELATE NORTH EAST LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Income

All income is recognised once the 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.

Voluntary income is received by way of grants, donations and gifts and is included in full when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant. Interest receivable is included when receivable.

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

2.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Costs of income from other activities comprise the costs associated with attracting voluntary income. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with organisational administration and compliance with constitutional and statutory requirements.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

2.6 Interest receivable

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

RELATE NORTH EAST LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.7 Taxation

No provision for taxation is included in the financial statements as the charitable company is entitled to exemption from tax afforded by Section 505 of the Income and Corporation Taxes Act 1988.

2.8 Tangible fixed assets and depreciation

Expenditure on machinery, fixtures, fittings and equipment, and donated goods which exceeds £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

No depreciation is provided on freehold buildings based on anticipated value on resale. The properties are reviewed annually for impairment.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	-	25% of net book value
Computer equipment	-	25% of net book value

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.10 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.

2.11 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.

2.12 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 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.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.13 Financial instruments

The 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.

2.14 Operating leases

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

2.15 Pensions

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

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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3. Income from donations

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Transfer from Relate South Essex	-	-	648,365
	<u> </u>	<u> </u>	<u> </u>

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Counselling - RCO Payment	559,797	-	559,797
Counselling - Schools	17,330	-	17,330
Counselling - Courses	1,190	-	1,190
Counselling - DWP	86,032	-	86,032
Counselling - Grocery Aid/BWC	21,559	-	21,559
Mediation - Client fees	112,335	-	112,335
Mediation - LSC mediation contract	34,252	-	34,252
National Lottery grant funding	-	10,000	10,000
FIF Xtra grant funding	-	19,500	19,500
Local restrictions support grant	10,000	-	10,000
Coronavirus Job Retention Scheme Grant	109,811	-	109,811
	<u>952,306</u>	<u>29,500</u>	<u>981,806</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Income from charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Counselling - RCO Payment	525,248	525,248
Counselling - Schools	71,215	71,215
Counselling - Courses	3,712	3,712
Counselling - Youth Worker	4,962	4,962
Counselling - DWP	48,634	48,634
Mediation - Client fees	114,708	114,708
Mediation - LSC mediation contract	29,025	29,025
Mediation - Training	2,940	2,940
Coronavirus Job Retention Scheme Grant	1,333	1,333
	<u>801,777</u>	<u>801,777</u>

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Rental income	<u>240</u>	<u>240</u>	<u>4,610</u>

RELATE NORTH EAST LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Income from listed investments	1,089	1,089	-
Interest received	36	36	82
	<u>1,125</u>	<u>1,125</u>	<u>82</u>

7. Trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Charity shop expenditure	2,892	2,892	26,829
	<u>2,892</u>	<u>2,892</u>	<u>26,829</u>

The retail operation ceased during 2019. Expenditure in 2021 is for the service charges and utilities of the retail property which couldn't be used for the other operations of the charity.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Counselling	337,317	409,498	746,815
Mediation	124,922	54,055	178,977
	<u>462,239</u>	<u>463,553</u>	<u>925,792</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Counselling	299,499	363,940	663,439
Mediation	100,964	111,583	212,547
	<u>400,463</u>	<u>475,523</u>	<u>875,986</u>

Analysis of direct costs

	Counselling 2021 £	Mediation 2021 £	Total funds 2021 £
Practitioner Salaries	297,330	120,834	418,164
Recruitment & Training	14,206	3,551	17,757
Affiliation Fees	24,804	280	25,084
Marketing and Advertising	977	257	1,234
	<u>337,317</u>	<u>124,922</u>	<u>462,239</u>

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Counselling</i> 2020 £	<i>Mediation</i> 2020 £	<i>Total funds</i> 2020 £
Practitioner Salaries	269,214	92,629	361,843
Recruitment & Training	6,910	6,910	13,820
Affiliation Fees	20,606	1,425	22,031
Marketing and Advertising	1,487	-	1,487
DWP Work	1,282	-	1,282
	<u>299,499</u>	<u>100,964</u>	<u>400,463</u>

Analysis of support costs

	Counselling 2021 £	Mediation 2021 £	Total funds 2021 £
Premises	55,988	7,593	63,581
Support Staff Salaries	264,975	14,338	279,313
External Staff Costs	3,718	537	4,255
Communication & IT	11,901	17,508	29,409
Legal & Professional	36,139	8,993	45,132
Bank & RCO Charges	11,282	2,350	13,632
Other Staff Costs	10,940	2,736	13,676
Irrecoverable VAT	5,805	-	5,805
Governance costs	8,750	-	8,750
	<u>409,498</u>	<u>54,055</u>	<u>463,553</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Counselling 2020 £</i>	<i>Mediation 2020 £</i>	<i>Total funds 2020 £</i>
Premises	75,721	18,995	94,716
Staff Support Costs	204,479	49,293	253,772
External Staff Costs	14,726	2,567	17,293
Communication & IT	15,002	16,081	31,083
Legal & Professional	23,517	11,540	35,057
Bad Debt Write Off	10,865	2,212	13,077
Bank & RCO Charges	6,258	6,259	12,517
Other Staff Costs	330	460	790
Irrecoverable VAT	8,866	-	8,866
Governance costs	4,176	4,176	8,352
	<u>363,940</u>	<u>111,583</u>	<u>475,523</u>

9. Independent examiner's remuneration

The independent examiners' remuneration amounts to an independent examination fee of £2,800 (2020 - £7,500, auditors' fee).

10. Staff costs

	2021 £	2020 £
Wages and salaries	659,656	577,763
Social security costs	33,836	27,574
Pension costs	13,766	10,278
	<u>707,258</u>	<u>615,615</u>

Included within wages and salaries are statutory redundancy payments totaling £16,417 (2020 - £3,132).

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10. Staff costs (continued)

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Employees	77	<i>65</i>

No employee received remuneration amounting to more than £60,000 in either year.

The total employment benefits including employer pension contributions of the key management personnel were £133,132 (2020 - £126,791). The key management personnel of the Charity are the Chief Executive, Service Manager and Mediation Manager.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £245).

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NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Freehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2020	500,000	48,374	67,636	616,010
Additions	-	-	3,547	3,547
At 31 March 2021	500,000	48,374	71,183	619,557
Depreciation				
At 1 April 2020	-	48,374	37,113	85,487
Charge for the year	-	-	8,182	8,182
At 31 March 2021	-	48,374	45,295	93,669
Net book value				
At 31 March 2021	500,000	-	25,888	525,888
At 31 March 2020	500,000	-	30,523	530,523

13. Fixed asset investments

	Listed investments £
Cost or valuation	
Additions	150,000
Revaluations	279
At 31 March 2021	150,279
Net book value	
At 31 March 2021	150,279

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	31,979	35,923
Other debtors	-	1,162
Prepayments and accrued income	1,480	1,026
	33,459	38,111

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	9,129	10,994
Other taxation and social security	45,807	43,526
Other creditors	1,825	3,283
Accruals and deferred income	14,880	24,837
	71,641	82,640

16. Provisions

	Onerous Lease £
At 1 April 2020	12,733
Amounts used	(12,733)
	-

17. Prior year adjustments

The prior year adjustment reflects VAT that is irrecoverable and payable to HMRC. The adjustment reduced reserves brought forward as at 1 April 2019 by £23,372.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Salary fund	-	-	-	40,000	-	40,000
General funds						
General Funds	859,772	953,671	(910,656)	(36,455)	279	866,611
Total Unrestricted funds	859,772	953,671	(910,656)	3,545	279	906,611
Restricted funds						
Lottery grant	-	10,000	(6,455)	(3,545)	-	-
FIF Xtra grant	-	19,500	(11,573)	-	-	7,927
	-	29,500	(18,028)	(3,545)	-	7,927
Total of funds	859,772	983,171	(928,684)	-	279	914,538

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Designated Fund

Salary fund - represents funds that have been earmarked for potential pay increases in 2021/22. £40,000 was transferred from unrestricted funds during the year.

Restricted Funds

Lottery grant fund - National Lottery funding aim is to help organisations playing a vital role in helping their communities to continue their services during the COVID-19 pandemic.

Lottery grant has allowed Relate London North East & Essex to continue with our services during the COVID-19 pandemic. We had to use the funds to change and adapt to providing online services during the pandemic.

The funds were used to provide subsidised sessions for clients, laptops, accessories upgrading the IT systems like our WIFI hence becoming more resilient in order to respond to new and future challenges. Due to the pandemic there were increased demand for mental health support and support to mitigate the increased challenges of loneliness and isolation.

With this grant we were able to offer our accredited Mediation and counselling service for clients from different locations and late into the evening through Zoom.

The transfer of £3,545 from the Lottery grant fund to unrestricted funds is for the purchase of assets from this fund.

FIF Xtra grant fund - FIF Extra is additional support by Essex County Council (ECC) to help children, young people and their families affected by the COVID-19 pandemic.

Relate London North East & Essex, offers this counselling services by referral from health professionals or by families calling RLNE & E themselves.

Family Innovation Fund-Xtra (FiF-Xtra) grant, enables us to offer early support across a number of key areas including children's mental health, healthy relationships and coping with change. They are available to children and young people aged between 0 and 19-years, and up to 25-years for young people with Special Educational Needs and/or Disabilities (SEND).

The support we offer can be delivered one-on-one, through group work, as a family group, or as a couple, around understanding Coronavirus; managing and coping with change; separation and loss; managing and coping with anxiety; healthy family relationships and staying active and curious.

The services as stipulated in the grant agreement, are aimed at helping young people and families who are not already receiving specialist or statutory support.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Statement of funds - prior year

	<i>As restated Balance at 1 April 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2020</i>
	£	£	£	£
Unrestricted funds				
General Funds	307,753	1,454,834	(902,815)	859,772

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	525,888	-	525,888
Fixed asset investments	150,279	-	150,279
Current assets	302,085	7,927	310,012
Creditors due within one year	(71,641)	-	(71,641)
Total	906,611	7,927	914,538

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	530,523	-	530,523
Current assets	424,622	-	424,622
Creditors due within one year	(82,640)	-	(82,640)
Provisions for liabilities and charges	(12,733)	-	(12,733)
Total	859,772	-	859,772

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NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	54,766	552,019
Adjustments for:		
Depreciation charges	8,182	2,035
Gains on investments	(279)	-
Dividends, interests and rents from investments	(1,125)	(82)
Decrease/(increase) in debtors	4,652	(3,254)
(Decrease)/increase in creditors	(10,999)	34,240
(Decrease)/increase in provisions	(12,733)	12,733
Fixed asset transferred from Relate South Essex	-	(500,000)
Net cash provided by operating activities	42,464	97,691

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	276,553	386,511
Total cash and cash equivalents	276,553	386,511

22. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	386,511	(109,958)	276,553
	386,511	(109,958)	276,553

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23. Operating lease commitments

At 31 March 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£	£
Not later than 1 year	36,790	<i>41,040</i>
Later than 1 year and not later than 5 years	58,682	<i>94,430</i>
Later than 5 years	-	<i>1,042</i>
	95,472	<i>136,512</i>

24. Related party transactions

There have been no related party transactions during the year.