

Company registration number: 5098895  
Charity registration number: 1104045

**RELATE Hull and East Yorkshire**  
(A company limited by guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2021

**bacp** | **Accredited  
Service**

## **RELATE Hull and East Yorkshire**

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## **RELATE Hull and East Yorkshire**

### **Reference and Administrative Details**

<b>Trustees</b>	Mrs T. Ives Mr P. G. Stark Mr D. M. Piercy Mrs P. M. Calvert Ms P. J. Litten Mrs R A Harman
<b>Secretary</b>	Mrs D Andrew
<b>Principal Office</b>	1 Charlotte Street Mews Hull East Yorkshire HU1 3BP  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	05098895
<b>Charity Registration Number</b>	1104045
<b>Independent Examiner</b>	J W Smith & Co Ltd Chartered Accountants Oberon House Ferries Street Hull HU9 1RL

## **RELATE Hull and East Yorkshire**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021.

#### **Trustees**

Mrs T. Ives, Chairperson

Mr P. G. Stark

Mr D. M. Piercy

Mrs P. M. Calvert

Ms P. J. Litten

Mrs R A Harman (appointed 20 November 2020)

#### **Objectives and activities**

##### ***Objects and aims***

The Charity operates in Hull and other nearby areas, providing counselling for individuals and couples.

The objectives and aims of the Charity is to educate the public concerning the benefits of secure couple relationships, marriage and family life in order to improve the emotional, sexual and spirited well-being of individuals, which is derived from committed relationships.

To promote research into all aspects of couple relationships and marriage and to make the results available to the public.

To seek to enhance the good health, both mental and physical, of adults and children by increasing public awareness of the benefit of committed couple relationships, marriage and family life and working to prevent poverty and hardship and distress caused by the breakdown of such relationships.

##### **Statement of Common Purpose**

Relate's role is to help people build better couple relationships

to enhance the quality of couple and parental family relationships

to help relationships and marriage withstand the pressures leading to breakdown

to limit the damage which commonly accompanies failing relationships, separation and divorce, and increase the prospect of subsequent relationships succeeding.

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

Relate believes that:

- An individual's physical well-being and emotional and mental health benefit from a committed relationship
- Children thrive in families where relationships are free from destructive conflict
- People gain from an understanding of their sexuality
- Expressing clear commitment is a helpful contribution to a healthy and secure couple relationship

The trustees have paid due regard to guidance issued by the Charities Commission in deciding what activities the charity should undertake.

The Charity has provided counselling services in a variety of contexts, some of which discussed in detail below. The majority of our income comes from contracted services, which has been the case for some time now.

## **RELATE Hull and East Yorkshire**

### **Trustees' Report**

#### ***Objectives, strategies and activities***

##### **Education & Training**

We have continued working with CAFCASS providing Parenting Information Courses, this has now been extended to March 2023. This is provided when Family Law Courts request either one or both parties should attend these workshops. They are for family members who are in conflict over child contact. This is usually parents but can also be grandparents or other family members.

We also continue to direct any profit in this area to providing counselling for members of the public who are unable to make a donation towards our services.

We also continue to review our current Life Skills courses.

#### ***Public benefit***

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

## **RELATE Hull and East Yorkshire**

### **Trustees' Report**

#### **Chairperson's Report 2020/2021**

As our 20/21 financial year started, the whole country had been in an unprecedented and complete lockdown for 9 days as a result of the worldwide pandemic due to Covid 19. What a challenging year followed for the Relate family at Hull and East Yorkshire. We were able to change our platforms to telephone and web cams to continue the provision of counselling for our clients. As most of our counsellors had already received additional training on providing counselling by these methods so we were able to mobilise our services to ensure minimal disruption. The administration staff who were split between working in the office and from home were able to provide the support for the counsellors and the clients. The charity shop manager and 4 members of staff were furloughed as their roles were not required to keep the service running.

The local authority provided rate relief for the charity shop and those funds together with the grants that we were successful in applying for were used to pay for the rent and the associated running costs of the shop.

Additional and welcome support was provided from Relate Federation with fortnightly briefings.

The charity shop reopened on 15 June 2020 but not before a Perspex screen was installed along with protocols for restricted numbers of customers allowed in the shop and the provision of hand gel at the entrance. Staff who fell in to the "vulnerable" category were encouraged to stay at home and the precautions in place at the shop were to help protect the staff. An additional screen was installed in the reception area of the office.

We owe a vote of thanks to Paul Walker, who drew up plans to alter the layout of the offices to ensure that the counselling suite is no longer accessed by walking past the administration offices. We also installed a new telephone system.

We are currently in discussion with the SDA church who own the head lease and Hull City council who own the Freehold about blocking off a staircase that is no longer used but gives the Church access to our door. The church is currently looking to sell their 2 floors and in blocking this off it will ensure total confidentiality. There have been several stumbling blocks and we have had to employ the help of our Solicitors to help in overcoming these.

It came to light that the insurance costs for the building should have been re-charged to us by a percentage of one third by the SDA church and they had neglected to pass on this cost for twelve years and then requested that we pay these within 14 days. We employed the services of the solicitors again to help us review the claim. We came to an agreement over the value and settled the charge promptly.

In October, our centre manager Ros Harman decided to retire. We are grateful for her service and would like to thank her for her loyalty and hard work. The decision was made to restructure rather than replace her and additional roles and responsibilities were given to Dawn, June, and Maria.

The offices were in need of Refurbishment Work, and we made use of the fact we only had a skeleton staff in during those lockdown months to commence work on making improvements. A new central heating system was installed replacing the 30 plus year old convection heaters which were inefficient and costly to run. We completed work on new offices incorporating a new counselling suite with slightly larger counselling rooms and new and updated furnishings. The plans to block off the staircase to increase the reception size so that all reception staff work together has been put on hold until the next financial year due to our inability to come to a compromise with the Church.

Work had just been completed on the redecoration when the roof leaked in to the rooms which had just been refurbished. The Church have requested that they arrange quotes etc. We have also installed updated CCTV to provide additional security.

## **RELATE Hull and East Yorkshire**

### **Trustees' Report**

We currently have an additional contract commissioned by Humberside police to provide couple counselling paid at a sessional fee. We also have the following Current contracts commissioned via Relate Federation:

Royal Navy and Royal Marines charity  
RAF benevolent Fund  
Bank Workers Charity  
Charity supporting chartered accountants  
Charity for civil servants  
Grocery aid

We hope to resume face to face counselling in the first quarter of the next financial year.

This past year has been yet another huge challenge with so many obstacles and pitfalls to manoeuvre around. Relate Hull & East Yorkshire continues to thrive under the invaluable leadership of our Managing Director Debbie Andrew who leads a committed and loyal management team and staff and provide a counselling service much needed in these unprecedented times. Despite the difficulties, the Relate family have triumphed with our capable and dedicated management team and Counsellors. The staff and the counsellors have managed to provide an excellent service, no mean feat during such a worrying and genuinely scary time.

The trustees have continued to give excellent guidance and support over Webcam meetings alongside managing their own challenges in their businesses and the volunteers have been ready to step back in as soon as they were allowed to. I would like to take this opportunity to congratulate and thank each and every person who has continued to give Relate their loyalty and dedication.

## RELATE Hull and East Yorkshire

### Trustees' Report

#### *SNAPSHOT OF WORK*

	2019/20	2020/21
Counselling Sessions	5504	4999
PST Sessions	463	518
Sex Addiction	31	9
YP Counselling	18	22
Family Counselling	90	6
Individual Assessments	344	65
<b>TOTAL</b>	<b>6450</b>	<b>5619</b>

Cancellations have reduced by over 40% to 9.16% this year although DNA's have increased by over 35% to 5.5%.

The registering of "Did not attend" (DNA's) was altered this year to incorporate clients who answered the phone but requested that the session wasn't continued.



## **RELATE Hull and East Yorkshire**

### **Trustees' Report**

#### **A Sample of feedback received at our end of treatment were:**

"Very good techniques. Excellent experience, overall, over the moon at every stage. Most understanding. Learnt so much"

"Has helped me to continue to be with my husband and has helped us to communicate our feelings to each other, as we could not before. Thank you."

"I feel a lot more confident. I have a much better relationship with my Mum."

"Very friendly, comfortable and reassuring. Thank you !"

Really appreciated it, very helpful, kind and caring."

"Helped me to view situations and interactions differently so that I can minimise my anxiety. I have put into practise techniques and have been able to lower my anxiety/worry considerably."

"Someone who listened !"

"Brilliant service."

"It was really helpful"

"Very friendly and helpful. Really pleased with the service."

"A treatment that really hears you and cares. Considers your situation and moves forward with that in mind."

"All staff - from reception to therapist were understanding, helpful and a pleasure to be around. Feel much better than I did when I came."

"The difference in how I feel after speaking with my therapist is amazing. I can't thank her enough. I know myself a lot better now and how to look after myself."

"My therapist has helped me understand so much more about myself and my situation. I feel so much better and stronger than the day I first walked through the door."

"I always felt like my concerns mattered while being guided to find solutions."

"My therapist was absolutely amazing. She was so attentive, very reassuring."

"Absolutely brilliant, thank you so much."

"Nice private place and relaxed environment - helped us a lot"

"Great confidentiality/knowledgeable/reassurance/non-judgemental, big thank you."

"How friendly and professional everyone has always been"

"We were so nervous to begin with but the therapist really put us at ease and made us realise it was fine to talk about sex!"

#### **Going concern**

The Charity depends on contracts from various bodies, who are affected by the current economic climate and funding decisions by Local and National Bodies, but the trustees are confident that the accounts can be prepared on a going concern basis

## **RELATE Hull and East Yorkshire**

### **Trustees' Report**

#### **Structure, governance and management**

##### ***Nature of governing document***

The Charity is a company limited by guarantee and constitutes a limited company as defined by the Companies Act 2006 and is controlled by its governing document, a deed of trust.

Charity status was given on 28th May 2004 and was incorporated on 8th April 2004.

RELATE Hull & East Yorkshire is part of the RELATE Federation but nevertheless is a separate Charity in its own right and as such has to raise its own funds.

##### ***Recruitment and appointment of trustees***

RELATE Hull & East Yorkshire recognises that an effective board of trustees is essential if the Charity is to be effective in achieving its objectives. The board must seek to be representative of the people with whom the charity works and must have available to it all of the knowledge and skills required to run the Charity. Individual trustees must have sufficient knowledge, both of trusteeship in general and of the Charity's activities, to enable them to carry out their role and to represent the Charity at meetings and other events.

RELATE Hull & East Yorkshire seeks to ensure diversity in its board of trustees as well as in its staff base and consideration will be given to ways in which groups that are under-represented on the board might be reached and encouraged to apply. However, at the point of selection the board will not discriminate unfairly on any of the grounds listed in the Equal Opportunities Policy.

##### ***Induction and training of trustees***

People enquiring to become trustees will be sent appropriate documentation about the Charity, introductory material about trusteeship and will be asked to complete an application form. Arrangements will be made to assist any potential applicant with specific needs in relation to completion of the form or access to the supporting materials.

##### ***Arrangements for setting key management personnel remuneration***

The remuneration of all staff including senior management is reviewed annually by the finance committee (consisting of Trustees of the Charity).

##### ***Organisational structure***

Managing Director - Debbie Andrew

Supervisors - Paul Barker, Noreen Thomson, Siobhan Lane and Rosie Trafford (resigned April 2020)

Business Intelligence Manager - Dawn Blake

Operations Manager - June Walker

Charity Shop Manager - Joanne Marshall

Office Manager - Maria Bell

We have 13 staff members providing support for the organisation and 7 volunteers.

We currently have 18 counsellors providing a mixture of Relationship Counselling, Psychosexual Therapy, Family and Young People's Counselling. They also provide generic counselling for stress and anxiety.

Our Charity Shop is run by the manager with the help of 10 volunteers.

## **RELATE Hull and East Yorkshire**

### **Trustees' Report**

#### ***Major risks and management of those risks***

##### ***Risk Management***

The trustees have assessed the major risks to which the Charity is exposed, these include loss of contract work and the loss of the Hull Building; which is leased.

The trustees are satisfied that systems are in place to mitigate exposure to the major risks.

We have expanded the number and range of contracts to ensure that the loss of some contracts would not greatly affect our provision of services and employment of our current staff.

#### **Guiding Principles**

The Directors of Relate acknowledge that future needs of beneficiaries must not be compromised in providing current services and so future risks and liabilities need to be assessed periodically in order to maintain a proportionate and adequate level of reserves. It is also recognised that free reserves are to be the value of unrestricted funds, less the current value of any fixed assets held as unrestricted funds.

Reasons for maintaining reserves:

Cash Flow - Some funds are claimed and received retrospectively. This may be on a monthly or quarterly basis. It would also be necessary to allow for actual payment from claim date, and this alone could be a further month.

Uncertainty - Some funding arrangements are made retrospectively. Some service levels agreements are not fully agreed until June/July each year, although they are to start in April. We may be expending funds in good faith that we may not be able to recover. Also, negative outcomes may mean redundancies that would need funding:

- Some funded projects incur unexpected expenditure beyond budget levels.
- Certainty some funding will end at a pre-determined date, and projects may continue for an intervening period until new funding is identified
- Some funded projects expenditure trends may indicate that the project will be set to overspend beyond agreed funding and may need top-up funds

#### **Financial instruments**

##### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

## RELATE Hull and East Yorkshire

### Trustees' Report

#### *Credit risk*

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

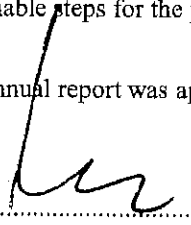
The trustees (who are also the directors of RELATE Hull and East Yorkshire for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. 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 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The annual report was approved by the trustees of the charity on 9/11/2021 and signed on its behalf by:

  
.....  
Mr P. G. Stark  
Trustee

## **RELATE Hull and East Yorkshire**

### **Independent Examiner's Report to the trustees of RELATE Hull and East Yorkshire**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2021 which are set out on pages 12 to 24.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of RELATE Hull and East Yorkshire (and also 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 RELATE Hull and East Yorkshire 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 your charity's accounts as 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.

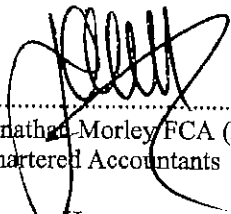
#### **Independent examiner's statement**

Since RELATE Hull and East Yorkshire'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, 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 RELATE Hull and East Yorkshire 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.



Jonathan Morley FCA (J W Smith & Co Ltd)  
Chartered Accountants

Oberon House  
Ferries Street  
Hull  
HU9 1RL

11 November 2021

# RELATE Hull and East Yorkshire

## Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2021 £
<b>Income and Endowments from:</b>			
Charitable activities	3	426,362	426,362
Other trading activities	4	53,086	53,086
Investment income	5	132	132
Total income		479,580	479,580
<b>Expenditure on:</b>			
Raising funds		(22,704)	(22,704)
Charitable activities	6	(434,789)	(434,789)
Total expenditure		(457,493)	(457,493)
Net income		22,087	22,087
Net movement in funds		22,087	22,087
<b>Reconciliation of funds</b>			
Total funds brought forward		203,964	203,964
Total funds carried forward	16	226,051	226,051
	Note	Unrestricted funds £	Total 2020 £
<b>Income and Endowments from:</b>			
Charitable activities	3	427,887	427,887
Other trading activities	4	28,066	28,066
Investment income	5	164	164
Total income		456,117	456,117
<b>Expenditure on:</b>			
Raising funds		(23,405)	(23,405)
Charitable activities	6	(438,047)	(438,047)
Total expenditure		(461,452)	(461,452)
Net expenditure		(5,335)	(5,335)
Net movement in funds		(5,335)	(5,335)
<b>Reconciliation of funds</b>			
Total funds brought forward		209,299	209,299
Total funds carried forward	16	203,964	203,964

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

The funds breakdown for 2020 is shown in note 16.

# RELATE Hull and East Yorkshire

(Registration number: 05098895)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	33,937	23,129
<b>Current assets</b>			
Stocks	12	585	585
Debtors	13	47,709	72,326
Cash at bank and in hand		<u>171,195</u>	<u>115,731</u>
		219,489	188,642
<b>Creditors: Amounts falling due within one year</b>	14	<u>(27,375)</u>	<u>(7,807)</u>
<b>Net current assets</b>		<u>192,114</u>	<u>180,835</u>
<b>Net assets</b>		<u>226,051</u>	<u>203,964</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>226,051</u>	<u>203,964</u>
<b>Total funds</b>	16	<u>226,051</u>	<u>203,964</u>

For the financial year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 12 to 24 were approved by the trustees, and authorised for issue on 9/11/21 and signed on their behalf by:

Mr P. G. Stark  
Trustee

9/November 2021

## **RELATE Hull and East Yorkshire**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £0.01 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

1 Charlotte Street Mews

Hull

East Yorkshire

HU1 3BP

These financial statements were authorised for issue by the trustees on 9 November 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

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

##### **Basis of preparation**

RELATE Hull and East Yorkshire 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 notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

###### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.



## **RELATE Hull and East Yorkshire**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

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

#### ***Charitable activities***

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**

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.

#### **Taxation**

The charity 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 charity 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.

#### **Tangible fixed assets**

Individual fixed assets costing £0.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Land	Not Depreciated
Freehold Buildings	1% & 10% on Cost
Furniture & Shop Refit	15% on Reducing Balance and 20% on Cost
Office Equipment	33.4% on Cost

#### **Stock**

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

## **RELATE Hull and East Yorkshire**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **RELATE Hull and East Yorkshire**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

## **RELATE Hull and East Yorkshire**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## RELATE Hull and East Yorkshire

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *Debt Instruments*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### *Investments*

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## RELATE Hull and East Yorkshire

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### *Derivative financial instruments*

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### **3 Income from charitable activities**

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Incoming Resources for Charitable Activities	426,362	426,362	427,887

#### **4 Income from other trading activities**

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Trading income;			
Shop income from sale of donated goods and services	24,300	24,300	28,066
Other trading income	28,786	28,786	-
	53,086	53,086	28,066

#### **5 Investment income**

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	132	132	164

## RELATE Hull and East Yorkshire

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 6 Expenditure on charitable activities

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Cost of Generating Charitable Income	162,528	162,528	195,904
General	231,733	231,733	220,304
Property and Administration	37,054	37,054	16,701
	<u>431,315</u>	<u>431,315</u>	<u>432,909</u>
	Activity undertaken directly £	Total 2021 £	Total 2020 £
Cost of Generating Charitable Income	162,528	162,528	195,904
General	231,733	231,733	220,304
Property and Administration	37,054	37,054	16,701
	<u>431,315</u>	<u>431,315</u>	<u>432,909</u>

£431,315 (2020 - £432,909 of the above expenditure was attributable to unrestricted funds and £Nil (2020 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £3,474 (2020 - £5,138) which relate directly to charitable activities. See note 7 for further details.

#### 7 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds		
	General £	Total 2021 £	Total 2020 £
Independent examiner fees			
Examination of the financial statements	2,880	2,880	2,653
Legal fees	594	594	2,485
	<u>3,474</u>	<u>3,474</u>	<u>5,138</u>

#### 8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

## **RELATE Hull and East Yorkshire**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **9 Independent examiner's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Examination of the financial statements	<u>2,880</u>	<u>2,653</u>

#### **10 Taxation**

The charity is a registered charity and is therefore exempt from taxation.



## RELATE Hull and East Yorkshire

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 11 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2020	32,512	54,262	86,774
Additions	<u>-</u>	<u>16,684</u>	<u>16,684</u>
At 31 March 2021	<u>32,512</u>	<u>70,946</u>	<u>103,458</u>
<b>Depreciation</b>			
At 1 April 2020	15,830	47,815	63,645
Charge for the year	<u>1,894</u>	<u>3,982</u>	<u>5,876</u>
At 31 March 2021	<u>17,724</u>	<u>51,797</u>	<u>69,521</u>
<b>Net book value</b>			
At 31 March 2021	<u>14,788</u>	<u>19,149</u>	<u>33,937</u>
At 31 March 2020	<u>16,682</u>	<u>6,447</u>	<u>23,129</u>

Included within the net book value of land and buildings above is £Nil (2020 - £Nil) in respect of freehold land and buildings and £14,788 (2020 - £16,682) in respect of leaseholds.

#### 12 Stock

	2021 £	2020 £
Stocks	<u>585</u>	<u>585</u>

#### 13 Debtors

	2021 £	2020 £
Trade debtors	40,403	35,556
Other debtors	<u>7,306</u>	<u>36,770</u>
	<u>47,709</u>	<u>72,326</u>

#### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	9,743	858
Other creditors	<u>17,632</u>	<u>6,949</u>
	<u>27,375</u>	<u>7,807</u>

# RELATE Hull and East Yorkshire

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 15 Commitments

#### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2020 - £Nil).

### 16 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>				
General	<u>(203,964)</u>	<u>(479,580)</u>	<u>457,493</u>	<u>(226,051)</u>
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>				
General	<u>(209,299)</u>	<u>(456,117)</u>	<u>461,452</u>	<u>(203,964)</u>

### 17 Analysis of net funds

	At 1 April 2020 £	Cash flow £	At 31 March 2021 £
Cash at bank and in hand	115,731	55,464	171,195
Net debt	<u>115,731</u>	<u>55,464</u>	<u>171,195</u>
	At 1 April 2019 £	Cash flow £	At 31 March 2020 £
Cash at bank and in hand	124,992	(9,261)	115,731
Net debt	<u>124,992</u>	<u>(9,261)</u>	<u>115,731</u>

# RELATE Hull and East Yorkshire

## Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	2021 Unrestricted funds	2021 Total	Total 2020
	General £	£	£
<b>Income and Endowments from:</b>			
Charitable activities (analysed below)	426,362	426,362	427,887
Other trading activities (analysed below)	53,086	53,086	28,066
Investment income (analysed below)	132	132	164
Total income	479,580	479,580	456,117
<b>Expenditure on:</b>			
Raising funds (analysed below)	(22,704)	(22,704)	(23,405)
Charitable activities (analysed below)	(434,789)	(434,789)	(438,047)
Total expenditure	(457,493)	(457,493)	(461,452)
Net income/(expenditure)	22,087	22,087	(5,335)
Net movement in funds	22,087	22,087	(5,335)
<b>Reconciliation of funds</b>			
Total funds brought forward	203,964	203,964	209,299
Total funds carried forward	226,051	226,051	203,964

# RELATE Hull and East Yorkshire

## Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	Total 2021 £	Total 2020 £
<i>Charitable activities</i>		
Contracted Charitable Services	364,218	334,871
Client Income	15,019	39,902
Training	28,445	46,085
Grants & Donations	18,680	7,029
	<u>426,362</u>	<u>427,887</u>
<i>Other trading activities</i>		
Fundraising	24,300	28,066
Miscellaneous	28,786	-
	<u>53,086</u>	<u>28,066</u>
<i>Investment income</i>		
Interest Receivable	132	164
	<u>132</u>	<u>164</u>
<i>Raising funds</i>		
Charity Shop Expenses	(22,704)	(23,405)
	<u>(22,704)</u>	<u>(23,405)</u>
<i>Charitable activities</i>		
Staff Costs	(180,251)	(176,315)
Counsellors Training	(48,268)	(51,181)
Counsellors Remuneration	(106,279)	(114,947)
Counsellors Expenses	(7,981)	(29,776)
National Federation	(16,632)	(16,386)
Property Costs	(37,054)	(16,701)
Supervision	(8,672)	(8,444)
Administration Costs	(26,178)	(19,159)
Professional Costs	(594)	(2,485)
Independent Examination	(2,880)	(2,653)
	<u>(434,789)</u>	<u>(438,047)</u>

# RELATE Hull and East Yorkshire

## Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	2021	2021	
	Unrestricted funds		Total 2020
	General £	Total £	£
<i>Charitable activities</i>			
Contracted Charitable Services	364,218	364,218	334,871
Client Income	15,019	15,019	39,902
Training	28,445	28,445	46,085
Grants & Donations	18,680	18,680	7,029
	<u>426,362</u>	<u>426,362</u>	<u>427,887</u>

	2021		
	Unrestricted funds		Total 2020
	General £	Total £	£
<i>Other trading activities</i>			
Fundraising	24,300	24,300	28,066
Miscellaneous	28,786	28,786	-
	<u>53,086</u>	<u>53,086</u>	<u>28,066</u>

	2021	2021	
	Unrestricted funds		Total 2020
	General £	Total £	£
<i>Investment income</i>			
Interest Receivable	132	132	164
	<u>132</u>	<u>132</u>	<u>164</u>

# RELATE Hull and East Yorkshire

## Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	2021	2021	
	Unrestricted funds		Total 2020
	General £	Total £	Total 2020 £
<i>Raising funds</i>			
Charity Shop Expenses	(22,704)	(22,704)	(23,405)
	<u>(22,704)</u>	<u>(22,704)</u>	<u>(23,405)</u>

	2021	2021	
	Unrestricted funds		Total 2020
	General £	Total £	Total 2020 £
<i>Charitable activities</i>			
Staff Costs	(180,251)	(180,251)	(176,315)
Counsellors Training	(48,268)	(48,268)	(51,181)
Counsellors Remuneration	(106,279)	(106,279)	(114,947)
Counsellors Expenses	(7,981)	(7,981)	(29,776)
National Federation	(16,632)	(16,632)	(16,386)
Property Costs	(37,054)	(37,054)	(16,701)
Supervision	(8,672)	(8,672)	(8,444)
Administration Costs	(26,178)	(26,178)	(19,159)
Professional Costs	(594)	(594)	(2,485)
Independent Examination	(2,880)	(2,880)	(2,653)
	<u>(434,789)</u>	<u>(434,789)</u>	<u>(438,047)</u>