

# R NATIONAL REALISATIONS (2024)

England & Wales · Charity number 207314

## Details

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**Other names** RELATE, RELATE CENTRAL OFFICE

**Status** Registered

**Legal form** Charitable company

**Company number** [00394221](#)

**Registered** 1962-09-22

**Register** [View on the Charity Commission register](#)

## Contact

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## Activities

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**Objects:** THE FEDERATION IS ESTABLISHED FOR THE PUBLIC BENEFIT FOR THE FOLLOWING OBJECTS:(1)TO EDUCATE THE PUBLIC CONCERNING THE BENEFITS OF SECURE COUPLE RELATIONSHIPS, MARRIAGE AND FAMILY LIFE IN ORDER TO IMPROVE THE EMOTIONAL, SEXUAL AND SPIRITUAL WELL-BEING OF INDIVIDUALS WHICH IS DERIVED FROM COMMITTED RELATIONSHIPS;(2)TO SEEK TO ENHANCE, THE GOOD HEALTH, BOTH MENTAL AND PHYSICAL, OF ADULTS AND CHILDREN BY:(A)INCREASING PUBLIC AWARENESS OF THE BENEFIT OF COMMITTED COUPLE RELATIONSHIPS, MARRIAGE, AND FAMILY LIFE; AND (B)WORKING TO PREVENT POVERTY, HARDSHIP AND DISTRESS CAUSED BY THE BREAKDOWN OF SUCH RELATIONSHIPS;(3)TO PROVIDE COUNSELLING, ADVICE, EDUCATION, GUIDANCE AND RELIEF TO ADULTS AND/OR CHILDREN IN RELATION TO ANY ASPECT OF CONTEMPORARY LIFE OR WORK WHICH:(A)MAY PREJUDICE THEIR PHYSICAL OR MENTAL WELL BEING; OR(B)INFLUENCE, EITHER DIRECTLY OR INDIRECTLY, THEIR PRESENT OR FUTURE FAMILY OR COUPLE RELATIONSHIP;(4)TO RELIEVE THOSE IN NEED BY REASON OF YOUTH, AGE, ILL-HEALTH, DISABILITY, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE; AND(5)TO PROMOTE RESEARCH INTO ALL OF THE ABOVE OBJECTS AND TO MAKE THE RESULTS AVAILABLE TO THE PUBLIC."

**Activities:** Relate delivers via a national network a wide range of services to individuals and corporate bodies. Activities include: relationship counselling, sex therapy, family counselling, services for young people, mediation services, counselling in primary care settings, telephone counselling, Reveal online relationship assessment service, national email counselling service, education and learning, etc

## Classification

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- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

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- Germany
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-03-31		-	-	-
2024-03-31		-	-	-
2023-03-31	£7,583,000	£7,295,000	£1,567,000	303
2022-03-31	£7,281,000	£7,242,000	£1,279,000	322
2021-03-31	£8,423,000	£8,363,000	£1,240,000	379
2020-03-31	£8,160,000	£9,355,000	£1,180,000	448
2019-03-31	£10,153,000	£9,655,000	£2,375,000	560

## Trustees

Name	Role	Appointed
<b>Ffion Griffith</b>	Chair	2023-06-13
Anthony Perryman		2019-11-06
Daniel Peters		2021-11-09
Debra Clark		2021-11-09
Ian David Pleace		2022-06-09
Jayne Hall		2023-11-01
Jeremy Gershon Tobias-Tarsh		2024-03-25
Malcolm Pearson		2019-11-06
Matthew Robert Chaplin		2019-09-12
Mauro Mortali		2020-04-27
Michele Grant		2019-11-06
Mohammed Faizal Mead		2023-11-01
Mubeen Fazal Bhutta		2022-03-08
Patricia Whiteside		2017-11-02

**R NATIONAL REALISATIONS (2024)**

England & Wales - Charity number 207314

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# Accounts

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**Report and Accounts**  
**For the year ended 31 March 2021**

Limited by Guarantee  
Company Number 394221  
Registered Charity Number 207314

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## Chair's introduction

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Relate is the leading relationships charity and the Relate Federation is the largest provider of relationship support in England and Wales. We offer counselling, information, mediation and support to individuals, couples and families of all backgrounds and sexualities. Relate's vision is a future where healthy relationships are actively promoted as the heart of a thriving society.

At the beginning of March 2020, like so many other organisations in our sector and beyond, we were pleased to have set a clear budget for the year ahead and agreed four new strategic priorities: clients, communities, colleagues and sustainability. Then, just as work to finalise a plan of activity was underway by Relate's Executive Leadership Team (ELT), the words 'COVID-19' began appearing at every turn. As the month progressed, it soon became clear that all our plans were about to be brought into question and there was no telling when they would get back on track.

On March 17, the ELT issued an instruction that all face-to-face services and all office-based work would be suspended with immediate effect. This was so much more fundamental than a pause in our carefully crafted plans for the year ahead: this was about being much more innovative in our approach, and completely reshaping our offer to clients at a time of huge international uncertainty when our services would be needed more than ever. Quickly and successfully making the shift from being a primarily face-to-face service delivery organisation to being able to support the nation's relationships entirely online and on the phone became our overriding focus.

I am extremely proud of the way this became a reality – within two weeks we had trained nearly 700 Relate practitioners to deliver counselling via video and phone. In total, the Relate Federation delivered 152,000 sessions of counselling, Sex Therapy and Mediation during 2020/21. The whole staff team, led by the ELT but enabled by countless others who also rose to the challenge with enthusiasm and commitment, cannot be commended highly enough. I want to record my thanks and admiration for every one of them in this important document.

We realised quickly we would need to replicate this across the charity in order to help as many of the people we exist to support as possible. This meant increasing our media outreach to convey important relationship advice to a mass audience, so we undertook research to understand the impact the pandemic was having on relationships and offered interviews with our counsellor spokespeople far and wide. We created engaging new self-help content through regular videos and blogs, focussing on issues like emotional abuse and bereavement, and shared them via our website and social media channels. We achieved 3,437 media hits and 296,000 page views of <https://www.relate.org.uk/relationship-help/covid-19-advice-and-information> from 1 April 2020 until 31 March 2021. In July, we pushed ahead with launching our first-ever Relationships Week, which captured the mood of the moment by asking people to talk about their support systems through that first period of lockdown.

## Chair's introduction

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Arguably, nowhere was this theme of innovation more important than when it came to creating new and different services that both met the immediate needs of the nation – affordable, confidential and accessible – and also brought in vital funding for Relate. We created a brand new short intervention service called relatehub, which offered free 30 minute web chats with Relate counsellors. The Hub was made possible by funding from the Coronavirus Community Support Fund, distributed by The National Lottery Community Fund, with thanks to the Government, and a contract with the NHS to help the public and NHS staff members through some extraordinarily difficult situations. There have been nearly 8,000 engagements with hub advisors and just under 90% of clients gave a 4 out of 5 star rating for the knowledge and advice received.

The effects of the pandemic unsurprisingly led to changes in how we work as a Federation. I am pleased to say that these changes have been very positive in terms of improved communications – we learnt on, and learnt from, each other throughout the year, strengthening mutual understanding and encouraging collaborative working.

Now, in June 2021, I am looking at a charity that has adapted impressively during a time of crisis and, as we hope to return to more normality than has seemed possible for some time, it is for us as a Board to oversee its next steps. The key question is how we move ahead and maintain the best of what the pandemic unexpectedly gave us – digital progress, comradeship across the Federation, a focus on innovation – whilst moving to a more strategic way of working and stabilising the charity for the long-term. It is of course excellent news that we finished 2020/21 with a small financial surplus after the previous year's deficit. However we must not think the job is done.

We have big ambitions under each of our four strategic objectives and we will be working tirelessly to achieve them in 2021/22 – focussing on our finances, equality, diversity and inclusion, service delivery transition, growth and continued support to our Federation. Our financial strategy looking ahead focuses on reducing recurrent expenditure, as well as seeking out new, sustainable sources of income. To this end, we now have a smaller ELT and are once again innovating in terms of how we work by mobilising the next tier of senior managers to support our priorities. There is so much more to do, and we are pleased to have a sound footing on which to start the year ahead.

## Trustees' Report

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### 1. Reference and Administrative Details of the Charity, its Trustees and Advisors

Registered Number of Company: 394221

Registered Charity Number: 207314

*Key personnel: Board members (Trustees of the charity)*

#### **Elected members**

Teresa Cresswell

Michele Grant

John Hill

Malcolm Pearson

Anthony Perryman

Karen Railton – *Vice Chair*

Ben Wealthy

Patricia Whiteside

#### **Co-opted members**

Matthew Chaplin

Darren Franklin – *Treasurer*

Tony Medawar

Mauro Mortali (appointed 27 April 2020)

Adam Moy (appointed 27 April 2020)

Simon Wilson – *Chair*

## Trustees' Report

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### 1. Reference and Administrative Details of the Charity, its Trustees and Advisors (cont.)

*Key personnel: (Management Team):*

#### ***Executive Leadership Team***

James Aidan Jones OBE	Chief Executive
Ben Collins	Director of Services (left 4 September 2020)
Sarah Casemore	Director of Operations (resigned 7 May 2021)
Sarah Milsom	Director of Communications and Engagement (appointed 1 September 2020)
Mike Young	Director of Finance (appointed 2 November 2020; resigned 3 March 2021)

#### ***President***

Professor Janet Walker OBE

#### ***Vice Presidents***

Anjula Mutanda	
Baroness Tyler of Enfield	
Nick Tarsh OBE	Retired 1 September 2020; passed away 10 May 2021

#### ***Company Secretary***

James Aidan Jones OBE

#### ***Registered Office***

Premier House, Carolina Court, Lakeside, Doncaster, DN4 5RA.

#### ***Auditors***

RSM UK Audit LLP, Chartered Accountants, St Philips Point, Temple Row, Birmingham, B2 5AF

#### ***Bankers***

National Westminster Bank plc, Rugby Branch, 9 North Street, Rugby, CV21 2AH

## Trustees' Report

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### 2. Structure, Governance and Management

#### 2.1 *Legal and constitutional basis*

Relate is a charitable company limited by guarantee and is governed by its Articles of Association, changed by special resolution, and approved by the Members at a General Meeting held on 25th June 2014. The changes to the Articles in 2014 were related to the size, composition, and the process by which Board members are elected and co-opted.

#### 2.2 *The Board of Trustees*

Under the revised Articles, the Board is comprised of up to eight Board members elected nationally at the AGM ('elected members') and up to six co-opted Board members. Whilst in no way detracting from their individual and collective responsibilities as Relate Board members, the elected members have an important role in reflecting the interests and priorities of the independent Relate entities of the Relate Federation (see 'Federation structure' below).

A range of methods is used for the identification and appointment of co-opted members including open advertisement of vacancies. Skills audits of existing Board members are undertaken and Charity Commission and other guidance is taken into account.

The Board of Trustees meets on a quarterly basis. It is responsible for:

- developing and maintaining the overall strategy for Relate to deliver against its charitable objects.
- governing Relate in line with its vision, aims and charitable objectives and to provide overall policy direction.
- the overall governance and strategic direction of the charity, developing its aims, objectives, and goals in accordance with the Articles of Association, legal requirements, and regulatory guidelines.

The Board is collectively responsible for promoting the success of the charity by directing and supervising the charity's affairs. Its role is to provide leadership within a framework of prudent and effective controls which enable risks to be assessed and managed.

New trustees receive an induction pack containing everything they need to know about the Relate Federation's work, to assist with informed and effective decision making. They also attend an induction day at the charity's offices. As part of their induction, trustees are provided with the Code of Good Governance guidelines produced by the National Hub of Expertise in Governance<sup>1</sup>. Ongoing training is then provided as identified on a case-by-case basis. As in 2019/20 an annual trustee appraisal was conducted.

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<sup>1</sup> The National Hub is a collaborative group of charity umbrella groups facilitated by the National Council for Voluntary Organisations (NCVO)

## Trustees' Report

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### 2. Structure, Governance and Management

#### 2.1 *Trustee remuneration*

Relate trustees give their time voluntarily and receive no benefits from the charity. Reasonable travel expenses are reclaimed from the charity as set out in note 11 to the accounts.

#### 2.2 *Board committees*

Relate has five Board committees providing additional oversight in the following areas:

*Finance Committee* (previously the Finance and Audit Committee, meets quarterly). This committee ensures there is a framework for accountability, suitable systems and internal controls and timely financial reporting.

*Audit and Risk Committee* (meets quarterly). This committee ensures that the Executive is exercising effective control and managing risk by making sure there is a framework for accountability, there are effective systems and methods of control including risk analysis and risk management and that the charity is complying with relevant legislation, regulations and good practice.

*Federation Affairs Committee* (meets at least twice per year, but in practice meetings are quarterly). This committee monitors effective governance and best practice across the Relate Federation (see section headed "The Relate Federation" on page 8).

*Services Committee* (meets at least three times per year, although in practice meetings are quarterly). This committee has primary responsibility for ensuring that services offered by Relate entities are delivered to a consistently high technical and clinical standard, and for promoting the customer and client experience aspect of our work.

*Governance Committee* (previously the Remuneration and Nominations Committee, meets at least twice a year and otherwise as required). This committee has three main roles: making recommendations to the Board in respect of the Chief Executive's remuneration, overseeing activity relating to the composition, appointment and effectiveness of the Board and its committees, and a wider governance remit encompassing equality, diversity and inclusion, health and safety and data security.

Other sub-groups may be established on a short-term basis as needed. According to the terms of reference they will report to one of the Board committees or directly to the Relate Board.

## Trustees' Report

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### 2. Structure, Governance and Management (cont.)

The following trustees were members of the Board committees as at 31 May 2021:

#### Finance

Darren Franklin *(Chair)*  
Michele Grant *(until March 2021)*  
John Hill *(from March 2021)*  
Tony Medawar *(until September 2020)*  
Adam Moy  
Anthony Perryman

#### Audit and Risk

Matthew Chaplin *(Chair)*  
Michele Grant *(from March 2021)*  
John Hill *(until March 2021)*  
Mauro Mortali  
Malcolm Pearson

#### Federation Affairs

Patricia Whiteside *(Chair)*  
Teresa Cresswell  
John Hill  
Mauro Mortali  
Karen Railton

#### Services

Tony Medawar *(Chair)*  
Teresa Cresswell  
Malcolm Pearson  
Ben Wealthy

#### Governance

Karen Railton *(Chair)*  
Michele Grant  
Anthony Perryman  
Simon Wilson

The Chair, Vice Chair, and Chief Executive Officer are ex officio members of all Committees.

The Chairs of several federated Centres are ex officio members of the Federation Affairs Committee.

#### 2.3 Chief Executive and Executive Officers

The Chief Executive is responsible for the day-to-day management of the charity's affairs and for implementing policies and strategies agreed by the Board.

The Chief Executive is assisted by Executive Officers – the “Executive Leadership Team”. The Executive Leadership Team meets at least weekly to oversee and review day-to-day operations and activity of the charity. Executive Leadership Team members attend the Board by invitation as well as those Committee meetings that are appropriate to their areas of expertise and responsibility.

The Executive Leadership Team, including the Chief Executive, are the key management personnel for Relate. Remuneration for the Chief Executive is determined by the Governance Committee (formerly the Remuneration and Nominations Committee) on appointment. Remuneration for the Chief Executive and other key management personnel is reviewed annually alongside a review of all staff salaries and is benchmarked periodically against market rates.

## Trustees' Report

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### 2. Structure, Governance and Management (cont.)

#### 2.6 The Relate Federation

Relate services are delivered through two distinct channels. The first is the 24 independent local operating entities ('federated Centres') across England plus associated entities in Northern Ireland, the Channel Islands and the Isle of Man. The second channel is a group of three Relate 'Regions', plus Wales, which encompass what were the 15 formerly independent Relate Centres that migrated into the national charity mainly during the period September 2017 to June 2018.

The 'Relate Federation' comprises the national charity (including the Relate Regions) and the 24 federated Centres and the entities in Northern Ireland, the Channel Islands and the Isle of Man. Relate – the national charity – holds responsibility for the Relate brand and has three main roles in relation to the Federation: to provide leadership for the Relate Federation; to help Centres' development; and to provide support to Centres. The 24 federated Centres are as follows:

Federated Centre	Charity number
Relate Avon	1107679
Relate Birmingham	1053946
Relate Bournemouth, Poole and Christchurch	1120017
Relate Bradford	1013811
Relate Cambridge	1096975
Relate Cheshire and Merseyside	1064180
Relate Chesterfield and North Derbyshire	1102023
Relate Coventry and Warwickshire	1103470
Relate Cross Pennine **	1062246
Relate Derby and Southern Derbyshire	1110768
Relate Dorset and South Wiltshire	1079585
Relate Hull and East Yorkshire	1104045
Relate London North West, Hertfordshire, Mid Thames and Buckinghamshire *	1053223
Relate Leicestershire	1103070
Relate Medway and North Kent	1104649
Relate Mid Surrey	1108239
Relate Milton Keynes	1018848
Relate North and South West Sussex	1115012
Relate North East London and Essex	1057291
Relate Northamptonshire	1098399
Relate Nottinghamshire	1086299
Relate Plymouth and District	237035
Relate West Surrey	1079270
Relate Worcestershire	1056625

## Trustees' Report

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Notes:

\* *Relate London North West and Hertfordshire and Relate Mid Thames and Buckinghamshire completed a merger early in 2021.*

\*\* *Following the closure of Relate Lancashire, Relate Pennine, Keighley and Craven was allocated Relate Lancashire's territory and now operates as Relate Cross Pennine.*

The financial statements accompanying this report reflect the financial performance of the national charity (including the three Relate Regions and Wales) but exclude the financial performance of the federated Centres.

The entities that make up the Relate Federation have agreed common standards and practices in several areas including service quality, branding, training and 'influencing' activity (for example, with external stakeholders such as government and the media). These standards are formalised in 'Federation Agreements' between individual federated Centres and the national charity.

An important part of the role of the trustees who serve on Relate's Board is to ensure adherence of the federated Centres to the Federation Agreements both for the benefit of the national charity (i.e. this organisation) and for the collective benefit of the Relate Federation as a whole.

Relate works collaboratively with Relationships Scotland (with which we have formal referral arrangements) and has working relationships with Relationships Ireland.

### 3. Objectives and Activities

#### 3.1 Charitable Objects

Relate has five charitable objects:

- 1) To educate the public concerning the benefits of secure couple relationships, marriage, and family life in order to improve the emotional, sexual and spiritual well-being of individuals which is derived from committed relationships.
- 2) To seek to enhance the good health, both mental and physical, of adults and children by:
  - increasing public awareness of the benefit of committed couple relationships, marriage, and family life; and
  - working to prevent poverty, hardship, and distress, caused by the breakdown of such relationships.
- 3) To provide counselling, advice, education, guidance, and relief to adults and/or children in relation to any aspect of contemporary life or work which:
  - may prejudice their physical or mental wellbeing; and
  - influence, either directly or indirectly, their present or future family or couple relationships.

## Trustees' Report

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### 3. Objectives and Activities (cont.)

- 4) To relieve those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.
- 5) To promote research into all the above objects and to make the results available to the public.

#### 3.2 *Relate's vision, mission, and values*

**Our vision** is a future where healthy relationships are actively promoted as the heart of a thriving society.

**Our mission** is to make expert information and support for healthy relationships available to everyone.

#### **Our values:**

##### **Be human**

We respect everyone and value all relationships.

We listen and support people to make positive changes in their lives.

##### **Be connected**

We're in touch with the world around us and use evidence to explain why relationships matter.

We collaborate to provide great services for all our communities.

##### **Be smart**

We keep things simple and focus on what works.

We put our clients first and maximise every penny for their benefit.

#### 3.3 *Public benefit*

We have referred to the guidance contained in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

#### 3.4 *Quality assurance*

Relate plans and delivers its business within its charitable objects, its vision and mission and in accordance with the requirements of its chosen quality assurance system which is the 'Trusted Charity' approach which is backed by the National Council of Voluntary Associations.

## Trustees' Report

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### 3. Objectives and Activities (cont.)

Providing quality services and delivering excellent value for money remain key to the Federation's success and reputation. That, alongside the unprecedented changes to the way our services are delivered with the growth in online counselling and working from home during the pandemic, has prompted us to embark upon a review of our Quality Assurance framework. During 2021, we will be engaging with Federation colleagues and speaking with former clients to gather feedback and inputs in terms of our approach to Quality Assurance and this will be considered by a core working group with representatives from across the Federation.

#### 3.5 *Relate's strategy*

Following a process of consultation and engagement across the whole Relate Federation during 2019 and early 2020, the Board agreed the following four strategic objectives for 2020 to 2023 at its meeting in March 2020:

#### **Clients**

Deliver the high-quality services our clients need; how and when they want them. Support vulnerable people and those least able to afford services.

#### **Communities**

Improve public understanding of healthy relationships and influence public policy to better support them.

#### **Colleagues**

Ensure we have valued, well-trained colleagues and provide effective leadership nationally and locally.

#### **Sustainability**

Build an organisation and a network that is financially, environmentally, and ethically robust.

The next step was to have been to develop specific goals for each strategic objective to underpin the work of the national charity over the next three years. The onset of the COVID-19 pandemic disrupted plans to develop these goals, so in March 2021 the Board agreed the following priorities to guide the work of the national charity during the 2021/22 financial year:

#### **Relate's finances**

- Develop a robust, credible and deliverable budget
- Regular and accurate financial reporting
- Improve quality and speed of management information
- Diversify income – focus on recurrent income
- Reduce and manage expenditure – crucially 'central' overheads
- 'Ring fence' expenditure for Federation wide activities

## Trustees' Report

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### 3. Objectives and Activities (cont.)

#### Service delivery transition

- Define our new blended model: 'not-in-the-room' and 'in-the-room' provision
- Harness the power of digital: putting user need at the heart of our work
- Service innovation: user-centred design and delivery
- User research and data to underpin our work
- Recruitment and retention: investment in our practitioners

#### Growth plan

- Maximise growth in existing Relate Regions (replicate things already working well)
- Continue to increase funding through benevolent organisations (work with ACO)
- Identify, evaluate and prioritise large contracts to pursue (fit, deliverability, margin, etc.)
- Dedicate time to following up on a pipeline of corporate partnership opportunities
- Fundraising Officer to secure funding locally for bursaries

#### Equality, Diversity and Inclusion

- Deepen our understanding of the EDI issues for Relate, our clients and our colleagues
- Create a strategy that focuses on the main issues within limited resources
- Act to improve diversity, including through raising awareness and training
- Facilitate a Federation-wide conversation with a shared language
- Encourage all Centres to create their own EDI strategy and plan

#### Support to the Federation

- Mobilise the collective might of our Federation to extend our influence
- Deliver quality for every client
- Collaborative working, co-creation and innovation
- Use limited resources for maximum impact

### 4. Achievements and Performance

#### 4.1 Organisational changes

Two years ago, a proposed new management structure for the national charity's services delivery was developed and this was aimed at:

- Streamlining processes and having fewer layers of management.
- Creating a less hierarchical structure and achieving greater two-way connection between the Executive Leadership Team (ELT) and the delivery of services locally.
- Improving and speeding up both decision making and the implementation of decisions.
- Achieving significant cost savings.

## Trustees' Report

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### 4. Achievements and Performance (cont.)

The onset of the COVID-19 pandemic just before the start of the 2020/21 financial year meant that to reduce expenditure, there had to be further restructuring of the services delivery management, closure of four Relate shops, and the disestablishment of several senior manager roles.

The Executive Leadership Team has also been reduced in size so that it now comprises the Chief Executive and the Director of Communications and Engagement. In the short term, the Executive Leadership Team will work closely with the 15 senior managers at the next level to prioritise what needs to be done and to organise work tasks appropriately. Operating with such a small Executive Leadership Team is intended to be a temporary measure to help alleviate the difficult financial position. When the situation allows, it is intended to better resource the Executive Leadership Team.

#### 4.2 Significant events and activities

There are several important events that have directly or indirectly impacted the charity and its financial performance, and these include:

*Department for Work and Pensions (DWP) Reducing Parent Conflict programme.* Early in 2019, the DWP awarded Relate a contract to deliver new interventions for nearly 3,000 people in the North East of England. As the prime delivery partner for an area covering 8 local authority areas, Relate received strong feedback in terms of reducing parental conflict – which has an immediate positive impact on the lives of children. In March 2021, Relate's contract for this programme was extended to July 2022.

*relatehub.* In July 2020, Relate secured funding from the government's Coronavirus Community Support Fund (distributed by The National Lottery Community Fund) for *relatehub*. This new service provided free 30 minute WebChats and a range of online self-help resources to anyone living in England whose relationships and wellbeing had been impacted by the COVID-19 pandemic. In addition, a four month contract with the NHS provided members with access to *relatehub* from December 2020 until the end of March 2021.

*Relate's charity shops.* COVID-19 resulted in the closure of all Relate shops for most of the 2020/21 financial year. The resultant loss of income was offset to a large extent by various government grants and employee costs were covered by the government's Coronavirus Job Retention Scheme. Since re-opening in April 2021, the shops have been very busy and sales income is ahead of what had been anticipated.

*Information security and data privacy.* In March 2021, Relate engaged Black Penny consulting to provide a retained Data Protection Officer (DPO) service and undertake a multi phased approach to achieve best practice data protection. The service includes a Data Protection Act 2018 gap analysis, creating an alignment toolkit for federated Centres and ongoing direct operational data protection support.

## Trustees' Report

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### 4. Achievements and Performance (cont.)

#### 4.3 COVID-19

The COVID-19 crisis began just before the start of the financial year covered by this report and its scale and impact created immense challenges for Relate.

Relate did not have a documented pandemic Business Continuity Plan when the COVID-19 crisis began, rather what is set out below represents the approach that was taken to ensure continuity of the charity's activities. However, much of what was done had been foreseen and developed during February 2020 and the first half of March 2020 as awareness of COVID-19 increased and the growing seriousness of the situation became apparent.

Following the Prime Minister's announcement on 16 March 2020 that everyone should work from home where they possibly can, all Relate employees were advised to do so with immediate effect. The first step in the business continuity process was the transfer of equipment and materials to home locations to enable work to continue away from Relate's usual premises. Within the first 10 days, several critical elements allowing Relate to continue substantial parts its operations had been completed:

- All managerial, administrative, and service delivery staff had been given support and guidance for home working.
- The Senior Practice Team had made available guidance and training to practitioners across the whole of the Relate Federation to ensure continued delivery of services.
- Arrangements were made to supply appropriate connectivity software (primarily Zoom and, to a lesser extent, Teams) and provide advice and support as to how to use it.

Alongside these operational changes, the arrangements for governance, communication and meetings were changed to respond to the new situation:

- For the first three months of the pandemic, the Executive Leadership Team met daily.
- Within the first week, "all staff" meetings with around 200 attendees were held to discuss the crisis, talk about ongoing work, and respond to questions.
- The Executive Leadership Team met with Senior Managers weekly to provide information and support.
- On 25 March there was a briefing of the Relate Board, and from then on there were monthly meetings of the Board.
- The Relate Board formed a "Steering Group" comprising the Chair, Vice-Chair, Treasurer and Chairs of the Board committees which began meeting on a weekly basis.
- There were weekly briefings for CEOs/managers of federated Centres and regular meetings with trustees of federated Centres.
- A weekly email communication to all trustees and employees detailing Relate's response to COVID-19 was introduced. In July, this was changed to a fortnightly communication.

## Trustees' Report

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### 4. Achievements and Performance (cont.)

As the pandemic continued, the new operational, governance, communication and meeting arrangements that were put in place were amended and updated as Relate moved from its initial emergency response to a transition phase and now to recovery. The current arrangements are as follows:

- The Executive Leadership Team meets twice a week.
- “All staff” meetings have reverted to their normal pattern of four times a year, plus any additional meetings needed to address specific topics.
- The Executive Leadership Team meets with Senior Managers every fortnight.
- Board meetings are now back to their usual frequency (four times a year).
- Meetings with CEOs/managers of federated Centres are now monthly and there are also monthly meetings with trustees of federated Centres.

Like many charities, Relate has had to continuously monitor and adjust the priorities of the charity and significant organisational changes have had to be made because of COVID-19. During ‘lockdown’ this included a rapid switch to all managerial, administrative, and service delivery staff working from home locations, furloughing of around 150 employees and the closure of all Relate shops. The Executive Leadership Team has made significant efforts not only to remain focused on meeting the needs of our clients, but also to support employees at a time of when resources have been stretched. In the vast majority of cases, Relate counsellors have successfully continued to support clients through ‘not-in-the-room’ service delivery and this has proved to be highly effective.

### 5. Financial Review

#### 5.1 Overview

The Statement of Financial Activities (SOFA) set out on page 27 shows that total income has remained relatively stable during 2020/21 as compared to the prior year and total expenditure has decreased appreciably, principally due to a reduction in the cost of overheads.

The overall result was net surplus for the year of £60K (2019/20 net deficit of £1,195k). With a recurrent deficit on ordinary activities, identified (outside of exceptional effects of the pandemic) further redundancy costs of £85K were incurred in the year as part of a programme to improve sustainability. An estimated £750K of losses are attributable to curtailed activity and unplanned expenditure resulting from the Covid-19 epidemic.

## Trustees' Report

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### 5. Financial Review (cont.)

#### 5.2 Donations and legacies

Donations and legacies include funding from a wide range of grant-giving bodies to support areas of development within Relate and for the broader benefit of the Relate Federation.

We continue to use donated resources to help develop new and varied income generating streams with the aim of further diversifying Relate's sources of income. Many of these are long-term initiatives with time delays between resource being expended and a return being realised.

#### 5.3 Financial investments

Relate's investment policy is reviewed annually. The policy enables cash that is not immediately required to be invested with institutions that are members of the Financial Services Compensation Scheme (FSCS). Within this framework, the best interest rates are sought, and performance is regularly reviewed.

The trustees have decided that it is not appropriate to invest in equities at this time.

Investment income fell to £331 from £2,095 in 2019/20.

#### 5.4 Financial reporting

There is a detailed system of preparing business plans and an annual budget, which are reviewed in detail and approved by the Board. The budgeting cycle begins with the discussion of budget 'themes' at the November Board meeting, detailed budget preparation by budget holders during December and January, a 'budget familiarisation meeting' with the Board in February and the presentation of the full budget for approval by the Board at their meeting in early March.

Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly. These are provided in the form of a detailed report to the Executive Leadership Team. Summary finance reports with revised full year forecast information are prepared by the Head of Finance and presented to the quarterly Finance Committee and to Board meetings.

#### 5.5 Financial policies and procedures

The role of the Finance Committee (formerly the Finance and Audit Committee) includes reviewing the financial policies of the charity. These set out the authority that is delegated to employees and the procedures that should be followed.

Trustees' Report

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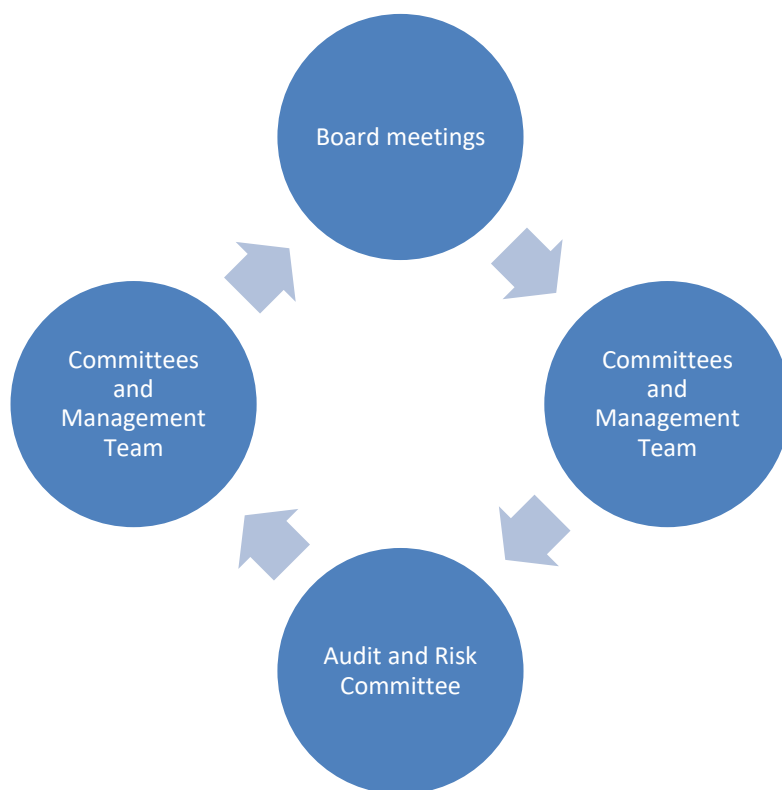
**5. Financial Review (cont.)**

*5.6 Risks and uncertainties*

Relate’s risk management policy requires trustees to regularly review and assess the risks facing the charity and proactively manage these risks. Risks to the organisation are documented in the Corporate Risk Register which is formally reviewed and discussed as a standing item at the start of each Board meeting reflecting the high priority afforded to this issue by the trustees.

Additional consideration of detailed matters relating to risk, including an effective review of mitigating actions/controls and an assessment of risk appetite, takes place at the Audit and Risk Committee with other sub-committees also looking at risk in their specific areas of activity. Furthermore, the management team, in conjunction with other Relate colleagues, regularly review, and provide input to the Corporate Risk Register on an ongoing basis.

Cycle of reviewing and updating Relate’s Corporate Risk Register:



New risks can be identified at any stage of the review cycle and regular reviews of individual ‘operational risk registers’ at departmental and project level also provide the opportunity to identify risks to be considered for inclusion on the Corporate Risk Register.

The Corporate Risk Register reflects the extent to which risks could prevent the achievement of the organisation’s goals.

Trustees' Report

**5. Financial Review (cont.)**

Once a risk has been identified and described, it is allocated to one of the following categories:

- Governance
- Operational
- Services
- Financial
- External
- Compliance

Our risk mitigation plan entails establishing both existing and planned management actions and controls, with deadlines for completion for each risk. The review process includes assessing whether each existing action and control has been completed, and whether each planned action and control has either been completed or can now be considered an existing action and control.

At each stage in the review cycle, scoring in terms of the likelihood of the risk materialising and impact of that risk, both with existing actions and controls and with planned actions and controls, is considered. The score for likelihood is multiplied by the score for impact to give an overall risk score as shown below.

		IMPACT				
		Negligible	Minor	Moderate	Severe	Catastrophic
		1	2	3	4	5
LIKELIHOOD	Rare	1	2	3	4	5
	Unlikely	2	4	6	8	10
	Possible	3	6	9	12	15
	Likely	4	8	12	16	20
	Very likely	5	10	15	20	25

Each risk is then categorised according to its overall score as follows:

	Score of 15 or above, urgent action required
	Score of 8 to 14, action required
	Score of 4 to 7, accept the risk with current planned actions
	Score of less than 4, remove the risk from the risk register

The review cycle also provides the opportunity for risks to be retired once they are no longer considered relevant. The Corporate Risk Register is updated regularly both in terms of the number of risks covered and the level of detail provided about risk mitigation approaches. It is planned to continue this regular review and update.

## Trustees' Report

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### 5. Financial Review (cont.)

In addition to the specific risk management mechanism described above, several other key controls help trustees manage the major risks facing the charity:

- formal agenda for Trustee meetings.
- detailed terms of reference for all sub-committees.
- comprehensive strategic planning, project management, budgeting, and management accounting.
- established organisational structure and lines of reporting:
  - significant changes to formal written policies and procedures
  - hierarchical authorisation and approval levels including a scheme of delegation.

The key risks currently identified by the above process are:

- Operational
  - Failure of Federated Centre(s)
  - Relate National becomes disconnected from the Relate Federation
  - Inadequate dashboard data and information results in poor management and decision making
- Services
  - Service delivery failure
  - Training does not meet the needs of the Relate Federation
  - Safeguarding failure
- Financial
  - Relate is no longer a going concern
  - Failure to identify opportunities for growth
- External
  - Reduced public profile / “national voice”
  - Significant reputational crisis
- Compliance
  - Failure of compliance in key areas such as GDPR and Health and Safety.

#### 5.7 Financial resilience

The Statement of Financial Activities demonstrates that income from our charitable activities exceeded our charitable expenditure. The excess this year is £327k (2019/20 £1,466k shortfall).

## Trustees' Report

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### 5. Financial Review (cont.)

#### 5.8 Principle funding sources

The charity's principle funding sources are as follows:

- *Relationship counselling and similar services (individuals and couples)* – individual fees are our primary source of income. Private individuals/couples pay for counselling services themselves (albeit in a number of cases the fee is reduced from funds created for this purpose from other sources e.g. donations and philanthropic gifts).
- *Benevolent organisations (national)* – Relate has important contracts with a number of benevolent organisations. This enables individual clients or (more usually) couples to be referred to Relate but, rather than the client(s) themselves funding their counselling, the benevolent organisations pay for it. As the name suggests, these services are available across the full geography of Relate's operations.
- *Contract provision (local)* – these arrangements are similar to national contracts in that a partner organisation is the main funder, but they are confined to specific geographies and are with a particular local partner organisation. Partners include schools, local authorities, and local health bodies (either acting alone or in partnership with each other). We have also secured contracts locally with non-statutory entities such as BBC Children in Need.
- *Gifts and donations* – gifts and donations are received from a wide range of sources including trusts and foundations, philanthropic bodies, local charities, civic bodies and voluntary groups.
- *Retail activities* – income from our remaining 8 charity shops (reduced following the closure of 1 shop recently) is included in these financial statements.
- *Other sales and services* – the most important income line under this category is the provision of training to individuals, entities within the Relate Federation and external organisations. This training comprises initial qualifications in relationship counselling and continuous professional development.

#### 5.9 Reserves

The definition of free reserves follows the guidance given by the Charity Commission. These are funds available to be used in furtherance of the charitable objects which have not yet been spent, committed, or designated.

They therefore exclude restricted funds (where donors impose criteria for their use), fixed assets (which are in current use to support the ongoing work of the charity) and funds designated for specific purposes.

The calculation of easily realisable reserves is shown in note 18 and shows an increase in the year of £383k (2019/20: decrease of £1,103k).

## Trustees' Report

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### 5. Financial Review (cont.)

To date the Board has set a target reserves policy of between 2.5 and 3.5 months of expenditure. This approach would allow Relate in times of financial difficulties to meet major financial commitments and provide a 'breathing space' during which normal activity would continue while consultation with its member organisations is undertaken to ensure service provision continues.

As at 31 March 2021 net funds represented just over 2 months of 2021/22 planned expenditure. Easily realised reserves were considerably lower. The trustees recognise that this is an uncomfortable position and they have considered both how more of the net funds might be converted into a more easily realisable form and how the business can rebuild reserves through improved trading performance and other methods.

The charity has undertaken rationalisation and restructuring over several years which has resulted in free reserves falling short of the lower end (2.5 months expenditure) of this range by July 2021 by just over £1M. In the long term, the Trustees expect the level of reserves to increase because of planned actions to be implemented by the management team.

The Board recognises that the 'months' expenditure' approach may need to be considered further in the light of changes in the structure of the charity and in particular the revised nature of some of the liabilities that might arise in the event of a period of heightened financial risk. In particular, the Board recognises that the existence of more longer-term leases and a broader range of delivery contracts creates more potential obligations.

#### *5.10 Designated funds*

No designated funds were brought forward from 2019/20 and the Board did not designate new funds for any purpose in 2020/21.

#### *5.11 Going concern*

The Trustees have continued to adopt the going concern basis of preparation in these financial statements. When assessing the going concern status of the charity, the Trustees have taken account of historic and projected financial performance, the ability of the charity to secure profitable revenue contracts and the ability of the business to reduce its cost base, if required, to protect working capital. Furthermore, the charity has not only learnt a great deal in terms of how to maintain operations during a global pandemic, but also it has demonstrated the ability to preserve many of its income streams and quickly adapt to reduce costs. The Trustees have prepared forecasts which demonstrate that the charity has sufficient cash reserves to enable it to settle its liabilities as they fall due for a period of at least 12 months from the date of the signing these financial statements. The Trustees in making this assessment have taken steps to ensure that the charity can react to the uncertainties of the external funding environment. On this basis, the Trustees have adopted the going concern basis of preparation.

## Trustees' Report

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### 6. **Auditors**

RSM UK Audit LLP has indicated its willingness to continue in office.

### 7. **Statement as to disclosure of information to auditors**

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all steps they ought to in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### 8. **Statement of Trustees' responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP (Statements of Recommended Practice).
- Make judgments 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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. Indemnity insurance on behalf of the Trustees was paid by the Charitable Company.

## Trustees' Report

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### 9. Employee consultation and disabled employees

Relate (the national charity) holds “all staff” meetings on a regular basis, not only to disseminate information of particular concern to employees of the national charity (including financial and economic factors affecting the performance of the national charity), but also to provide the opportunity for employees to ask questions and share their views in relation to issues that are important to them. The Chief Executive and the Executive Leadership Team adopt an “open door” approach by encouraging employees to raise any concerns they have at any time.

The charity will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. During employment the charity seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

### 10. Small companies' exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The Trustees' Report, incorporating the Strategic Report, is approved by the Trustees, by whose authority it is signed below:



Simon Wilson  
Chair  
Relate

Premier House  
Carolina Court  
Lakeside  
Doncaster, DN4 5RA

23 SEPTEMBER 2021

## Independent Auditors' Report to the Members of Relate

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### Opinion

We have audited the financial statements of Relate (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the Trustees Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

## Independent Auditors' Report to the Members of Relate

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- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## Independent Auditors' Report to the Members of Relate

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to safeguarding and GDPR. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

### Use of our report

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

Paul Oxtoby (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

Date 21 October 2021

Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31st March 2021

					2021	2020
	Notes	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
<b>Income from:</b>						
Donations and legacies		41	-	-	41	174
<b>Total income from donations and legacies</b>	3	41	-	-	41	174
<b>Charitable activities</b>						
Government contracts		1,067	-	-	1,067	1,052
Other Contract income		5,546	-	166	5,712	5,518
Membership fees		355	-	-	355	375
Training income		148	-	-	148	273
Covid-19 Support Grants		771	-	-	771	-
Other income	5	123	-	-	123	150
<b>Total income from charitable activities</b>		8,010	-	166	8,176	7,368
Other trading activities - charity shop income		206	-	-	206	616
Investments	4	-	-	-	-	2
<b>Total income</b>		8,257	-	166	8,423	8,160
<b>Expenditure on:</b>						
<b>Charitable activities</b>						
Service delivery		5,738	-	162	5,900	6,337
Membership support		383	-	-	383	284
Other support costs	6	1,309	-	-	1,309	1,981
Training		257	-	-	257	232
<b>Total expenditure on charitable activities</b>	7	7,687	-	162	7,849	8,834
Other trading activities - charity shop costs		514	-	-	514	521
<b>Total expenditure</b>		8,201	-	162	8,363	9,355
<b>Net income/(expenditure) for the year</b>	8	55	-	4	60	(1,195)
<b>Transfers between funds</b>						
<b>Net movement in funds for the year</b>		55	-	4	60	(1,195)
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 April 2020		1,003	-	177	1,180	2,375
Total funds carried forward at 31 March 2021		1,059	-	181	1,240	1,180

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure is derived from continuing activities.

Balance Sheet as at 31<sup>st</sup> March 2021

Company Number: 394221

		2021		2020	
	Note	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		676		1,074
Intangible assets	13		76		43
Total fixed assets			<u>752</u>		<u>1,117</u>
<b>Current assets</b>					
Debtors	14	480		747	
Cash at bank and in hand		1,497		278	
		<u>1,977</u>		<u>1,025</u>	
<b>Creditors</b>					
Amounts falling due within one year	15	(1,489)		(962)	
<b>Net current assets</b>			<u>488</u>		<u>63</u>
<b>Total assets less current liabilities</b>			<u>1,240</u>		<u>1,180</u>
<b>Capital and reserves</b>					
General fund		1,059		1,003	
Designated funds	17	-		-	
Restricted funds	16	181		177	
<b>Total funds</b>			<u>1,240</u>		<u>1,180</u>

The notes on pages 30 to 45 form part of these financial statements.

The financial statements were approved by Board and authorised for issue on 23 September 2021 and are signed on its behalf by:



Simon Wilson  
Chair  
Relate

Statement of Cash Flows

	<b>Note</b>	<b>2021</b> <b>£'000</b>	2020 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by / (used in) operating activities	21a	<b>945</b>	(1,136)
<b>Cash flows from investing activities:</b>			
Interest income		-	<b>2</b>
Sale of fixed assets		<b>370</b>	-
Purchase of fixed assets		<b>(96)</b>	(112)
<b>Cash provided by/(used in) investing activities</b>		<b>274</b>	(110)
Changes in cash and cash equivalents in the year		<b>1,219</b>	(1,246)
Total cash and cash equivalents at the beginning of the year		<b>278</b>	1,524
<b>Total cash and cash equivalents at the end of the year</b>		<b>1,497</b>	278

## Notes to the Financial Statements

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### 1. Company status

The Company has no share capital and is a charitable company limited by guarantee and is registered at the Charity Commission in England and Wales. Under the Memorandum of Association of the Company the liability of individual members is restricted to a maximum of £5. The address of the charity's registered office and principal place of business is Premier House, Carolina Court, Lakeside, Doncaster, DN4 5RA. The nature of the charity's operations is set out in the Trustees' Report.

### 2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention and 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) – (Charities SORP (FRS 102)), and the Companies Act 2006.

Relate meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is also the functional currency of the charity.

Monetary amounts in the financial statements are rounded to the nearest £1,000 except where otherwise indicated.

#### b) Preparation of the accounts on a going concern basis

The Trustees have continued to adopt the going concern basis of preparation in these financial statements.

When assessing the going concern status of the charity, the Trustees have taken account of historic and projected financial performance, the ability of the charity to secure profitable revenue contracts and the ability of the business to reduce its cost base, if required, to protect working capital. Furthermore, the charity has not only learnt a great deal in terms of how to maintain operations during a global pandemic, but also it has demonstrated the ability to preserve many of its income streams and quickly adapt to reduce costs.

## Notes to the Financial Statements

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The Trustees have prepared forecasts which demonstrate that the charity has sufficient cash reserves to enable it to settle its liabilities as they fall due for a period of at least 12 months from the date of the signing these financial statements. The Trustees in making this assessment have taken steps to ensure that the charity can react to the uncertainties of the external funding environment. On this basis, the Trustees have adopted the going concern basis of preparation.

### **c) Tangible fixed assets and depreciation**

Tangible fixed assets are initially recorded at cost and subsequently measured at cost less depreciation and any impairment loss. It is the policy of the charity to capitalise expenditure on individual items of furniture, fittings and equipment costing in excess of £1,000.

Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Freehold buildings	-	Over 50 years
Short leasehold improvements	-	Over the period of the lease
Furniture & fittings	-	Over 3 years

Impairment reviews are carried out when there are indications that recoverable amounts of fixed assets are below their carrying value.

### **d) Intangible fixed assets and depreciation**

Intangible fixed assets are initially recorded at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. It is the policy of the charity to capitalise expenditure on intangible assets costing in excess of £1,000. Amortisation is calculated so as to write off the cost of intangible fixed assets by equal annual instalments over their estimated useful lives.

Software and systems development – over 3 years.

Impairment reviews are carried out when there are indications that recoverable amounts of fixed assets are below their carrying value.

### **e) Leases**

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

## Notes to the Financial Statements

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### **f) Pension costs**

Relate has defined contribution pension schemes in place for employees, including one in the form of an independently administered Growth Plan, which is externally funded and not contracted-out of the State scheme. The scheme is a multi-employer scheme and Relate is unable to identify its share of the underlying assets and liabilities on a consistent and reliable basis. Under the provision of FRS 102, all schemes are treated as defined contribution schemes and contributions are recognised as they fall due in the year.

### **g) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

The specific bases used are as follows:

- Donations and legacies include donations, legacies, and grants receivable.
- Legacies are recognised as income where there is probability of entitlement to receipt of funds.
- Investment income is accounted for on a receivable basis.
- Charitable activity income is accounted for when earned. Activity income received in advance is deferred until entitlement to the income has arisen.
- Grants are recognised when the entitlement to the grant is confirmed. Grants that provide core funding or are of a general nature provided by the Government and charitable foundations are recorded as donations and legacies.
- Within charitable activity income, membership fees and subscriptions are allocated to activity revenue categories on a basis consistent with the use of resources.

### **h) Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure. Expenditure is recognised in the period in which it is incurred on the following basis:

- Charitable expenditure comprises direct expenditure attributable to the charity's activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. Following changes in the structure of the charity, the basis in 2021 differs to that used in the prior year.
- Support costs include the charity's central functions and have been allocated to activity cost categories on a basis consistent with the total unrestricted costs for each charitable activity as a percentage of the charity's total direct costs to reflect the consumption of costs incurred in the furtherance of each of the charitable activities.

## Notes to the Financial Statements

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### **i) Funds**

Relate has designated funds which are unrestricted funds set aside for specific purposes and which would otherwise form part of Relate's general funds.

Other unrestricted funds are available for Relate to carry out any of its charitable activities.

Restricted funds are funds that have restrictions imposed by donors and can only be applied for the specific purposes identified by the donor.

### **j) Taxation**

Relate is a registered charity and is thus exempt from tax on income and capital gains falling within section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable activities.

In the opinion of the trustees, no tax charge has arisen in either period.

### **k) Financial assets and liabilities**

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes financing. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is 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 financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **l) Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

Notes to the Financial Statements

**m) Short term employment benefits**

Short term employment benefits, such as salaries and compensated absences (holiday pay) are recognised in the year in which employees render services to the charity. The cost of any unused holiday entitlement the charity expects to pay in future periods is recognised in the period in which employees' services are rendered.

**3. Donations and legacies**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2021 Total funds</b>	<b>2020 Total Funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Donations and gifts</b>				
Legacies & Bequests	-	-	-	112
Hesperus Trust	-	-	-	20
Others	41	-	<b>41</b>	23
<b>Grants:</b>				
Others (Less than £5,000)	-	-	-	19
	<u>41</u>	<u>-</u>	<u><b>41</b></u>	<u>174</u>
	=====	=====	=====	=====

**4. Investment income**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable on short term deposits	-	2
	<u>-</u>	<u>2</u>
	=====	=====

**5. Other income**

Other charitable income comprises recharges to the Federation, rental income, licence fees and royalties, sales of books and materials and miscellaneous income from writing and consultancy advice.

## Notes to the Financial Statements

### 6. Other support costs

Support costs are an apportionment, based on the total unrestricted costs for each charitable activity as a percentage of the charitable company's total direct costs to fairly reflect the consumption of costs incurred in the furtherance of each of the charitable activities, of the following expenses:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Chief Executive's office	<b>129</b>	205
Policy, research, media & communications	<b>74</b>	185
Corporate Resources	<b>1,106</b>	1,591
	<b>1,309</b>	1,981
	=====	=====

### 7. Expenditure on charitable activities

Staff costs include all payroll costs. Direct costs include those costs associated with providing the activity, for example external consultancy and contractor fees, as well as a fair share of support costs.

	<b>Service delivery</b>	<b>Membership support</b>	<b>Other support</b>	<b>Training</b>	<b>2021</b>	2020
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>Total funds</b>	Total funds
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	£'000
Staff costs	3,895	247	717	168	<b>5,027</b>	5,699
Direct costs	2,005	136	592	89	<b>2,822</b>	3,135
	<b>5,900</b>	<b>383</b>	<b>1,309</b>	<b>257</b>	<b>7,849</b>	8,834
	=====	=====	=====	=====	=====	=====

Notes to the Financial Statements

**8. Net income/(expenditure) for the year**

The following amounts are charged in the Statement of Financial Activities:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Operating lease rentals:		
- Land and buildings	<b>461</b>	544
- Plant and machinery	<b>4</b>	9
Depreciation	<b>62</b>	49
Loss on disposal of fixed assets	<b>4</b>	-
Amortisation	<b>25</b>	11
Auditors' remuneration for statutory audit	<b>35</b>	28
	<b>=====</b>	<b>=====</b>

**9. Employee information**

The average headcount and average number of full-time equivalent employees was as follows:

	<b>Average headcount</b>		<b>Full time equivalent</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Number</b>	Number	<b>Number</b>	Number
Service delivery	<b>299</b>	351	<b>111</b>	124
Training	<b>7</b>	7	<b>3</b>	3
Support staff	<b>39</b>	45	<b>30</b>	31
Retail Staff	<b>25</b>	34	<b>14</b>	18
Membership support and governance	<b>9</b>	11	<b>8</b>	10
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
	<b>379</b>	448	<b>166</b>	186

The staff costs were as follows:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Salaries	<b>4,803</b>	5,110
Social security costs	<b>297</b>	332
Pension costs	<b>137</b>	164
Redundancy costs	<b>85</b>	153
Agency costs	<b>40</b>	226
Other staffing costs including apprenticeship levy	<b>8</b>	11
	<b>=====</b>	<b>=====</b>
	<b>5,370</b>	5,996

## Notes to the Financial Statements

### 9. Employee information (cont.)

Redundancy costs of £63,544 were paid to staff who were made redundant as a result of a restructuring process which took place during the year.

The analysis of payroll costs (including redundancy compensation) is as follows:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Service delivery	<b>3,319</b>	3,586
Membership support	<b>404</b>	483
Training costs	<b>118</b>	124
Retail costs	<b>311</b>	332
Support staff	<b>1,218</b>	1,471
	<b>5,370</b>	5,996
	<b>=====</b>	<b>=====</b>

The number of employees whose total emoluments excluding employer pension costs exceeded £60,000 was as follows:

	<b>2021</b>	2020
	<b>Number</b>	Number
£60,001 - £70,000	<b>1</b>	1
£70,001 - £80,000	<b>1</b>	1
£80,001 - £90,000	<b>1</b>	1
£100,001 - £110,000	<b>1</b>	-
£120,001 - £130,000	<b>-</b>	1
	<b>=====</b>	<b>=====</b>

Total emoluments are comprised of gross salaries and Health Plan contributions. Pension contributions of £21,775 (2020: £25,539) were paid on behalf of four (2020: four) of these employees.

### 10. Key management personnel remuneration

The key management personnel of the charity are those having authority and responsibility delegated to them by the Trustees, for planning, directing and controlling the activities of the charity. The total employee benefits and consultancy costs of the key management personnel, including employers' national insurance contributions and employers' contributions to the pension scheme, were £364,842 (2020: £513,369).

Notes to the Financial Statements

**11. Amounts payable to Trustees**

No expenses for travel and subsistence were reimbursed during the year (2020: £4,599, to 13 trustees). None of the Trustees nor any person connected to them received any remuneration from the Charitable Company during the current or previous year. There were no amounts received by Trustees for other services in the year (2020: £nil).

**12. Tangible fixed assets**

	<b>Freehold Land and buildings £'000</b>	<b>Short leasehold improvement £'000</b>	<b>Furniture and fittings £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2020	975	109	207	1,291
Additions	-	7	32	39
Disposals	(375)	-	-	(375)
	-----	-----	-----	-----
At 31 March 2021	600	116	239	955
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 April 2020	3	66	148	217
Charge for the year	12	11	39	62
Disposals	-	-	-	-
	-----	-----	-----	-----
At 31 March 2021	15	77	187	279
	-----	-----	-----	-----
<b>Net book value</b>				
<b>At 31 March 2021</b>	<b>585</b>	<b>39</b>	<b>52</b>	<b>676</b>
	=====	=====	=====	=====
At 31 March 2020	972	43	59	1,074
	=====	=====	=====	=====

Included in freehold land and buildings above is freehold land but the value of this cannot be separately quantified.

Notes to the Financial Statements

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**13. Intangible fixed assets**

	<b>Software</b> <b>£'000</b>
<b>Cost</b>	
At 1 April 2020	78
Additions in the year	<u>58</u>
At 31 March 2021	<u>136</u>
<b>Amortisation</b>	
At 1 April 2020	35
Charge for the year	25
At 31 March 2021	<u>60</u>
<b>Net book value</b>	
At 31 March 2021	76 ===
At 31 March 2020	43 ===

**14. Debtors**

Amounts falling due within one year:

	<b>2021</b> <b>£'000</b>	2020 £'000
Trade debtors		
- Relate centres	<b>30</b>	10
- Other trade debtors	<b>200</b>	407
Other debtors	<b>54</b>	46
Prepayments and accrued income	<b>196</b>	284
	<u><b>480</b></u> =====	<u>747</u> =====

Notes to the Financial Statements

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**15. Creditors**

Amounts falling due within one year:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Trade creditors	<b>161</b>	257
Short term compensated absence (holiday pay)	<b>165</b>	53
Other taxation and social security	<b>109</b>	75
Accruals and deferred income	<b>1,054</b>	577
	<b>1,489</b>	962
	<b>=====</b>	<b>=====</b>

Analysis of deferred income:

	<b>2020</b>
	<b>£'000</b>
Deferred income at 1 April 2020	<b>401</b>
Amounts released from previous years	<b>(401)</b>
Resources deferred in the period	<b>675</b>
Deferred income at 31 March 2021	<b>675</b>
	<b>=====</b>

At the reporting date, the charity was holding funds received in advance for projects with performance conditions attached which had not been met.

## Notes to the Financial Statements

### 16. Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets this criterion is identified to the fund, together with a fair allocation of overheads and support costs. The movements on the restricted funds were as follows:

	At 1 April				At 31 March
	2020	Income	Expenditure	Transfers	2021
	£,000	£,000	£,000	£,000	£,000
Philip King	5	-	-	-	5
John Ridley	16	-	-	-	16
The Legal Education Fund	36	-	(36)	-	-
National Lottery Community Fund	74	167	(122)	-	118
Others (less than £10,000)	46	-	(5)	-	42
	<u>177</u>	<u>167</u>	<u>(163)</u>	<u>-</u>	<u>181</u>

The charity has continued to apply funds originally awarded in previous financial years on multi-year projects, with some activities paused due to exceptional circumstances through 2020-21, and as the table shows for some projects (for example the Philip King, and John Ridley funding) sums will continue to be applied from 2021/22.

Relate is grateful to the providers of restricted funding as well as those entities that have provided unrestricted grants and donations (see note 3 above) to the national charity and in the Relate Areas.

Notes to the Financial Statements

**17. Financial commitments**

The total future minimum payments in respect of operating leases are shown below:

	Land and buildings		Other	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Expiry date:				
Within one year	305	374	-	14
Between two and five years	545	795	-	26
Greater than five years	255	308	-	-
	<u>1,105</u>	<u>1,477</u>	<u>-</u>	<u>40</u>
	=====	=====	=====	=====

**18. Easily realisable reserves**

The easily realisable reserves are calculated as follows:

	2021 £'000	2020 £'000
Total funds	1,240	1,180
Less restricted funds	(181)	(177)
Less designated funds	-	-
Less unrestricted fixed assets	(676)	(1,106)
Easily realisable reserves	<u>383</u>	<u>(103)</u>
	=====	=====

Sale of a freehold property is in progress at the date of signing, expected to add a further £335K to unrestricted cash reserves.

**19. Analysis of assets and liabilities between funds**

	Fixed Assets £'000	Net current assets £'000	Total £'000
Unrestricted funds	676	383	1,059
Restricted funds	76	105	181
	<u>752</u>	<u>488</u>	<u>1,240</u>
	=====	=====	=====

## Notes to the Financial Statements

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### 20. Pensions

Relate participates in a number of pension schemes.

The main scheme is The Pensions Trust's Growth Plan 4 ("the Plan"). This plan is the one of which employees of the core legacy business were members and the one into which all new joiners have been enrolled since 1 April 2019.

The remaining migrating centres had pension arrangements with NEST, NOW and The Pensions Trust. In all cases these arrangements were defined contribution schemes.

In the medium term, Relate would prefer to consolidate its pension arrangements with a single provider but as noted above, changing pension arrangements will require discussions with employees and may result in financial adjustments and charges. Work continues to assess the ease and desirability of undertaking this consolidation process and any associated financial impacts. There is little prospect of these changes taking place in the near future and so the Trustees consider any financial impact to represent a remote contingent liability.

The total charge to the Statement of Financial Activities for the year in respect of employer's contributions to all these schemes was £137,433 (2020: £164,164). Contributions totalling £21,150 (2020: £12,777) were payable to the funds at the year end and are included in creditors.

#### *Details of Schemes*

##### *Pensions Trust Growth Plan 4 ("the Plan")*

The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS102 represents the employer contributions payable.

Relate paid contributions at two rates of 10% and 3% of pensionable salaries during the year (2020: 10% and 3%). The lower rate is applicable to the auto-enrolment plan. Members paid contributions at the rate of 2%, 5%, 7% or 10% (2019: 2%, 5%, 7% or 10%) during the accounting period.

The trustees of the Pensions Trust's Growth Plan commission an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date.

## Notes to the Financial Statements

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### 20. Pensions (cont.)

Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The Plan was valued as at 30 September 2020 by a professionally qualified actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £799 million and the Plan's Technical Provisions (i.e. past service liabilities) were £832 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £33 million, equivalent to a funding level of 96%.

Currently Relate is not required to contribute additional payments to support the Plan in making good the overall deficit. This is primarily because Relate moved its contributions from The Plan's Growth Series 3 to Growth Series 4 in 2011. However, were Relate to withdraw from the Plan altogether, the Plan's advisers have estimated that Relate would be liable for an additional payment of £50,626 (2020: £63,263) to cover shortfalls generated during the period it participated in the Plan's Growth Series 3. The Trustees consider this to be a remote contingent liability as Relate has no plans to withdraw from the Plan at this stage.

Further details can be found at the Plan's web-site: <http://www.thepensiontrust.org.uk>

#### *Other Pension Schemes*

As noted above, the charity operates a number of defined contribution pension schemes, in addition to The Plan, for qualifying employees in the United Kingdom. The assets of such schemes are held separately from those of the charity in independently administered funds. The contributions payable by the charity charged to the Statement of Financial Activities amounted to £9,856 (2020: £5,603). Contributions totalling £833 (2020: £413) were payable to the schemes at the year end and are included in creditors.

Notes to the Financial Statements

**21. Net Cash provided by operating activities**

a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Net income for the year per the SOFA	<b>60</b>	(1,195)
<b>Adjustments for:</b>		
Depreciation and amortisation	<b>87</b>	59
Loss on disposal of fixed assets	<b>4</b>	-
Interest receivable	-	(2)
Decrease/ (increase) in debtors	<b>267</b>	(28)
Increase in creditors	<b>527</b>	30
Net cash generated / (used) in operating activities	<b>945</b>	(1,136)

b) Analysis of cash and cash equivalents

	<b>At 1 April</b>	<b>Cash</b>	<b>At 31 March</b>
	<b>2020</b>	<b>flows</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	278	1,219	<b>1,497</b>

**22. Critical accounting estimates and judgements**

Estimates and judgements are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

**23. Related party transactions**

There were no transactions with related parties in 2020/21 (2019/20 £nil).