

BOARD OF TRUSTEES REPORT

The trustees present their report together with financial statements for the year ended 31st March 2005. The financial statements have been prepared in accordance with the accounting policies set out on page 5 and comply with the Charities trust deed and applicable law.

Principal Activities

The company is principally engaged in supporting marriage and family life by providing couple and relationship counselling, family counselling, psychosexual therapy and relationship education and training programmes.

It is an independent charity that is part of a Federation of Relate charities receiving training and overall policy decisions from Relate Central Office.

It also has a half share of a long-term tenancy of a charity shop.

Review of the Business and Future Developments

Results

There was a net increase in funds amounting in total to £3,743. The general fund increased by £48. Designated and restricted fund expenses for the year totaled £6,925.

Future strategy

The charity continues to work in accordance with its three-year business plan in which the key strategic objectives as follows:

- Strengthen the core services and continue to develop appropriate and relevant services to meet the needs of the local community
- Maintain and diversify income sources
- More counseling services to outposts around the city

This year the client intake has remained similar to 2003/04 but there are indications that there will be an increase in the year 2005/06. It is intended to review the training and education services with a view to expanding these services when and if resources are available.

The charity shop has not produced the level of income as expected. Trading was impacted by a fire at the local supermarket, which forced it to close. This closure resulted in reduced customer footfall in the local area.

Reserves Policy

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between 3 and 6 months of the resources expended. This amounts to a figure of £46,055 to £92,109 in general funds. At this level, the trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities developed to compensate. At present the general reserves, which amount to £39,522, are marginally outside this band. The trustees will be seeking to correct this level in the forthcoming year.

Risk Review

The trustees have conducted their own review of the major risks to which the charity is exposed as part of the three-year business plan and recognises the external and internal factors threatening the activities of the charity.

The level of fund aid and health grants is always considered to be under threat and the trustees recognise that the Charity is very vulnerable to a sudden significant change in policy by the grant-makers. The manager of the Centre has drawn up an action plan to address these risks.

Internal risks are considered minimal by the implementation of financial procedures that are periodically reviewed to ensure they are working efficiently.

Directors

The directors in office during the year are listed below. Except where noted all served throughout the year.

- Bernard Quinn
- Maureen Forbes
- John Bates
- Gail Hawks
- Vanessa Nagy (appointed 05/01/05)
- Darshana Jagatia (resigned 19/05/04)
- Malini Sen (resigned 28/07/04)

Limited Company Status

The company is limited by guarantee and has no share capital. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the Charitable Company in the event of winding up. The total number of guarantees at 31 March 2005 was 5 (2004 – 6).

The word 'Limited' is omitted by license of the Secretary of State for Trade and Industry.

Tax Status

The company is a registered charity (registered number 1018848).

Directors responsibilities for the financial statements

Charities law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of the resources of the charity in that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which will enable them to prepare financial statements and will enable them to ensure that the financial statements comply with the requirements of the Charities Act 1993. They are also responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Keens Shay Keens Limited offer themselves for appointment as auditors in accordance with Section 385 (2) of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Bernard Quinn', written in a cursive style.

Bernard Quinn
Chair

REPORT OF THE AUDITORS TO THE MEMBERS OF RELATE MILTON KEYNES

We have audited the financial statements on pages 5 to 12, which have been prepared on the basis of the accounting policies set out on page 5.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 2 the charity's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We have been appointed auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of the Act.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Keens Shay Keens Limited
Registered Auditor and
Chartered Accountants
Exchange Building
16 St Cuthberts Street
Bedford MK40 3JG

1/11/05 *Amber 2005*

PRINCIPAL ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting to Charities" (SORP 2000) issued in October 2000.

Depreciation

Depreciation is calculated to write down the cost of all fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are:

- Freehold property 50 years
- Furniture and fittings 4 years

Annual Grants

Annual grants are received at different dates during the year. Grants included in income represent that portion which relates to the period covered by the financial statements. The remainder is carried forward as deferred income.

Shop Income

Shop income is received in arrears in two instalments during the year. Income included in the Statement of Financial Activities represents the amount due for the period covered by these financial statements. Income not received in respect of the current year is provided for as accrued income at the year end.

Pension contributions

The cost of providing pensions for employees is charged to the Statement of Financial Activities on the basis of contributions made during the year. All contribution payments were up to date at the year end.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2005


	Note	Unrestricted Fund £	Designated Fund £	Restricted Fund £	31 March 2005 £	31 March 2004 £
Incoming Resources						
Donations from clients		56,865	-	-	56,865	48,537
Activities to further the charity's objectives: Grants and contracts for advice and information	2	121,041	2,000	-	123,041	92,570
Activities to generate funds: Shop income		4,455	-	-	4,455	4,820
Investment income and interest		3,116	-	-	3,116	2,069
Other incoming resources		485	-	-	485	197
Total Incoming Resources		<u>185,962</u>	<u>2,000</u>	<u>-</u>	<u>187,962</u>	<u>148,193</u>
Resources used						
Charitable expenditure		80,491	4,281	-	84,772	83,180
Management and administration		96,803	2,644	-	99,447	66,637
Total Resources Used	3	<u>177,294</u>	<u>6,925</u>	<u>-</u>	<u>184,219</u>	<u>149,817</u>
Net Incoming/(Outgoing) Resources		8,668 (8,620)	(4,925) 8,620	- -	3,743 -	(1,624) -
Net movement in funds		<u>48</u>	<u>3,695</u>	<u>-</u>	<u>3,743</u>	<u>(1,624)</u>
Balances brought forward		39,474	87,373	2,154	129,001	130,625
Balances carried forward		<u>39,522</u>	<u>91,068</u>	<u>2,154</u>	<u>132,744</u>	<u>129,001</u>

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the above statement.

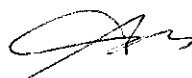
BALANCE SHEET AT 31 MARCH 2005

	Note	2005	2004
		£	£
Assets employed			
Fixed Assets			
Tangible assets	7	49,937	45,015
Current assets			
Stocks		30	30
Cash		133,386	83,527
Amounts due from other debtors		23,925	6,450
		<u>157,341</u>	<u>90,007</u>
Creditors: amounts falling due within one year	8	74,534	6,021
		<u>82,807</u>	<u>83,986</u>
Net Current Assets			
		<u>132,744</u>	<u>129,001</u>
Total assets less liabilities			
		<u>132,744</u>	<u>129,001</u>
Represented by:			
Restricted funds	9	2,154	2,154
Designated funds	9	91,068	87,373
General funds	9	39,522	39,474
		<u>132,744</u>	<u>129,001</u>

The financial statements were approved by the directors on



B Quinn
Chair



M Forbes
Treasurer

The accompanying policies and notes form an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

1 INCOME

The income of the company comes mainly from grants from public bodies, client payments and a charity shop.

2 INCOMING RESOURCES FROM ACTIVITIES TO FURTHER THE CHARITY'S OBJECTIVES

	Unrestricted 2005 £	Unrestricted 2004 £
Milton Keynes Council	59,860	59,855
Buckinghamshire Health Authority	17,932	17,932
Children's Fund	36,784	-
Education Work	6,465	11,283
Total grants and contracts	121,041	89,070

3 TOTAL RESOURCES EXPENDED

	2005 £	2004 £
Staff costs (Note 5)	107,591	90,051
Selection, training and supervision	34,524	24,503
Premises	13,324	8,980
Communications	2,951	2,974
Computer expenses	6,251	1,312
Audit fees	575	529
Sundries	14,726	18,593
Depreciation	3,465	2,145
Bank charges and interest	812	730
	184,219	149,817

4 NET INCOMING RESOURCES

The net movement in funds is stated after:

	2005 £	2004 £
Auditors remuneration	575	529
Depreciation	3,465	2,145

5	EMPLOYMENT COSTS	2005	2004
		£	£
	Salaries and wages	87,582	83,626
	Social security	19,066	4,808
	Other pension costs	943	1,617
		<u>107,591</u>	<u>90,051</u>

Four employees earned between £10,000 and £20,000, the others all earned below £10,000.

None of the directors received any remuneration during the year or received reimbursement of any expenses.

The average number of employees during the year was 15 (2004:15). All employees were part time.

Pension costs represent amounts paid in respect of employees' defined contributions, which are held outside of the charity.

6 TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

7 TANGIBLE FIXED ASSETS

	Total £	Freehold property £	Furniture & Fittings £
Cost			
Balance at 1 April 2004	70,669	50,000	20,669
Additions in year	8,387	-	8,387
Balance at 31 March 2005	79,056	50,000	29,506
Depreciation			
Balance at 1 April 2004	25,654	8,000	17,654
Charge for year	3,465	1,000	2,465
Balance at 31 March 2005	29,119	9,000	20,119
Net book amount at 31 March 2005	49,937	41,000	8,937
Net book amount at 31 March 2004	45,015	42,000	3,015

According to latest information the present market value of the property is in the region of £120,000

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Overdraft	5,332	-
Other creditors and deferred income	69,202	6,021
	74,534	6,021

9	ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted Fund £	Designated Fund £	General Fund £	Total £
	Fixed assets	-	41,000	8,937	49,937
	Cash	2,154	50,068	81,164	133,386
	Other current assets	-	-	23,955	23,955
		<u>2,154</u>	<u>91,068</u>	<u>114,056</u>	<u>207,278</u>
	Creditors due within one year	-	-	(74,534)	(74,534)
		<u>2,154</u>	<u>91,068</u>	<u>39,522</u>	<u>132,744</u>

10 MOVEMENTS IN FUNDS

	At 1 April 2004 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2005 £
Restricted funds:					
Property Improvements	2,154	-	-	-	2,154
Unrestricted funds:					
Designated property fund	42,000	-		(1,000)	41,000
Designated premises fund	33,212	-	-	-	33,212
Designated IT fund	1,781	-	(1,781)	-	-
Designated feasibility study fund	5,000	-	(2,644)	-	2,356
Designated essential maintenance fund	2,380	-	-	4,620	7,000
Designated family counselling fund	3,000	2,000	(2,500)	-	2,500
New service development	-	-	-	5,000	5,000
General funds	39,474	185,962	(177,294)	(8,620)	39,522
	<u>126,847</u>	<u>187,962</u>	<u>(184,219)</u>	<u>-</u>	<u>130,590</u>
Total unrestricted funds	126,847	187,962	(184,219)	-	130,590
	<u>129,001</u>	<u>187,962</u>	<u>(184,219)</u>	<u>-</u>	<u>132,744</u>

PURPOSES OF RESTRICTED FUNDS

The restricted reserve represents donations in respect of property improvements.

PURPOSES OF DESIGNATED FUNDS

Property fund:	This fund represents the net book value of the property.
Premises fund:	The Trustees have allocated funds for the potential move or upgrade to ensure we have more suitable premises.
IT fund:	The Trustees have allocated funds for the improvement of IT facilities for staff.
Feasibility study fund:	The Trustees have allocated funds for architects' fees to assess the possibilities of a move to more suitable premises.
Essential maintenance fund:	The Trustees have allocated funds for the essential maintenance of the current office facilities.
Family counselling fund:	The Trustees have allocated funds for the funding of the family counselling service.
New service development	The Trustees have allocated funds for the funding of a "Young People's Counselling" service, to be spent during 2005/06.

11 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital.

12 CAPITAL COMMITMENTS

There were no capital commitments at the Balance Sheet date.