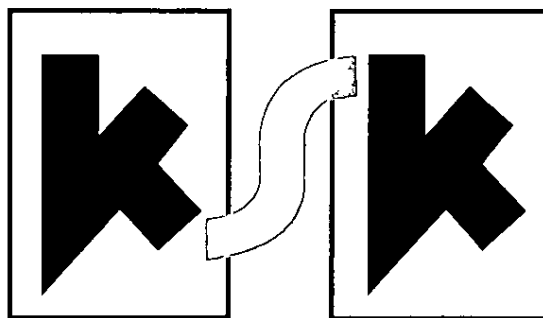


REGISTERED COMPANY NUMBER: 02796665
REGISTERED CHARITY NUMBER: 1018848

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2012
FOR
RELATE MK**



KEENS SHAY KEENS
LIMITED
CHARTERED ACCOUNTANTS
AND BUSINESS ADVISERS

FRIDAY



A26 *A109XYRF* #448
21/12/2012
COMPANIES HOUSE

RELATE MK

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2012**

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7 to 8
Notes to the Financial Statements	9 to 14

RELATE MK

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02796665

Registered Charity number

1018848

Registered office

47 Aylesbury Street
Wolverton
Milton Keynes
MK12 5HX

Trustees

M Forbes	- resigned 20 2 12
J Bailey	- resigned 26 9 12
K Laughton	- resigned 6 11 12
B Zeineh	- resigned 31 7 12
R Chopra	- resigned 1 5 11
J Ferguson	- resigned 15 2 12
L Keen	- appointed 1 5 12
	- resigned 6 11 12
I Henderson	- appointed 14 6 12
	- resigned 6 11 12
M Wasserberg	- appointed 14 11 12
P Kingham	- appointed 14 11 12
D Della-Ventura	- appointed 14 11 12
Mrs J Street	- appointed 14 11 12
Dr M Thomae	- appointed 14 11 12
K Lewington	- appointed 14 11 12
Ms L Crocombe	- appointed 14 11 12

Independent Examiner

Keens Shay Keens Limited
Chartered Accountants
2nd Floor Exchange Building
16 St Cuthberts Street
Bedford
Bedfordshire
MK40 3JG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. 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 31st March 2012 was 20.

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2012**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of new Executive Board Members

The Executive Board should consist of a minimum of six and a maximum of eighteen Members. The Executive Board Members are elected by the Members of the Centre at a General Meeting (or Annual General Meeting, if any) and shall hold office for a year but shall be eligible for re-election. The chair's period of office shall be two years renewable to a maximum of eight years. The maximum period on the Executive shall also be eight consecutive years for all other Members. When elected Members of the Executive complete their terms of office the Executive will invite the Members of the Centre to provide nominations for candidates to stand for election. The Executive can appoint any person whether a Member of the Centre or not to be a co-opted member of the Executive. The total number of co-opted members shall not exceed two. Any co-opted Member of the Executive shall cease to be a co-opted Member if he/she becomes an elected Member.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have conducted their own review of the major risks to which the charity is exposed and recognises the external and internal factors threatening the activities of the charity.

Trustees consider the biggest external financial threat to be the unpredictability of policy changes by local authority commissioners of contracted services and the loss of local authority grants together with the short term nature of some of the organisation's remaining contracts. This added to the reduction in fund raising income and donations being received which we believe can be linked to the recession added to an increase in demand could leave the charity vulnerable. The charity remains flexible, responsive and engaged to new opportunities in order to limit these risks. Trustees have approved a 'cost of closure' plan which ensures that the charity has appropriate reserves.

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

OBJECTIVES AND ACTIVITIES

Principal Objects and activities

Relate Milton Keynes is a relationship support organisation. In planning their activities for the year, trustees kept in mind the Charity Commission's guidance on public benefit.

The impact of our services is to alleviate emotional suffering caused by relationship problems and to reduce the cost of relationship breakdowns in the unitary authority of Milton Keynes. In February 2010, the Relationship Foundation's paper 'Counting the cost of family failure' reported that the financial cost of relationship breakdown has risen to £41.7 billion a year in the UK. This means a cost to each taxpayer in the UK of £1,350 a year.

Our clients have reported that as a result of coming to Relate MK, they experience positive impacts in terms of attendance at work or school, fewer health problems, housing, increased engagement with their local communities, fewer separations, happier, safer relationships and more intimate love lives.

Relate MK support clients through delivering relationship counselling for adult individuals, couples, young people and families, psychosexual therapy and training course. We have also grown the provision of information and guidance about creating and maintaining stronger relationships through new media like Facebook and Twitter. The adult and family counselling services benefit any client who wishes to access Relate regardless of their ability to pay, their ethnicity, sexuality, (dis)ability, faith, gender or age.

The youth counselling is provided for pupils in schools in the city, it benefits young people who are experiencing difficulties as a result of parental separation or adjusting to new family arrangements or other relationships.

Relate welcomes all who live or work in the unitary authority of Milton Keynes and actively promotes services (and regularly reviews how this can be improved) to populations who are currently under-represented in client demographics.

We are an independent charity that is part of a Federation of Relate charities, receiving training and overall policy decisions from Relate Central Office. We have also a long-term tenancy of a charity shop as a means of fundraising.

RELATE MK

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2012

ACHIEVEMENT AND PERFORMANCE

The overall counselling hours delivered by Relate MK has reduced by 8% to 5,427 hours (2011 5,961 hours) This includes

- Family counselling	3,164 (3,293)
- Adult relationship counselling	1,891 (2,136)
- Sex therapy	192 (253)
- Young people's counselling	89 (89)

The reduction in counselling hours was largely due to -

- Financial year 2011 included the delivery of the TAMHs work which ended July 2011, however 75% of the work was carried out prior to March 2011
- We had less counsellors delivering services compared to the previous year due to counsellors leaving, counsellors reducing their work hours and counsellors off on long term sick

The results of our outcomes survey for Relationship counselling clients revealed that

- 90% rated their experience of Relate as 'very good' or 'good'
- 91% would recommend Related to others

FUTURE STRATEGY

By supporting children, young people, families, parents, individuals, couples and organisations both through counselling and training, Relate MK continues to take a holistic view of relationship support and is a leading early intervention, targeted, community based, front-line service provider in the city

From April 2012 Relate MK lost two long standing sources of income

- £62,000 MK Council grant aid to subsidise the cost of Relate counselling to individual adults, couples, families and young people in MK
- £45,000 MK Council contract to deliver free family counselling in community settings in MK

In response the organisation has begun a number of initiatives

- To tender for new contracts for counselling in MK
- To restructure the organisation to become more efficient
- To open a second community shop in Milton Keynes to increase our own fund raising ability

As a result of these activities Relate MK hope to ensure that counselling is available to all in MK who need it regardless of their ability to pay

Vision: Our vision is of a future in which healthy relationships form the heart of a thriving society

Mission Our mission is to develop and support healthy relationships by

- Helping couples, families and individuals to make relationships work better
- Delivering inclusive, high-quality services that are relevant at every stage of life
- Promoting the publics and policymakers' understanding of relationships and what helps them to flourish

Overall Aims To provide the best relationship support in Milton Keynes

Strategic Aims These are as follows

- 1 To deliver a prompt service
- 2 To deliver an affordable service
- 3 To ensure that services are accessible
- 4 To ensure that services are professional
- 5 To ensure that services are effective

Impact the impact of our services will be to alleviate emotional suffering and reduce the diverse costs of relationship breakdowns in Milton Keynes

RELATE MK

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2012**

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 generally be between 3 and 6 months of the resources expended. This amounts to a figure of £63,000 to £114,000 in general funds. At this level, the trustees feel that they would be able to continue the current activities of the charity in the likely 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 (including designated funds) which amount to £178,452 are comfortably above this band. The trustees will keep this policy under constant review.

ON BEHALF OF THE BOARD



K Lewington - Trustee

Date 10/12/12

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF RELATE MK

I report on the accounts for the year ended 31st March 2012 set out on pages six to fourteen

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act), and
- to state whether particular matters have come to my attention

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

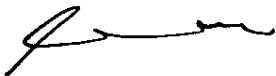
In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Charles Little FCA
Institute of Chartered Accountants in England and Wales
Keens Shay Keens Limited
Chartered Accountants
2nd Floor Exchange Building
16 St Cuthberts Street
Bedford
Bedfordshire
MK40 3JG

Date

14 June 2012

RELATE MK

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2012**

		2012 Total funds £	2011 Total funds £
	Notes		
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	139,884	142,288
Incoming resources from charitable activities			
Milton Keynes Primary Care Trust		18,470	18,751
Education and training		4,423	3,791
Shop income		27,314	23,443
Milton Keynes Council		85,304	136,637
Investment income and interest		1,633	213
Other incoming resources		286	324
Total incoming resources		277,314	325,447
 RESOURCES EXPENDED			
Charitable activities	3		
Staff costs		189,988	227,210
Bank charges and interest		1,496	1,308
Depreciation		2,461	1,859
Communications		2,608	2,925
Computer expenses		6,726	6,165
Premises		5,999	18,469
Selection, training and supervision		23,063	34,832
Sundries		17,480	17,801
Governance costs	4	1,260	2,036
Total resources expended		251,081	312,605
 NET INCOMING RESOURCES		26,233	12,842
 RECONCILIATION OF FUNDS			
Total funds brought forward		221,956	209,114
 TOTAL FUNDS CARRIED FORWARD		<u>248,189</u>	<u>221,956</u>

The notes form part of these financial statements

RELATE MK**BALANCE SHEET (REGISTERED NUMBER 02796665)
AT 31ST MARCH 2012**

		2012 Total funds £	2011 Total funds £
FIXED ASSETS	Notes		
Tangible assets	8	37,933	39,642
Investments	9	<u>3</u>	<u>3</u>
		37,936	39,645
 CURRENT ASSETS			
Stocks		50	50
Debtors	10	28,288	-
Prepayments and accrued income		25,734	24,578
Cash at bank and in hand		<u>177,744</u>	<u>187,728</u>
		231,816	212,356
 CREDITORS			
Amounts falling due within one year	11	<u>(21,563)</u>	<u>(30,045)</u>
 NET CURRENT ASSETS		<u>210,253</u>	<u>182,311</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		<u>248,189</u>	<u>221,956</u>
 NET ASSETS		<u>248,189</u>	<u>221,956</u>
 FUNDS	12		
Unrestricted funds		<u>248,189</u>	<u>221,956</u>
 TOTAL FUNDS		<u>248,189</u>	<u>221,956</u>

The notes form part of these financial statements

RELATE MK

**BALANCE SHEET – CONTINUED (REGISTERED NUMBER 02796665)
AT 31ST MARCH 2012**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2012

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31st March 2012 in accordance with Section 476 of the Companies Act 2006


The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 3rd December 2012 and were signed on its behalf by


K Lewington -Trustee


M Wasserberg -Trustee


D Della-Ventura -Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2012**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Land and buildings	- Straight line over 125 years
Plant and machinery etc	- Straight line over 4 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Taxation

The charity is exempt from corporation tax on its charitable activities

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

Pension costs

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2012

2. VOLUNTARY INCOME

	2012	2011
	£	£
Fundraising and donations	77,954	80,487
Disability Counselling	243	794
Grants	<u>61,687</u>	<u>61,007</u>
	<u>139,884</u>	<u>142,288</u>

3. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Staff costs	189,988	189,988
Bank charges and interest	1,496	1,496
Depreciation	2,461	2,461
Communications	2,608	2,608
Computer expenses	6,726	6,726
Premises	5,999	5,999
Selection, training and supervision	23,063	23,063
Sundries	<u>17,480</u>	<u>17,480</u>
	<u>249,821</u>	<u>249,821</u>

4. GOVERNANCE COSTS

	2012	2011
	£	£
Accountancy	610	1,386
Independent examiners remuneration	<u>650</u>	<u>650</u>
	<u>1,260</u>	<u>2,036</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2012**

5. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2012	2011
	£	£
Depreciation - owned assets	<u>2,635</u>	<u>1,859</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2012 nor for the year ended 31 March 2011

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st March 2012 nor for the year ended 31st March 2011

7. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	172,784	207,308
Social security costs	11,741	14,229
Other pension costs	<u>5,463</u>	<u>5,796</u>
	<u>189,988</u>	<u>227,333</u>

The average monthly number of employees during the year was as follows

	2012	2011
Administrative	<u>9</u>	<u>9</u>

8. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST			
At 1st April 2011	50,000	35,495	85,495
Additions	<u>-</u>	<u>926</u>	<u>926</u>
At 31st March 2012	<u>50,000</u>	<u>36,421</u>	<u>86,421</u>
DEPRECIATION			
At 1st April 2011	15,000	30,853	45,853
Charge for year	<u>1,000</u>	<u>1,635</u>	<u>2,635</u>
At 31st March 2012	<u>16,000</u>	<u>32,488</u>	<u>48,488</u>
NET BOOK VALUE			
At 31st March 2012	<u>34,000</u>	<u>3,933</u>	<u>37,933</u>
At 31st March 2011	<u>35,000</u>	<u>4,642</u>	<u>39,642</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2012**

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings
	£
NET BOOK VALUE AND COST	
At 31st March 2012	<u>3</u>
At 31st March 2011	<u>3</u>

The investment in the subsidiary has been included at cost as the Trustees consider that the cost of obtaining a valuation outweighs the benefit to the users of the accounts

MK Community Shop (Shenley) Limited
Country of incorporation England
Nature of business Sales of goods donated by the public

	% holding
Class of shares	
Ordinary	75

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade debtors	<u>28,288</u>	<u>-</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Other creditors	<u>21,563</u>	<u>30,045</u>
	<u>21,563</u>	<u>30,045</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2012

12. MOVEMENT IN FUNDS

	At 1.4.11 £	Net movement in funds £	Transfers between funds £	At 31.3.12 £
Unrestricted funds				
General fund	127,969	(29,602)	80,085	178,452
Designated property fund	35,000	(1,000)	-	34,000
Family counselling fund	-	(466)	466	-
Designated premises fund	33,212	-	-	33,212
Feasibility study	2,356	-	-	2,356
Designated domestic violence	169	-	-	169
Couple Counselling	-	(4,459)	4,459	-
MK Children's Fund	-	33,291	(33,291)	-
Sure Start	-	12,931	(12,931)	-
Tamhs project	23,250	15,538	(38,788)	-
TOTAL FUNDS	221,956	26,233	-	248,189

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	193,044	(222,646)	(29,602)
MK Children's Fund	45,000	(11,709)	33,291
Sure Start	16,020	(3,089)	12,931
Tamhs project	23,250	(7,712)	15,538
Designated property fund	-	(1,000)	(1,000)
Family counselling fund	-	(466)	(466)
Couple Counselling	-	(4,459)	(4,459)
TOTAL FUNDS	277,314	(251,081)	26,233

MK Children's Fund	The purpose is to deliver Relate services to families in need in venues around Milton Keynes
Sure Start	The purpose is to deliver Relate services to families in need in venues around Milton Keynes
Tamhs project	The purpose of the Tamhs project is to promote emotional well being in primary and secondary schools in Milton Keynes
Designated property fund	This amount is set aside to cover the on going depreciation of the land and buildings
Family counselling fund	The purpose is to support the delivery of family counselling
Couple counselling	The purpose is to support the delivery of family counselling

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2012**

13. RELATED PARTY DISCLOSURES

The company received a covenant of £21,928 (2011 - £18,043) and a management charge of £5,400 (2011 - £5,400) from its subsidiary MK Community Shop (Shenley) Limited. The balance at the year end included in prepayments and accrued income with MK Community Shop (Shenley) Limited was £21,928 (2011 - £18,043).

14. ULTIMATE CONTROLLING PARTY

The company is under the control of its members and as such there is no single controlling party.

15. CAPITAL

The charity has no share capital. The liability of members is limited by guarantee and does not exceed £1 per member.