

# Relate Milton Keynes

## REPORT AND FINANCIAL STATEMENTS

31 MARCH 2003



Registered Charity number: 1018848  
Company number: 2796665

## **BOARD OF TRUSTEES REPORT**

The trustees present their report together with financial statements for the year ended 31st March 2003. 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 £133. The general fund decreased by £7,367 after £7,500 was transferred to the designated fund.

#### **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

This year the client intake has remained similar to 2001/02 but there are indications that there will be an increase in the year 2003/04. It is intended to review the training and education services with a view to expanding these services when and if resources are available.

As in the previous year the charity shop is not producing the levels of return as in the earlier years. Together with the City Counselling Centre, with whom we jointly manage the shop, we are putting in place strategies to maximise income.

#### **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 £34,400 to £68,800 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 £34,686, are satisfactorily within this band. The trustees will be seeking to maintain 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.

- Dr Judith Calder (deceased in the year)
- Eulina Clairmont
- Maureen Forbes
- John Harris (resigned 20/07/02)
- Gail Hawks
- Darshana Jagatia
- Jane Matthews
- Lesley Marshall
- John Bates (appointed 4/02/03)
- Malini Sen (appointed 20/9/02)

**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 2003 was 8 (2002 – 8).

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

**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 judgements 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 offers themselves for appointment as auditors in accordance with Section 385 (2) of the Companies Act 1985.

BY ORDER OF THE BOARD

  
Jane Matthews  
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 2003 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  
Chartered Accountants  
Exchange Building  
16 St Cuthberts Street  
Bedford MK40 3JG

3<sup>rd</sup> October 2003

## **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 2003**

	Note	Unrestricted Fund £	Designated Fund £	Restricted Fund £	31 March 2003 £	31 March 2002 £
<b>Incoming Resources</b>						
Donations from clients		43,372	-	-	43,372	38,605
Activities to further the charity's objectives: Grants and contracts for advice and information	2	86,609	-	-	86,609	85,600
Activities to generate funds: Shop income		5,500	-	-	5,500	4,573
Investment income and interest		1,897	-	-	1,897	2,653
Other incoming resources		237	-	-	237	72
<b>Total Incoming Resources</b>		<u>137,615</u>	<u>-</u>	<u>-</u>	<u>137,615</u>	<u>131,503</u>
<b>Resources used</b>						
Charitable expenditure		84,165	-	-	84,165	68,469
Management and administration		53,317	-	-	53,317	48,462
<b>Total Resources Used</b>	3	<u>137,482</u>	<u>-</u>	<u>-</u>	<u>137,482</u>	<u>116,931</u>
<b>Net Incoming Resources</b>		133	-	-	133	14,572
Transfer between funds		(7,500)	7,500	-	-	-
<b>Net movement in funds</b>		<u>(7,367)</u>	<u>7,500</u>	<u>-</u>	<u>133</u>	<u>14,572</u>
Balances brought forward		42,053	85,500	2,939	130,492	115,920
<b>Balances carried forward</b>		<u>34,686</u>	<u>93,000</u>	<u>2,939</u>	<u>130,625</u>	<u>130,492</u>

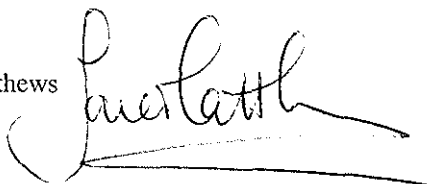
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the above statement.

**BALANCE SHEET AT 31 MARCH 2003**

	Note	2003		2002	
		£	£	£	£
<b>Assets employed</b>					
Fixed Assets					
Tangible assets	7		44,252		44,551
<b>Current assets</b>					
Stocks		30		30	
Cash		85,983		87,042	
Amounts due from other debtors		8,846		4,600	
		94,859		91,672	
<b>Creditors:</b> amounts falling due within one year	8	8,486		5,731	
<b>Net Current Assets</b>			86,373		85,941
<b>Total assets less liabilities</b>			130,625		130,492
<b>Represented by:</b>					
Restricted funds	9	2,939		2,939	
Designated funds	9	93,000		85,500	
General funds	9	34,686		42,053	
			130,625		130,492

The financial statements were approved by the directors on **3 OCTOBER 2003**

J Matthews  
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 2003**

**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 2003 £	Unrestricted 2002 £
Milton Keynes Council	58,681	57,250
Buckinghamshire Health Authority	17,495	17,068
Education Work	10,433	11,282
Total grants and contracts	<u>86,609</u>	<u>85,600</u>

**3 TOTAL RESOURCES EXPENDED**

	2003 £	2002 £
Staff costs (Note 5)	78,150	74,174
Selection, training and supervision	26,223	21,195
Premises	3,841	4,377
Communications	11,616	7,217
Computer expenses	1,827	
Audit fees	529	541
Sundries	12,614	6,390
Depreciation	1,970	2,573
Bank charges and interest	712	464
	<u>137,482</u>	<u>116,931</u>

**4 NET INCOMING RESOURCES**

The net movement in funds is stated after:

	2003 £	2002 £
Auditors remuneration	529	541
Depreciation	<u>1,970</u>	<u>2,573</u>

<b>5</b>	<b>EMPLOYMENT COSTS</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Salaries and wages	71,741	67,785
	Social security	3,940	3,714
	Other pension costs	2,469	2,675
		<u>78,150</u>	<u>74,174</u>

Two 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 12 (2002 : 14). 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 2002	66,090	50,000	16,090
Additions in year	1,671	-	1,671
Balance at 31 March 2003	67,761	50,000	17,761
Depreciation			
Balance at 1 April 2002	21,539	6,000	15,539
Charge for year	1,970	1,000	970
Balance at 31 March 2003	23,509	7,000	16,509
Net book amount at 31 March 2003	44,252	43,000	1,252
Net book amount at 31 March 2002	44,551	44,000	551

In the opinion of the Directors the market value of the property is in excess of £105,000.

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003 £	2002 £
Other creditors	8,486	5,731
	8,486	5,731

**9 ANALYSIS OF NET ASSETS  
BETWEEN FUNDS**

	Restricted Fund £	Designated Fund £	General Fund £	Total £
Fixed assets	-	43,000	1,252	44,252
Cash	2,939	50,000	33,044	85,983
Other current assets	-	-	8,876	8,876
	<u>2,939</u>	<u>93,000</u>	<u>43,172</u>	<u>139,111</u>
Creditors due within one year	-	-	(8,486)	(8,486)
	<u>2,939</u>	<u>93,000</u>	<u>34,686</u>	<u>130,625</u>

**10 MOVEMENTS IN FUNDS**

	At 1 April 2002 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2003 £
Restricted funds:					
Property Improvements	2,939	-	-	-	2,939
Unrestricted funds:					
Designated property fund	44,000	-	-	(1,000)	43,000
Designated premises fund	27,000	-	-	9,000	36,000
Designated bursary fund	1,500	-	-	(1,500)	-
Designated IT fund	5,000	-	-	(2,000)	3,000
Designated feasibility study fund	5,000	-	-	-	5,000
Designated essential maintenance fund	3,000	-	-	-	3,000
Designated family counselling fund	-	-	-	3,000	3,000
General funds	42,053	139,307	(139,174)	(7,500)	34,686
	<u>127,553</u>	<u>139,307</u>	<u>(139,174)</u>	<u>-</u>	<u>127,686</u>
Total unrestricted funds	127,553	139,307	(139,174)	-	127,686
	<u>130,492</u>	<u>139,307</u>	<u>(139,174)</u>	<u>-</u>	<u>130,625</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.
Bursary fund:	The Trustees have allocated funds for the provision of essential professional development for counselling staff.
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.

## 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.