

Charity Registration No. 1053223

Company Registration No. 03141164 (England and Wales)

RELATE LONDON NORTH WEST AND HERTFORDSHIRE
(A company limited by guarantee)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



Sobell Rhodes LLP
Unit 501 Centennial Park
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Elstree
Borehamwood
WD6 3FG

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P Lawder, Chair R Bentley P Bladon (resigned 11 December 2019) M J Hemming CB M C Henson M J Holden (resigned 15 April 2019) J Lammiman (appointed on 11 December 2019) A Jolliffe, Treasurer (resigned 11 December 2019) S Mathers P McDaid T J Moore, Vice Chair R Neil OBE S O'Brien N Tavender (appointed 11 March 2020) V N Tiwari (appointed 3 April 2019) B Wealthy, Vice Chair (resigned 11 December 2019) L Wood, Vice chair
Senior Management Team	E Malcolm, Chief Executive N Cunliffe, Services Manager J Lewis, Clinical Manager S Smith, Financial and Monitoring Manager
Charity number	1053223
Company number	03141164
Principal office	1st Floor, Civic 9 Milton Road Civic Centre Harrow HA1 1GT
Registered office	First Floor Civic Centre 9 Milton Road Harrow Middlesex United Kingdom HA1 1GT
Solicitors	Radar Limited 6 Beacon Way Hull East Yorkshire HU3 4AE

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Charities Aid Foundation Bank Limited
25 Kings Hill Avenue
King Hill
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Kent
ME19 4JQ

Bank of Scotland
33 Old Broad Street
London
BX2 1LB

Independent examiner

Sobell Rhodes LLP
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RELATE LONDON NORTH WEST AND HERTFORDSHIRE

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RELATE LONDON NORTH WEST AND HERTFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The Board of Trustees of Relate London North West and Hertfordshire ("the charity") presents its annual report and accounts for the year ended 31 March 2020. The Board is satisfied with the performance of the charity during the year and its financial position as at 31 March 2020. The Trustees consider that the charity is well placed to continue its activities during the coming year, and that its assets are adequate to fulfil its obligations.

Name, registered office and constitution of the charity

The full name of the charitable company is Relate London North West & Hertfordshire. The charity was previously known by the names Relate Central Middlesex and Relate London North West

The legal registration details are:-

Date of incorporation: 22 December 1995

Company registration number: 3141164

The Registered Office is (as at 31.03.20): Clivic 9, Milton Road, Harrow, Middlesex, HA1 1GT

Charity Registration Number 105322

The telephone number is: 020 8427 8694

Structure, Governance and Management

The members of the charity annually appoint Trustees who are also Directors of the company. The Trustees appoint one of their number as a Chair, at least one Vice Chair and a Treasurer. These office bearers form the Executive Committee. The full Board of Trustees meets quarterly and the Executive Committee meets in the intervening months. The Chief Executive is accountable to Trustees at these meetings. The Trustees delegate the day to day running of the charity to the Chief Executive and the management team. Trustees are all volunteers. They are recruited with a view to their relevant skills, knowledge and experience. Harrow and Hillingdon Councils annually nominate Councillors to be co-opted to the Board.

Objectives and activities of the charity

A summary of the objectives of the charity as set out in its governing document.

The charitable company exists to;

-educate the public concerning the benefits of secure and committed relationships;

-seek to enhance the good health, both mental and physical, of adults and children;

-provide counselling, mediation, advice, education, guidance and relief to adults and/or children in relation to any aspect of contemporary life or work.

The charity operates in the London Boroughs of Barnet, Brent, Camden, Ealing, Harrow, Hillingdon, Islington and Westminster and across the county of Hertfordshire.

An explanation of the charity's main aims and objectives for the year

The charity's main objective for the year was to promote the objectives set out in its governing document and to provide such further related services that will enhance the range and effectiveness of those objectives.

An explanation of the charity's main strategies for achieving its stated objectives

The charity is a member of the Relate Federation and works within its framework and in accordance with the strategy set out in its own business plan.

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Details of significant activities

The company's services are in three main areas:

1. Counselling - couple counselling, family counselling, adult relationships counselling, psychosexual therapy and counselling for children and young people.
2. Mediation - family mediation.
3. Education - courses for individuals.

Relate London North West and Hertfordshire also supports volunteers who run the Uxbridge Child Contact Centre.

The company's grant making policies

The company does not make grants.

Social or programme-related investments

There is no programme related investment.

The contribution of volunteers

The charity has some counselling practitioners who work in a purely voluntary capacity. All Trustees are volunteers.

Summary of main activities of the charity in relation to its objects

The organisation has its principal office in Harrow with another administrative hub in Hemel Hempstead. Until 24th March 2020, it provided services from venues in Barnet, Brent, Camden, Ealing, Hillingdon, Islington, Westminster and across Hertfordshire. As a result of the Covid-19 pandemic the charity moved all its counselling and mediation work to webcam so that practitioners and clients are safe at home.

The services provided focus on relationships at all stages of life and families. These services are;

Adult Relationship counselling

For couples or individuals who experience difficulties in their adult relationships. Clients are seen for initial assessment session of one hour. Following on from this they usually attend a series of fifty-minute counselling sessions, typically for 10 weeks.

Family counselling

This is a service for people who wish to attend as a family group. Clients are seen together or separately for sessions of varying lengths, as agreed with the counsellor, to work through issues that are affecting their family and other relationships.

Psychosexual therapy

For individuals or couples for whom the main identified problem is a sexual one. This programme aims to help the individual or couple relearn more satisfying sexual behaviour and to develop a mutual sense of confidence and enjoyment in love-making.

Family mediation

This is for people who are separating or divorcing. They are able to talk through issues affecting their children, financial arrangements and property. The charity also offers other conflict resolution services such as neighbourhood and workplace mediation.

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Children and Young Peoples counselling

The charity is contracted to provide counsellors in one school in Hillingdon (one Primary). Counsellors make thirty to forty minute appointments with young people experiencing a range of difficulties including bereavement and depression. Individual counselling is also available to children and young people in some of our venues from specialist counsellors. Usually family counselling is also appropriate.

Education and training services

Relate's Counselling Skills for Non counsellors course is offered free to eligible people with the assistance of a grant from Harrow Council. Many participants are also volunteers with other local charities so there is benefit to our wider community as well as to the individuals who participate.

The charitable company acts in accordance with its business plan, which is reviewed by the Executive Committee and Board of Trustees on a regular basis.

Achievements and Performance of the Charity

A review of charitable activities and main achievements undertaken by the charity revealed the following performance highlights over the course of the year:

Counselling

'Mindfulness'

- Relationship counselling was used by 4164 people for a total of 10,543 sessions (2018/2019: 3,437 people for a total of 8641 hour long sessions).
- Family counselling was provided to 457 people (2018/2019: 402 people).
- Children and young people's counselling benefited 219 (2018/2019 242) young people between the ages of 11 and 18 years
- Psychosexual therapy was used by 537 (2018/2019: 504) people.

Supporting Children

- Uxbridge Child Contact Centre has enabled contact for 48 families (2018/2019: 45) families, including 60 children (2018/2019: 57) where there is a non-resident parent

Mediation

- Family mediation 390 (2018/2019: 405) new referrals were received.

Mediation Information and Advice (Assessment) Meetings (MIAM) - a total of 526 (2018/2019: 480) referrals were received.

Training

-Training has provided opportunities for 66 (74 in 2018/19) people, through 72 (90 in 2018/19) training hours to develop counselling skills through our four day and one day Counselling Skills for Non Counsellors and our communication workshops. The CPD programme for our practitioners was successful with extremely positive feedback, providing subjects such as: 'Co-ordinated management of meaning', 'Formulation in counselling and psychotherapy', 'Working relationally with attachment and traumatic bonding', 'Working with bereavement', 'Sex and sexuality in the therapeutic space', 'Working Systemically with Family Violence and Attachment Dilemmas: Risk, Safety and Responsibility', 'Westminster Drug Project – drug and Alcohol awareness' and 'Mindfulness'

We also run an annual conference for Trustees, staff and all practitioners.

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Fundraising activities

Charges are made for the provision of counselling and psychosexual therapy services based on the clients' income and their ability to pay. Only two of the eighteen local authorities in our territory (8 boroughs and 10 Herts councils, i.e. Dacorum and Hillingdon) provided grants, which partially assisted the charitable company to provide services to those clients who could not afford to pay either all or part of the charge.

Family mediation is funded by the Legal Services Commission in the case of clients who are eligible for public funding and by private clients according to incomes.

Harrow Council provide a grant for some places on our 'Counselling Skills for Non Counsellors' Course. The charity's counsellors explain to all clients that the basic cost of each session is £75. Applying a sliding scale, counselling clients who have a household income of more than £40,000 are invited to contribute more than the base cost. 20-25% of our clients pay more in order to support the charity. This allows us to provide financial support to about a quarter of the charities clients who cannot afford the full cost of a session.

Client contributions

Most clients pay their contributions by credit/debit card and a very small proportion by cheque and cash.

The Executive Committee has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks, as far as it is practicable. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed by the Trustees to ensure that they will meet the needs of the charity.

Relationships with other groups, Charities and Individuals

The charity works closely with other members of the Relate Federation and with related government agencies, charities and local community groups.

Financial Review

The Trustees regularly review the risks facing the Charity. The principal strategic risks identified during the year are;

- Loss of the Relate brand (including reduction or loss of the Relate website listing of Relate LNWH venues which attracts self-referral clients)
- Loss of the use of Relate National services and systems (including reduction or loss of support from Relate national for telephone and case management systems)
- Financial underperformance due to not meeting income forecasts (including the loss of grant and contract income)

The charity has taken action to monitor, mitigate and actively managing these strategic risks. Trustees have also considered the reliability of income and the extent to which expenditure is committed.

Steps taken to establish the level of reserves:

The charity monitors cash flow, considers the need for contingency funds, and anticipates specific liabilities. In 2018/2019, income did not grow at the rate anticipated and in particular did not achieve the budget target for the final quarter. This short fall was primarily due to 'high hours' counsellors leaving the Charity because of their personal circumstances and the Charity's inability to engage sufficiently qualified practitioners to replace them in order to meet demand.

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Also, the Financial Statement for 2017/2018 highlighted the need to designate funds for in the event of the Charity requiring to relate from its hub at Civic 9 in Harrow. A fund of £155,000 was earmarked. The current lease of the Civic 9 office with Harrow Council is due to end on 1st May 2022. The office has not been occupied from March to October 2020 so the Trustees are currently reviewing whether to give notice to terminate the lease. The charity also has a lease on a free standing 3 storey building in Hemel Hempstead. Any move from Civic 9 will be an opportunity to renew and upgraded office, communication and technology equipment.

The level of reserves required:

The Trustees consider a reserve of between 2.5 and 3.5 months of expenditure is required (in 2019/2020 being approximately £210,000 to £290,000).

The unrestricted funds not committed or invested in tangible assets amounted to £323,774 (2018/2019: £362,516).

How and when the reserves policy will be reviewed:

The reserves policy is reviewed annually and the risk register is reviewed quarterly.

The investment policy and objectives, including the extent (if any) to which social, environmental or ethical considerations are taken into account

The Executive Committee has considered the most appropriate policy for investing funds and has found long-term fixed deposits best meet the charity's requirements. It considers the return on investments in the year to be satisfactory and is not aware of any unethical or environmentally irresponsible activities by the banks maintaining the charity's deposits.

Availability and adequacy of assets of each of the funds.

The financial statements are set out on pages 14 to 24. They have been prepared implementing the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (effective April 2005) and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). As stated in the introduction to this report, the Trustees consider the financial performance by the charity during the year to have been satisfactory.

The Statement of Financial Activities shows net outflow of resources for the year of a revenue nature of £38,455 (2018/2019: £58,298) and no realised resources of a capital nature, making a net overall reduction in resources of £38,455 (2018/2019: £58,298).

The total reserves at the year end stand at £426,219 (2018/2019: £464,674).

A majority of the expenditure is spent on salaries, for practitioners (counsellors, mediators and trainers), management and administration staff.

Specific changes to fixed assets

The additions to fixed assets are computer and other office equipment costing £2,960 (2018/2019 - £5,438).

Share capital

The company is limited by guarantee and therefore has no share capital.

Impact of Covid 19 pandemic on the charity

On 24th March 2020 the charity closed all its venues and arranged for all counselling and mediation practitioners to work from home using webcam and Zoom. All of the support staff, and management team were furloughed in the Government's Job Retention Scheme for at least 3 weeks. Demand for counselling and mediation dropped significantly in March, April and May 2020. However, from June to October the charity has delivered more counselling sessions each month than the same time last year. Rent holidays for most venues were agreed and where necessary leases were terminated. The Trustees consider that the new digital 'Zoom First' delivery model may be sustainable and the management are developing a transition programme to ensure the technical infrastructure and administration systems are sufficiently robust to support this change.

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

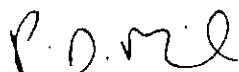
FOR THE YEAR ENDED 31 MARCH 2020

Plans for future periods

In future periods the charity intends to continue to provide existing service in an accessible and sustainable way. A forward plan for the period 2020-2023 has been prepared and approved by the Trustees. This plan is under review in light of the significant changes necessitated by the Covid 19 pandemic. It is likely that most, if not all, of our staff will continue to work at home for the foreseeable future and that the charities counselling and mediation services will be offered primarily by way of webcam ('Zoom first').

Business Plans and budgets are prepared annually. The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees' report was approved by the Board and signed on its behalf by: P McDaid



.....
Trustee

Dated: 9 December 2020

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The trustees (who are also the directors of Relate London North West and Hertfordshire for the purpose of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

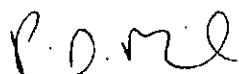
Company Law requires the to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, they are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 9 December 2020 and signed on its behalf by:



.....
P McDaid
Trustee

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

INDEPENDENT EXAMINER'S REPORT

TO THE OF RELATE LONDON NORTH WEST AND HERTFORDSHIRE

I report to the charity trustees on my examination of the financial statements of Relate London North West and Hertfordshire (the charity) for the year ended 31 March 2020.

Responsibilities and basis of report

As the charity's trustees of Relate London North West and Hertfordshire (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the are not required to be audited under Part 16 of the 2006 Act and are eligible for Independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since Relate London North West and Hertfordshire's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Sobell Rhodes LLP

Sobell Rhodes LLP

Adam Shelley FCCA
Association of Chartered Certified Accountants

Sobell Rhodes LLP
Ground Floor
Unit 501 Centennial Park
Centennial Avenue
Elstree
Borehamwood
WD6 3FG
United Kingdom

Dated: 9 December 2020

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income from:</u>							
Donations and legacies	2	14,698	-	14,698	15,564	-	15,564
Charitable activities	3	911,385	48,070	959,455	841,686	83,000	924,686
Investments	4	2,894	-	2,894	2,661	-	2,661
Total income		928,977	48,070	977,047	859,911	83,000	942,911
<u>Expenditure on:</u>							
Charitable activities	5	967,719	47,783	1,015,502	918,599	82,610	1,001,209
Gross transfers between funds		-	-	-	9,935	(9,935)	-
Net (expenditure)/income for the year/							
Net movement in funds		(38,742)	287	(38,455)	(48,753)	(9,545)	(58,298)
Fund balances at 1 April 2019		362,516	102,158	464,674	411,269	111,703	522,972
Fund balances at 31 March 2020		323,774	102,445	426,219	362,516	102,158	464,674

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	9		12,106		14,617
Current assets					
Debtors	10	57,478		49,490	
Cash at bank and In hand		471,790		459,114	
		<u>529,268</u>		<u>508,604</u>	
Creditors: amounts falling due within one year	11	(115,155)		(58,547)	
Net current assets			414,113		450,057
Total assets less current liabilities			<u>426,219</u>		<u>464,674</u>
Income funds					
Restricted funds	12		102,445		102,158
Unrestricted funds			323,774		362,516
			<u>426,219</u>		<u>464,674</u>

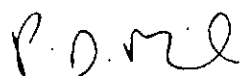
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the on 9 December 2020



.....
P McDaid
Trustee

Company Registration No. 03141164

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Operating activities					
Net cash (expenditure)/ income			(38,455)		(58,298)
Adjustments to cash flows from non-cash items					
Depreciation	9	5,471		5,580	
Investment Income	4	(2,894)		(2,661)	
			35,878		(55,379)
Working capital adjustments					
Decrease/(increase) in debtors	10	(7,988)		6,211	
Increase/(decrease) in creditors	11	56,608		1,258	
Net cash used in operating activities			12,742		(47,910)
Investing activities					
Purchase of tangible fixed assets	9	(2,960)		(5,438)	
Interest received	4	2,894		2,661	
Net cash used in investing activities			(66)		(2,777)
Net increase/(decrease) in cash and cash equivalents			12,676		(50,687)
Cash and cash equivalents at beginning of year			459,114		509,801
Cash and cash equivalents at end of year			471,790		459,114

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity Information

The charity is limited by guarantee, incorporated in England and Wales.

The address of its registered office is:

1st Floor, Civic 9 Milton Road
Civic Centre
Harrow
HA1 1GT

The principal place of business is:

1st Floor, Civic 9 Milton Road
Civic Centre
Harrow
HA1 1GT

These financial statements were authorised for issue by the Trustees on 9 December 2020.

1.1 Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

In view of the current COVID-19 pandemic the trustees have undertaken an assessment of the viability of the charity for a period of 12 months from the date of approval of these financial statements and are of the opinion the preparation of them as a going concern is appropriate for the charity.

1.3 Income and endowments funds

All income is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and the settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

1.4 Expenditure

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

Charitable activities

Charitable expenditure comprises these costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity costs categories on a basis consistent with the use of resources, for example, allocating property costs by the floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

1.5 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Furniture and equipment	25% straight line basis
Cabling and CCTV	8 years over the life of the asset

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Trade Debtors

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

Trade Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least 12 months after the reporting date, they are presented as non-current liabilities.

1.8 Financial Instruments

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

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

1.9 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. Restricted funds in the financial statements relate to those which will be used in the Dacorum project.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations from individuals	2,698	3,564
Government grants	12,000	12,000
	<u>14,698</u>	<u>15,564</u>

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Charitable activities

	Charitable income 2020 £	Charitable income 2019 £
Income from charitable activities	959,455	924,686
Analysis by fund		
Unrestricted funds	911,385	841,686
Restricted funds	48,070	83,000
	959,455	924,686

The restricted fund of £48,070 (2019: £83,000) represents Dacorum contract. As part of the Dacorum contract the charity received amounts totaling £34,930 on behalf of Mediation Hertfordshire which was paid to them in quarterly payments during the year.

4 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable on bank deposits	2,894	2,661

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Expenditure on charitable activities

	Charitable Expenditure 2020 £	Charitable Expenditure 2019 £
Share of support costs	1,010,981	997,063
Share of governance costs	4,521	4,146
	<u>1,015,502</u>	<u>1,001,209</u>
Analysis by fund		
Unrestricted funds	967,719	918,599
Restricted funds	47,783	82,610
	<u>1,015,502</u>	<u>1,001,209</u>

Included in governance costs is the independent examiner's fee.

6 Net movement in funds	2020 £	2019 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of fixed assets	<u>5,471</u>	<u>5,580</u>

7 Trustees remuneration and expenses

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Taxation

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

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 April 2019	135,721
Additions	2,960
At 31 March 2020	138,681
Depreciation and Impairment	
At 1 April 2019	121,104
Depreciation charged in the year	5,471
At 31 March 2020	126,575
Carrying amount	
At 31 March 2020	12,106
At 31 March 2019	14,617

10 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	24,820	7,379
Prepayments and accrued income	32,658	42,111
	57,478	49,490

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	12,455	12,844
Trade creditors	41,899	10,781
Other creditors	-	9,394
Accruals and deferred income	60,801	25,528
	115,155	58,547

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Funds

	Movement In funds				Movement In funds			
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£	£	£	£	£
Unrestricted funds								
General	411,269	859,911	(918,599)	9,935	362,516	928,977	(987,719)	323,774
Restricted funds	111,703	83,000	(82,610)	(9,935)	102,158	48,070	(47,783)	102,445
Total funds	522,972	942,911	(1,001,209)	-	464,674	1,011,977	(1,050,432)	426,219

RELATE LONDON NORTH WEST AND HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Analysis of net assets between funds

	Unrestricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:				
Tangible assets	12,106	12,106	14,617	14,617
Current assets	529,268	529,268	508,604	508,604
Current liabilities	(115,155)	(115,155)	(58,574)	(58,574)
	<u>426,219</u>	<u>426,219</u>	<u>464,647</u>	<u>464,647</u>

14 Analysis of net funds

	As at 1 April 2019 £	Cash flow £	As at 31 March 2020 £
Cash at bank and in hand	459,114	12,676	471,790
Net debt	<u>459,114</u>	<u>12,676</u>	<u>471,790</u>