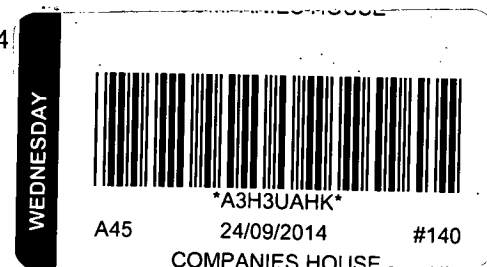


relate
the relationship people

Report and Accounts For the year ended 31 March 2014

Limited by Guarantee
Company Number 394221
Registered Charity Number 207314



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TRUSTEES' REPORT

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

Registered Number of Company: 394221
Registered Charity Number: 207314

Board members (Trustees of the Charity)

Regional Constituency members (see section 2)

Name	Constituency	Relate Centre
Peter Purnell	North	Derby & Southern Derbyshire
Paul Ramsden	North	Cheshire and Merseyside (retired November 2013)
Chris Callaghan	North	Greater Manchester South
Lucy Hadfield	South East	Medway & North Kent
Nella Lake	South East	West & Mid Kent
Phil Lawder	South East	London North West
Martyn Carr	Central	Lincolnshire
Graham Parker - <i>Vice Chair</i>	Central	Birmingham
Trevor Longman	South West	Portsmouth (retired November 2013)
Lou Scott-Joynt	South West	Winchester and District (retired November 2013)
Sue Maplesden	South West	Portsmouth
Ken Littlewood	South West	Mid Wiltshire

Co-opted members (see section 2)

Sarah Bond	
Sir Richard Broadbent	(Retired April 2014)
Andrew Ketteringham – <i>Chair</i>	
Charles Scott - <i>Treasurer</i>	
Professor Janet Walker	
Vineeta Manchanda	(Appointed June 2014)

President

Sir Professor Cary L. Cooper CBE

Vice Presidents

Ed Straw
Dennis Tindley
Baroness Tyler of Enfield
Nick Tarsh OBE

Company Secretary Jeni Graham

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

Auditors Baker Tilly UK Audit LLP, Chartered Accountants, St Philips Point, Temple Row, Birmingham, B2 5AF

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

2. Structure, Governance and Management

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

Under the former Articles the Board comprised of up to 20 Board Members elected through Regional Constituency meetings and up to five co-opted Board Members. Up to two employees of Relate Centres per Region could become elected Board Members.

Under the new Articles the Board will be comprised of up to 8 Board Members elected nationally at the AGM and up to six co-opted Board Members. Centre employees are no longer eligible to serve as Board Members.

The new Articles include transitional arrangements to cover the period from their adoption until the AGM which will be held in November 2014:

- All current Board Members will continue to serve
- The Board of Trustees may co-opt additional Board Members up to the new maximum of six co-optees
- At the AGM the terms of office of all currently serving Board Members will terminate

At the AGM a new Board of Trustees will be appointed by the Members:

- Elections will take place at the AGM with 8 elected Board Member places being available
- The Board of Trustees may co-opt up to six Board Members with terms of office starting after the AGM
- The Co-opted Board Members will be endorsed by the Members at the AGM

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

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

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

New trustees receive an induction pack containing everything they need to know about Relate's work supporting clients, the Relate Federation and its work, in order to assist with informed and effective decision-making. They also attend an induction day at the Charity's offices. As part of their induction, trustees are provided with the *Code of Good Governance* guidelines, produced by the National Hub of Expertise in Governance. Ongoing training is then provided as identified on a case by case basis. An updated system for trustee appraisal was implemented during the year.

All trustees of Relate give their time voluntarily and receive no benefits from the Charity other than the Chair who receives an honorarium. Reasonable travel expenses are reclaimed from the Charity and are set out in note 11 to the accounts.

Committees

Relate has a number of Committees, with individual responsibilities for various aspects of the business.

The Finance and Audit Committee meets a minimum of three times per year and is responsible for ensuring there is a framework for accountability for examining and reviewing all systems and methods of control, both financial and otherwise, including risk analysis and risk management, and for ensuring Relate is complying with all aspects of the law, relevant regulations and good practice.

2. Structure, Governance and Management (cont.)

The Federation Affairs Committee meets a minimum of twice per year and monitors effective governance across the Relate Federation and address issues of poor performance or non-compliance.

The Services and Practice Committee meets four times per year and has responsibility for the quality and services provided by the Federation and Relate. It acts as an advisory and monitoring tool for the Board to ensure client services are appropriately and consistently delivered, and that our services are relevant to our strategic aims.

The Remuneration & Nominations Committee make recommendations to the Board regarding the Chief Executive's remuneration and the remuneration policy for the Executive Leadership Team, and exercise general oversight concerning matters pertaining to the structure, composition, appointment and effectiveness of Relate's Board and its Committees.

Sub-groups can be established on a short-term basis where particularly high risk or high importance projects require closer oversight and scrutiny. These groups report in to Committees or directly to Relate's Board.

Current Committee membership

Finance & Audit

Charles Scott (*Chair*)

Chris Callaghan

Vineeta Manchanda

Sue Maplesden

Federation Affairs

Ken Littlewood (*Chair*)

Peter Bounds (*Relate Cheshire & Merseyside*)

Geoff Heath (*Relate Brighton, Hove, Worthing and District*)

Lucy Hadfield

Nella Lake

Peter Purnell

Peter Sharpe (*Relate Northamptonshire*)

Bill Shaw (*Relate Avon*)

Remuneration & Nominations

Sarah Bond (*Chair*)

Phillip Lawder

Ken Littlewood

Andrew Ketteringham

Services & Practice

Martyn Carr (*Chair*)

Rachel Aslet-Clark (*Relate Portsmouth*)

Andrew Balfour (*The Centre for Couple Relationships*)

Carmel Brown (*Relate London North West*)

Nicola Buchanan (*Relate Cambridge*)

Lucy Hadfield

Barbara McKay (*Institute for Family Therapy*)

Gwilym Roberts (*Relate Cymru*)

Janet Walker

The Chair, Vice Chair, Senior Executives and external professionals also attend meetings of the above Committees.

Chief Executive and Executive Officers

The Chief Executive is responsible for the day to day management of the Charity's affairs and for implementing policies agreed by Council. The Chief Executive is assisted by a group of Executive Officers (the "Executive Leadership Team") and Senior Managers (the "Senior Operations Management Team"), who attend Board and Committee meetings as required, offering advice in their particular areas of expertise. The Executive Leadership Team meets monthly.

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

Current Executive Officers

Ruth Sutherland	Chief Executive
Jeni Graham	Director of Corporate Resources & Organisational Development
Chris Sherwood	Director of Policy & External Affairs
Gil Chimon	Director of Services
Richard Ashton	Interim Director of Income Generation (<i>appointed June 2014</i>)

Federation structure

Delivery of client services is organised through a Federation of 59 independent local Centres in England and Wales. Services are also provided with associate members in Northern Ireland, the Channel Islands and the Isle of Man. Relate services are also delivered to British forces based in Germany. We have a close working relationship and referral arrangement with Relationships Scotland and Relate has also established a working relationship with Relationships Ireland.

In England and Wales, services were also delivered by 102 private practitioners operating under a Relate Licence. Some services, including face-to-face counselling, are also provided by Relate in certain locations, in order to maintain national coverage. Whilst the Centres are members of the Relate Federation, they are financially independent and have their own governing bodies.

The Relate Board is responsible for quality, brand and influencing, to which Centres are bound by their agreements with Relate.

3. Objectives and Activities

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

Relate plans and delivers its business within its charitable objects, its vision and mission statement and in accordance with the requirements of its chosen quality assurance system, PQASSO. In addition, Relate has a three year Corporate Strategy to March 2017 which seeks to apply this framework to the current and continually changing environment in which it operates.

The Charitable Objects

- To educate the public concerning the benefits of secure couple relationships, marriage and family life in order to improve the emotional, sexual and spiritual well-being of individuals which is derived from committed relationships
- To seek to enhance, the good health, both mental and physical, of adults and children by:
 - increasing public awareness of the benefit of committed couple relationships, marriage, and family life
 - working to prevent poverty, hardship and distress, caused by the breakdown of such relationships
- To provide counselling, advice, education, guidance and relief to adults and/or children in relation to any aspect of contemporary life or work which:
 - may prejudice their physical or mental well being
 - influence, either directly or indirectly, their present or future family or couple relationship
- To relieve those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage
- To promote research into all of the above *objects* and to make the results available to the public.

3. Objectives and Activities (cont.)

Relate's Corporate Plan 2014-15

Relate's Vision is of a future in which healthy relationships are actively promoted as the basis of a thriving society.

Relate's 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
- helping both the public and policymakers improve their understanding of relationships and what makes them flourish.

As part of a reinvigorated corporate planning process we have agreed new priorities for 2014-15, building on the work already completed and restructuring resources to align with the new priorities. These key priority goals will enable us to deliver our new strategy and continue to champion our vision and mission into the future.

Our priority goals

1. **Service effectiveness** – we help more people in more ways that work.
2. **Influence and visibility** – a known brand becomes an increasingly understood and valued leading brand.
3. **Impact and Value** – the return on investing in relationship is demonstrable and disseminated.
4. **Income Generation** – we grow and diversify our sources of income.
5. **Sustainability** – the organisation is fit for purpose now and into the future.

4. Strategic Report

4. (a) Achievements and Performance

In October 2013 we celebrated our 75th anniversary of successfully supporting the nurturing and development of successful relationships in a tea party held at the Royal College of General Practitioners. Here we also celebrated our 'Relate Heroes', people nominated because of the exceptional work they have done for Relate. Many Federation members also held their own celebration events in honour of our 75th year. During the year we continued to deliver excellent services, achievements included:

- We provided over one million people with relationship information, education, support, mediation, counselling and therapy.
- We supported 131,182 people with counselling and therapy delivering 351,635 sessions.
- We ran a national campaign *Being Parents Apart?* to showcase Relate's offering when it comes to support for separated families to seek help for their relationships.
- The Ageing campaign continues to be a success and at the end of 2013 we published a series of essays written by Charles Handy, Anjula Mutanda,, Dylan Kneale and Patrick Sholl (joint essay), Katharine Whitehorn, Lou Scott-Joynt, Angela Neustatter, Keren Smedley, John Field and Geraldine Bedell.
- We launched a new online service called What Next? - a parents' guide to separation to help parents who are separating or thinking about separation manage the practical and emotional realities all in one place.
- The Evaluation of Relationship Support Interventions commissioned by the Department for Education (DfE) revealed that for every £1 spent on Relate's couple counselling sessions, £11.40 of benefit is accrued.
- This year we updated our look and feel by re-launching our national website <http://www.relate.org.uk> in January 2014. We've had a huge amount of positive feedback since the launch, and have seen a 20% increase in traffic to the site and a big increase in calls to our national phone-line.

4. Strategic Report (cont.)

4. (a) Achievements and Performance (Cont.)

- Minister for Justice and Civil Liberties, Simon Hughes MP met with mediation staff and clients at our North East London Mediation service in Ilford.
- To help us grow in service and influence we launched our new three year strategy and Services Plan which sets out how we plan to grow Relate in service and influence.
- Our financial performance remains stable and we expect to achieve breakeven in our operating budget. We have drawn down £80k from the designated reserve, repayable by March 2015, to fund the investment in the Business Development Team to drive our income generation activity.

We have monitored our achievements over the past year according to the four strategic aims of Relate reported in our last financial statements. These were:

Service effectiveness – we help more people in more ways that work.

What did we want to do?	How did we do?
<ul style="list-style-type: none"> • We will review and develop a new service strategy and operating model to enable us to grow and strengthen our core service offer. 	<p>The new Services Plan was approved by the Board at their meeting in November 2013, with a resourcing and implementation plan agreed by the Board at their meeting in March 2014.</p>
<ul style="list-style-type: none"> • We will innovate and develop new services to grow and diversify our service offer to meet the needs of existing and prospective clients, and in ways which are sustainable. 	<p>We are developing and rolling out our new digital services offer including the virtual learning environment and the online client portal (online services for separating families – What Next? and Parenting Troubled Teenagers). During 2014-15 this will continue using User Centred Design.</p>
<ul style="list-style-type: none"> • We will successfully deliver our contractual obligations, striving for excellence in all that we do. 	<p>We successfully delivered our contractual obligations during 2013-14, receiving positive reports from the funders for the quality of service that was provided.</p>
<ul style="list-style-type: none"> • We will continue to ensure that services delivered by Relate and Relate Centres meet necessary quality standards, are sustainable, inclusive and client-centred. 	<p>The appointment of a new Regional Development management team, plus a review of our clinical support services was undertaken in the year to strengthen service support. In 2014-15 we will build on this with a review of current service specifications agreeing new templates to ensure they include all aspects of service delivery including identification of skills required.</p>
<ul style="list-style-type: none"> • We will review, develop and implement a new workforce development strategy to meet the needs of the organisation now and for future service development and delivery. This will include a review of the future of the Relate Institute. 	<p>Both the review of workforce development and the review of the future of the Relate Institute were still in progress at the end of March 2014. Progress has been made but in 2014-15 we will develop and deliver an organisation wide approach to Workforce Development to deliver against the people strand of the organisational development enablers in the Corporate Plan 2014-15. This will include the outcome of the Relate Institute review.</p>

4. Strategic Report (cont.)

4. (a) Achievements and Performance (Cont.)

Influence and visibility – a known brand becomes an increasingly understood and valued leading brand.

What did we want to do?	How did we do?
<ul style="list-style-type: none"> We will develop and strengthen the Relate brand so that it becomes an understood, valued and leading brand. 	<p>The annual survey of the general public provided confirmation of a further improvement in the promoted brand recognition of Relate by two percentage points to 76%, a high position for any charity the size of Relate to achieve.</p>
<ul style="list-style-type: none"> We will review, develop and deliver a new digital strategy to grow Relate's presence online and through social media. 	<p>The new Digital Strategy was implemented in the summer of 2013, visitors to Relate web-sites were 13% above target, reaching close to 1.1 million unique visitors. The new Relate web-site was launched in January 2014 and resulted in a 20% increase in calls to the national helpline.</p>
<ul style="list-style-type: none"> We will influence public policy with evidence based campaigns so that it supports and strengthens personal and social relationships. 	<p>In 2013-14 we successfully undertook a number of campaigns to raise the importance of relationships: Relationships in Later Life; Parents of Troubled Teenagers; and Being Parents Apart. We published reports on Ageing, Mediation and confidence in parenting. We also conducted a longitudinal study of young people in England and a report on the impact of pornography on young people's relationships.</p>
<ul style="list-style-type: none"> We will develop and launch the Relationships Alliance to position Relate and our partners as the go to hub for insight and expertise on relationships. 	<p>The Relationships Alliance was successfully launched at the Houses of Parliament in November 2013 with cross-bench support including Conservative MP and Chair of the All Party Parliamentary Group on Strengthening Couple Relationships ("APPG"), Andrew Selous; Labour MP, Labour Party Policy Co-ordinator and member of the Shadow Cabinet Jon Cruddas; Vice President of Relate, Chair of CAFCASS and Liberal Democrat Peer Baroness Tyler of Enfield speaking in support. This has enabled the development of ongoing regular briefings of all parties over the need for relationships support work. We continue to support the APPG on strengthening couple relationships.</p>
<ul style="list-style-type: none"> We will establish the new Policy and External Affairs Directorate ensuring that a high performing team is in place to deliver our influencing plans. 	<p>The team was completed by the appointment to three additional posts during the financial year, charged with improving external communication of the work that Relate and the Federation delivers.</p>

4. Strategic Report (cont.)

4. (a) Achievements and Performance (Cont.)

Impact and value – the return on investing in relationship is demonstrable and disseminated

What did we want to do?	How did we do?
<ul style="list-style-type: none"> We will review, develop and implement an impact and value strategy to enable us to measure the outcomes and impact of all that we do and drive continuous improvement and sustainability. 	<p>A lot of development of our impact strategy has been undertaken during the year, but much remains to be done before our strategy finally drives continuous improvement and ultimately sustainability. This area continues to be a major focus of the Corporate Plan for 2014-15.</p>
<ul style="list-style-type: none"> We will ensure that at least three of the five core services have fully functioning outcome measurement tools with reporting being used to inform service improvements. 	<p>The measurement tools for the core services have been developed during the year. However making them fully functioning for the whole Federation requires further investment in our ICT systems. This is planned for implementation during 2014-15.</p>
<ul style="list-style-type: none"> We will ensure that all new service innovations have outcome measurement incorporated as part of their design. 	<p>The innovation of new services includes a stage gate process, one of which ensures no new service can be implemented without addressing the design of measurement outcomes.</p>
<ul style="list-style-type: none"> We will continue to measure the impact of our influencing activity enabling us to tailor our messages for our key audiences. 	<p>The External Affairs team now proactively manages campaigns where specific impact and outcome measurement is identified from the beginning of the campaign to meet the needs of our key audiences.</p>

4. Strategic Report (cont.)

4. (a) Achievements and Performance (Cont.)

Sustainability – the organisation is fit for purpose now and into the future.

What did we want to do?	How did we do?
<ul style="list-style-type: none"> We will develop and deliver the strategy around sustainability and income generation to secure the long-term viability of Relate. 	<p>Good progress has been made in developing and delivering the sustainability and income generation strategy. One of the key outcomes has been to focus on these two areas separately within the Corporate Plan from 2014-15 given the importance of maintaining a stream of new income generation activity to finance core activities of Relate.</p>
<ul style="list-style-type: none"> We will establish the new Corporate Sustainability Directorate ensuring that a high performing team is in place to deliver our income generation plans, achieving £650k of income in 2013/14. 	<p>The new Business Development directorate was established in the year. The team achieved £494,000 of new income during the year towards their target, but also benefitted from the support of the rest of the organisation in meeting the original target. This was through the identification of savings totalling £156,000 from other parts of Relate, the impact of performance was negligible on progress of the Corporate Plan.</p>
<ul style="list-style-type: none"> We will review and develop the support functions – HR, finance, facilities, procurement and ICT that provide expertise and assistance to Relate to ensure that they meet business need. 	<p>All the support functions continue to be reviewed to ensure fit for purpose. We now rely on a close relationship with external supplier of HR support; whilst no significant changes have been implemented in other support functions there has been a re-focus on the work they undertake to ensure they continue to meet the business needs of Relate.</p>
<ul style="list-style-type: none"> We will work with the Federation to identify cost effective and mutually beneficial ways of providing this support. 	<p>The new Federation Development team (see below) was established in the financial year. They are already identifying ways we can improve the support we give to Federation members. The Governance Review also is looking at how we can improve the way this support is delivered. Full implementation of these new ways of working will occur in 2014-15.</p>
<ul style="list-style-type: none"> We will deliver and implement the Governance Review so that we have the right governance arrangements to sustain Relate into the future. 	<p>Significant work has been undertaken on the Governance Review. A full set of changes to Relate Governance was voted on at a general meeting on 25 June 2014 as discussed in Section 2 above.</p>
<ul style="list-style-type: none"> We will review, develop and implement an organisational development strategy for Relate Centres to promote collaboration across the Federation. 	<p>Work in this area has begun. The major goal of the organisational development is to improve the functioning of individuals and teams and therefore the whole organisation. We have identified gaps between where the organisation currently is and where it wants to be and have included activity, as part of a rolling plan, to address this in 2014-15.</p>
<ul style="list-style-type: none"> We will establish the Federation Development team to review, develop and deliver effective collaboration and support across the Federation. 	<p>A new Federation Development team was created during the financial year. We have a team of three Regional Development Managers who liaise closely with Federation members to ensure an efficient and effective communication of knowledge and best practise across the Federation in a cost effective manner. Early warning systems have been developed to assist Federation members manage their own resources effectively.</p>

4. Strategic Report (cont.)

4. (b) Financial Review

Review of the year

The Statement of Financial Activities set out on page 20 shows that gross income increased from £4,084,000 to £5,478,000. Expenditure showed a similar increase from £4,232,000 to £5,594,000. The reason for the increases was the securing of government contracts to expand the services provided to our beneficiaries. This resulted in a lower net deficit for the year of £116,000 (2012/13 net deficit of £148,000). The planned work in implementing a new income strategy for the organisation as a whole to reflect the challenging financial climate was the reason for this deficit. Due to a prudent reserves policy, such a deficit scenario can be sustained in the short term. Long term, however, it is the trustees' intention to return to a break-even or surplus operating position.

Voluntary income

Voluntary income in the previous year included the final year of a grant from the Department for Education (DfE). The DfE are moving their funding from being grant based to one based on contracts as part of the government's austerity plans. From April 2013, we have been successful in negotiating several contracts with the DfE which replaces the significant part of the grant funding we enjoyed previously. However one element of the funding from DfE remains grant based; this funds an increase in the capacity and sustainability of relationship support local infrastructure, with the aim of influencing local commissioning decisions. In addition the aim is also to provide central Government with expertise to ensure that the importance of strong and stable relationships and the positive impact of relationship support interventions are recognised in policy development.

We also obtained funding from the Department for Work & Pensions which supported training to upskill the telephony reception staff across the Relate Federation. This was a one-off grant which was used to cement recent work to increase income generation across the Federation.

Voluntary income also includes funding from four grant giving bodies to support areas of development across the Federation.

We continue to utilise additional resources to develop new and varied income generation streams, further diversifying Relate's income sources. Many of these are long term initiatives with time delays between resource being expended and a return being realised.

Charitable activities

A review of changes in the income and expenditure for the year for the charity's main charitable activities can be summarised as follows:

£'000	2013-14			2012-13		
	Income	Expenditure	Net	Income	Expenditure	Net
Service effectiveness	2,167	2,341	(174)	119	1,772	(1,653)
Impact & value	26	100	(74)	-	207	(207)
Influence & visibility	475	973	(498)	399	650	(251)
Income generation	1,057	1,046	11	669	575	94
Sustainability	893	999	(106)	484	927	(443)
	<u>4,618</u>	<u>5,459</u>	<u>(841)</u>	<u>1,671</u>	<u>4,131</u>	<u>(2,460)</u>

The above table underlines the challenges facing Relate as government funding for the voluntary sector moves from grant funding to a contractual basis. In 2012-13 Relate received £2.3 million in grant funding from government sources; this reduced significantly in 2013-14 to only £0.7 million (see note 3 the accounts). Instead many of the charitable services we deliver on behalf of Central Government are funded through contracts, which have increased Relate's exposure to financial risk if we fail to meet the objectives of the contracts.

4. Strategic Report (cont.)

4. (b) Financial Review (cont.)

Charitable activities (cont.)

With this in mind and to meet the challenges of the new funding environment, we reviewed and implemented a re-structure of the organisation, with an increased focus on generating income from new unrestricted sources. This will continue to challenge us but the past year has seen staff respond to ensure we enjoyed a break-even position at a business as usual level. We are keenly aware we must provide value for money services to enable the Federation to meet the challenges at a local level. This is why we have focussed our increased charitable expenditure with a view to the long term sustainability of relationship counselling in the UK.

4. (c) Plans for Future Periods

Continuing development – our Corporate Strategy for 2014-17 and our goals for 2014-15

Our corporate strategy was developed during a year when we celebrated 75 years of rich heritage and experience and although we continue to deliver with a common purpose we now find ourselves facing very challenging times. This is typified by an uncertain economic climate including major changes to public service funding and provision, the pervasive digital customer experience coupled with channel shifting prerequisite for attraction and retention of clients.

In particular there are unprecedented cuts to public services, retrenchment of the role of the state, increasing divorce rates amongst the over 60s and the role of the internet in dating continues to grow. The way we interact, communicate and are influenced is changing with more young people seeking help and discussing relationships online and through their smart phones, the rise in the power of celebrities and celebrity culture and the decline in respect and credibility of professional voices. Equally there are opportunities for us to deliver more services in prevention, early intervention and light touch services via the ubiquitous use of technology benefitting from national awareness of our established and trusted brand.

In summary the key drivers for change across our organisation are:

- Public sector fiscal constraint and reforms mean that public services are being increasingly outsourced to private providers and charities who are expected to do more with less.
- Clients, commissioners and policy makers expect us to demonstrate the efficacy and efficiency of our services.
- The role of the state is retrenching and there are increasing expectations that charities will play a greater role in meeting social need. Changes in welfare and costs of living pressures may impact on the finances of our clients.
- People increasingly expect to access information and services in different ways including through digital channels that are most convenient to them
- Pressure to diversify and grow our services offering, where improvement, innovation and invention are driven by service users.
- Organisations need to increasingly work in partnership with others to both increase the range of high quality support they offer and to reach individuals, groups and communities more effectively.
- Increasingly high standards of governance required to establish and maintain public confidence and trust.

4. Strategic Report (cont.)

4. (c) Plans for Future Periods (cont.)

Developing the strategy

Our Corporate Strategy 2014 – 2107 was developed in four stages:

- Strategic Overview: a strategic review of our vision, the context within which we operate and the goals of our Directorates.
- Operational review: operational review of each directorate.
- Progress review: a review of progress against the corporate plan for 2013-14, highlighting achievements, challenges and informing the new strategy.
- Agreement by the Board of Trustees.

Our key activities across the next three years are set out under our five key priority goals and these have been developed to enable us to deliver our strategy. This section includes a brief outline of the activities that we have planned for in 2014-15.

Key priority goals	Key activities
Service effectiveness we help more people in more ways that work.	<ul style="list-style-type: none"> • Provide direct and indirect services to help people throughout their lives have strong and healthy relationships by leading service improvement, innovations and invention that diversify and grow our offer to meet the needs of existing and prospective clients • Drive up quality to meet the expectations of our clients, customers and commissioners and to increase our competitive advantage to generate income
Influence and visibility a known brand becomes an increasingly understood and valued leading brand.	<ul style="list-style-type: none"> • Develop and deliver integrated campaigns that grow our influence and visibility. • Deliver the media plan to grow our media presence in national and local news, consumer and professional media on agreed priority areas • Support Relate Centres to move onto the new national digital platform. • Build on the internal communications plan to keep content relevant and useful and target audiences engaged.
Impact and value the return on investing in relationships and relationship support is demonstrable and disseminated.	<ul style="list-style-type: none"> • Strengthen and refine the organisations' processes and rationale around evidence and data including its collection, input, storage, reporting, monitoring and analysis
Income generation we grow and diversify our sources of income.	<ul style="list-style-type: none"> • Generate unrestricted income
Sustainability the organisation is fit for purpose now and into the future.	<ul style="list-style-type: none"> • Ensure robust financial management in terms of more accurate forecasting • Ensure efficient and effective use of organisation assets • Ensure the organisation is achieving value for money • Develop and deliver an organisation wide approach to Workforce Development (to deliver against the people strand of the organisational development enablers). This includes outcome of the Relate Institute review.

5. Financial management policies (cont.)

Reserves (cont.)

In calculating the level of reserves required Relate uses a risk management process in making this assessment, taking account of the uncertain external environment and the organisation's funding position – primarily its current efforts to further diversify funding streams within the current difficult financial times. As a result, the Finance and Audit Committee has set a target reserves policy of between 3.5 and 5.5 months of expenditure. This would enable Relate to meet all current financial commitments in full, plus provide a small 'breathing space' period – a period of maintaining normal activity, whilst consultation with its member organisations is undertaken to ensure service provision continues. The current level of free reserves (which includes Unrestricted and Designated Funds) is £1,716,000.

The trustees have also, as an integral part of the Forward Strategy development process, designated reserves (most of which resulted from the sale of the organisation's former central office and training college back in 2007/8) to meet any costs associated with supporting business development opportunities that will provide an increased return to the charity. Details of reserves designated for this purpose are contained in note 17.

Investment policy and performance

Relate's investment policy is reviewed as part of the review of the organisation's financial policies. The cash balances fluctuate throughout the year. The policy enables cash that is not immediately required to be invested, subject to risk being minimised and access being rapid, within institutions that are members of the Financial Services Compensation Scheme (FSCS). The trustees have decided that it is not appropriate to invest in equities at this time. Within this framework, the best interest rates are sought, and performance is regularly reviewed.

Given our main sources of funding are paid in arrears and are dependent upon results, the level of funds available for investment has fallen. With interest rates reducing by two thirds from those enjoyed in prior year, there has been a fall in investment income from £26,557 (2012-13) to £12,119.

Financial reporting

There is a comprehensive system of business planning which includes an annual budget both reviewed in detail and approved by the Board. Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly. The monthly management accounts are distributed in the form of a full detailed report to the Executive Leadership and Senior Operational Management Team on a monthly basis. In addition, a summary finance report and revised full year forecast information are presented to the quarterly Finance and Audit Committee and to Board meetings by the Head of Finance.

Financial policies and procedures

The Finance and Audit Committee reviews the financial policies of the charity. These set out the authority that is delegated to staff and the financial regulations that should be followed.

6. Auditors

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

7. Statement as to disclosure of information to auditors

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

8. Statement of trustees' responsibilities

The trustees (who are also directors of Relate for the purposes of company law) 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9. Summing up

This has been a good year for Relate, with a lot to celebrate. Our 75th saw us hosting a tea party at the Royal College of GPs. The event was a huge success and brought together people from across the federation, past and huge. It also gave opportunity to celebrate the Relate Heroes: people who were nominated because of the great work they've done for their centre. This was the first time Relate has recognised the contribution of its colleagues in this way.

Once again, Relate reached just over 1 million people through information, support and counselling this year and our telephone and email counselling have continued to grow as a result of our new website launched at the start of the year. The website was also part of a larger project to refresh and revitalise our brand which saw us launch a new style guide, outlining our new look and feel.

Also as part of taking us forward, we launched a new strategy; 'Forward together' and an accompanying Services Plan which details some of the ways in which we intend to implement our four strategic goals: service effectiveness, impact and value, sustainability and influence and visibility. The Services Plan outlines the shift in focus, away from meeting people in times of crisis to delivering services that support people at key moments or transitions in their life such as starting a family or retirement. Our aim is to ensure that we continue to reach more people in more ways that are relevant to them, including through exploring things like therapeutic services online with mediation spearheading this new approach.

The long awaited Evaluation of Relationship Support Interventions commissioned by the Department for Education (DfE) was released earlier year. The most comprehensive evaluation of relationship support services ever done tells a very positive story for our organisation: for every £1 spent on Relate's couple counselling sessions, £11.40 of benefit is accrued. A superb win for us and a great platform for us to continue to build our campaigning work in support of our influence and visibility goal. Although this is still fairly new territory for Relate we have a unique part to play in promoting healthy relationships as being at the heart of a thriving society.

9. **Summing up (cont.)**

In January 2014 we launched our Being Parents Apart campaign which sought to showcase Relate's offer when it comes to guidance and support for families who experience separation. This was also in response to recognising that whilst Relate is a recognised brand it is not necessarily known for helping people separate. The campaign has been hugely successful and gone a long way in reaching new audiences as well as helping to promote our services. This included our new online service, 'What Next? The Parents' guide to separation': a platform that allows parents to manage the emotional and practical realities of separation in one place, as well as, 'Parenting Troubled Teenagers': a site dedicated to helping parents who are struggling in their relationship with their child.

Another key event this year was the launch of the Relationships Alliance in the Houses of Parliament. The event featured contributions by Conservative MP and Chair of the All Party Parliamentary Group on Strengthening Couple Relationships Andrew Selous; Labour MP, Labour Party Policy Coordinator and member of the Shadow Cabinet Jon Cruddas; Vice President of Relate, Chair of CAF/CASS and Liberal Democrat Peer Baroness Tyler of Enfield. Similarly, our report on mediation was well received and this has been an area of focus in our work with Government.

Partnership remains an important part of what we do and we are now working with the Open University Business school to develop a new online course 'Developing high trust relationships' which will be launched this year. This is a good example of the new kinds of partnerships that we would like to develop in the future to support out income generation work.

Overall, this has been an exciting and productive year in a continuously challenging financial climate. We will seek to build on our work next year and ensure we are adapting and evolving so that we can continue to extend our reach and ensure more people can access the services they need to strengthen and support their relationships.

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



Andrew Ketteringham
Chair
Relate

Premier House
Carolina Court
Lakeside
Doncaster, DN4 5RA

4 September 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RELATE

We have audited the financial statements of Relate for the year ended 31 March 2014 on pages 20 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 17, the Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeUKprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

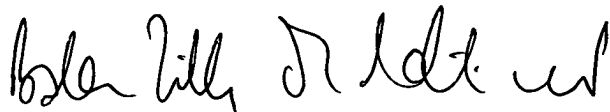
Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



PAUL OXTOBY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

16 September 2014

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) for the year ended 31st March 2014

	Notes	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3	16	-	832	848	2,386
Investment income	4	12	-	-	12	27
Total incoming resources from generated funds		28	-	832	860	2,413
Incoming resources from charitable activities						
Service effectiveness		2,167	-	-	2,167	119
Impact & Value		26	-	-	26	-
Influence & visibility		475	-	-	475	399
Income generation		1,057	-	-	1,057	669
Sustainability		893	-	-	893	484
Total incoming resources from charitable activities	5	4,618	-	-	4,618	1,671
Total incoming resources		4,646	-	832	5,478	4,084
Resources expended						
Costs of generating funds						
		-	-	24	24	10
Charitable activities						
Service effectiveness		2,248	-	93	2,341	1,772
Impact & Value		26	-	74	100	207
Influence & visibility		497	-	476	973	650
Income generation		890	80	76	1,046	575
Sustainability		870	-	129	999	927
Total resources expended on charitable activities	6	4,531	80	848	5,459	4,131
Governance costs	8	111	-	-	111	91
Total resources expended	9	4,642	80	872	5,594	4,232
Net incoming / (outgoing) resources for the year being net profit / (loss) for the year						
		4	(80)	(40)	(116)	(148)
Net movement in funds						
Balance at 31 March 2013		1,326	477	100	1,903	2,051
Balance at 31 March 2014		1,330	397	60	1,787	1,903

All incoming resources and resources expended derive from continuing activities. All gains and losses recognised in the year are included above.

	Note	2014		2013	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	12		11		
Current assets					
Debtors	13	938		1,391	
Short term deposits	14	-		500	
Cash at bank and in hand		1,420		481	
		<u>2,358</u>		<u>2,372</u>	
Creditors					
Amounts falling due within one year	15	(582)		(469)	
Net current assets			<u>1,776</u>		<u>1,903</u>
Total assets less current liabilities			<u>1,787</u>		<u>1,903</u>
			=====		=====
Capital and reserves					
General fund		1,330		1,326	
Designated funds	17	397		477	
Restricted funds	16	60		100	
Total funds			<u>1,787</u>		<u>1,903</u>
			=====		=====

The financial statements were approved by Council and authorised for issue on 4th September 2014 and are signed on its behalf by:



Andrew Ketteringham
Chair
Relate

CASH FLOW STATEMENT

For the year ended 31st March 2014

	Note	2014	2013
		£'000	£'000
Net cash inflow / (outflow) from operating activities	22 (a)	439	(662)
Returns on investment and servicing of finance	22 (b)	12	27
Capital expenditure and financial investment	22 (c)	(12)	-
Management of liquid resources	22 (d)	500	350
Increase / (decrease) in cash in the year	22 (e)	939	(285)
		=====	=====
Reconciliation of net cashflow to movement in net funds			
		2014	2013
		£'000	£'000
Increase / (decrease) in cash in the year		939	(285)
Cashflow from movement in liquid resources		(500)	(350)
Change in net funds resulting from cashflows being movement in net funds in the year		439	(635)
Net funds at 1 April 2013		981	1,616
Net funds at 31 March 2014	22(e)	1,420	981
		=====	=====

1. Company status

The Company has no share capital but is a charitable company limited by guarantee. Under the Memorandum of Association of the Company the liability of individual members is restricted to a maximum of £5.

2. Accounting policies

These accounts have been prepared under the historical cost convention and follow the recommendations in the Statement of Recommended Practice: Accounting & Reporting by Charities (2005), applicable United Kingdom accounting standards and the Companies Act 2006. The more significant accounting policies are detailed below.

2.1 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic cost. It is the policy of the company to capitalise expenditure on individual items of furniture, fittings and equipment costing in excess of £1,000. Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Short leasehold improvements	-	Over the period of the lease
Furniture & fittings	-	Over 3 – 5 years

2.2 Leases

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

2.3 Pension costs

Relate has a defined contribution pension scheme in place for staff. This is in the form of an independently administered Growth Plan, which is externally funded and not contracted-out of the State scheme.

The scheme is a multi-employer scheme and Relate is unable to identify its share of the underlying assets and liabilities on a consistent and reliable basis.

Under the provision of FRS 17, the scheme is treated as a defined contribution scheme and contributions are recognised as they fall due in the year.

2.4 Grants receivable

The Department for Education (DfE) provided a restricted grant of £617,183 and this is recognised in full in the Statement of Financial Activities in the financial year in which it is received.

Relate also receives grants for other specific projects, all of which are recognised as earned in accordance with the terms laid down in the individual grant agreements.

2.5 Incoming resources

Income is generally recognised on a receivable basis where the amount is reasonably certain and where there is adequate certainty of receipt. The specific bases used are as follows:

- Voluntary income includes donations, legacies and grants receivable.
- Legacies are recognised as income where there is certainty of entitlement to receipt of funds.
- Investment income is accounted for on a receivable basis.

2.5 Incoming resources (*cont.*)

- Charitable activity income is accounted for when earned. Activity income received in advance is deferred until entitlement to the income has arisen.
- Grants are recognised when the entitlement to the grant is confirmed. Grants that provide core funding or are of a general nature provided by the government and charitable foundations are recorded as voluntary income.
- Within charitable activity income membership fees and subscriptions are allocated to activity revenue categories on a basis consistent with the use of resources.

2.6 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. Resources expended are recognised in the period in which they are incurred on the following bases:

- Charitable expenditure comprises direct expenditure attributable to the Charity's activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs include those costs incurred in the governance of the Charity's assets and are associated with constitutional and statutory requirements.
- Support costs include the Charity's central functions and have been allocated to activity cost categories on a basis consistent with the total unrestricted costs for each charitable activity as a percentage of the charitable company's total direct costs to reflect the consumption of costs incurred in the furtherance of each of the charitable activities.

2.7 Funds

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

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

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

2.8 Taxation

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

In the opinion of The Trustees no tax charge has arisen in either period.

2.9 Liquid resources

Liquid resources include sums on short term deposits with recognised banks.

3. Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2014 Total funds £'000	2013 Total funds £'000
Donations and legacies	16	-	16	16
Grants				
- Department for Education	-	617	617	2,260
- Department for Work & Pensions	-	123	123	-
- Philip King Charitable Trust	-	50	50	75
- Claire King Charitable Trust	-	30	30	30
- Prostrate Cancer Trust	-	7	7	-
- The Atkin Foundation	-	5	5	5
	<u>16</u>	<u>832</u>	<u>848</u>	<u>2,386</u>
	=====	=====	=====	=====

4. Investment income

	2014 £'000	2013 £'000
Interest receivable on short term deposits	12	27
	=====	=====

5. Incoming resources from charitable activities

	Service effectiveness £'000	Impact & Value £'000	Influence & visibility £'000	Income generation £'000	Sustainability £'000	2014 Total funds £'000	2013 Total funds £'000
Membership fees and subscriptions	-	-	49	-	371	420	454
Income from provision of education and training	147	-	-	-	30	177	132
Counselling and Supervision service provision	1,890	-	-	955	440	3,285	687
Other income	130	26	426	102	52	736	398
	<u>2,167</u>	<u>26</u>	<u>475</u>	<u>1,057</u>	<u>893</u>	<u>4,618</u>	<u>1,671</u>
	=====	=====	=====	=====	=====	=====	=====

Other charitable income comprises sales of books and materials, recharges to the Federation, contract income for Consultancy advice on the development of new services and the development costs of the Relationships Alliance.

6. Resources expended on charitable activities

	Service effectiveness £'000	Impact & Value £'000	Influence & visibility £'000	Income generation £'000	Sustain-ability £'000	2014 Total funds £'000	2013 Total funds £'000
Staff costs	931	13	448	286	602	2,280	2,326
Direct costs	1,410	87	525	760	397	3,179	1,805
	<u>2,341</u>	<u>100</u>	<u>973</u>	<u>1,046</u>	<u>999</u>	<u>5,459</u>	<u>4,131</u>
	=====	=====	=====	=====	=====	=====	=====

Staff costs include all payroll costs. Direct costs include those costs associated with providing the activity, for example external consultancy and contractor fees, as well as a fair share of support costs (see note 7).

7. Support costs

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

	2014 £'000	2013 £'000
Finance	164	143
Chief Executive's office	174	138
Human Resources	-	89
Administration & Information Services	268	231
Forward Strategy	-	207
Irrecoverable VAT	140	43
Bad debts	15	-
	<u>761</u>	<u>851</u>
	=====	=====

The work last year on the organisation's forward strategy, from a legal perspective, were designated as support costs, but the activities which lie beneath them are imperative to ensure both the long-term future of the organisation and the ongoing provision and development of services to beneficiaries.

8. Governance costs

These are the costs associated with the governance arrangements of the charity and include:

	2014 £'000	2013 £'000
External audit & ancillary services	13	17
Annual General Meeting	34	46
Legal & professional fees	5	4
Other including staff time	59	24
	<u>111</u>	<u>91</u>
	=====	=====

Annual General Meeting (AGM) costs comprise all the expenditure relating to the Charity's two-day AGM and Conference. No attempt has been made to apportion between the statutory and public/federation relations elements of this event.

Other governance costs mainly comprise the cost of facilitating Trustee and Constituency Meetings, including the payments to the Board (see note 11).

9. Resources expended

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

	2014 £'000	2013 £'000
Operating lease rentals:		
- Land and buildings	108	108
- Plant and machinery	8	12
Depreciation	1	28
Auditors' remuneration for statutory audit	13	13
	<u>130</u>	<u>161</u>
	=====	=====

10. Employee information

The average number of full time equivalent employees during the year was as follows:

	2014 Number	2013 Number
Service effectiveness	35	39
Impact & value	4	3
Influence & visibility	5	6
Income generation	7	7
Sustainability	11	10
	<u>62</u>	<u>65</u>
	=====	=====

10. Employee information (cont.)

The aggregate payroll costs of these employees were as follows:

	2014 £'000	2013 £'000
Salaries	2,022	1,906
Social security costs	197	173
Other pension costs	106	100
Compensation for redundancy	-	147
	<u>2,325</u>	<u>2,326</u>
	=====	=====

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

	2014 £'000	2013 £'000
Service effectiveness	931	937
Impact & value	13	78
Influence & visibility	448	340
Income generation	286	321
Sustainability	602	650
Governance	25	-
Fundraising	20	-
	<u>2,325</u>	<u>2,326</u>
	=====	=====

During the year the Charity incurred costs of £277,826 (2013: £307,555) in respect of staff utilised by Doncaster College under an agency agreement with the Charity. These costs are excluded from the costs above.

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

	2014 Number	2013 Number
£70,001 - £80,000	3	1
£80,001 - £90,000	1	1
£100,001 - £110,000	1	-
	=====	=====

Total emoluments are comprised of gross salaries and Health Plan contributions.

Pension contributions of £23,224 (2013: £833) were paid to four (2013: one) of these employees.

11. Amounts payable to Trustees

Expenses for travel and subsistence totalling £5,214 (2013: £8,378) were reimbursed during the year to 15 Trustees, (2013: 14). There were no amounts received by Trustees for other services in the year (2013: £Nil) other than payment of services to the Chair, Mr Andrew Ketteringham, who received £8,000 for his services to the Charity in the year (2013: £3,333), in accordance with provisions in the Memorandum & Articles of Association.

Indemnity insurance on behalf of the trustees was paid by the Charitable Company. The cost of this was £1,500 in the year to 31 March 2014 (2013: £1,500).

None of the other Trustees nor any person connected to them received any remuneration from the charitable company during the current or previous year.

12. Tangible fixed assets

	Short leasehold improvements £'000	Furniture and fittings £'000	Total £'000
Cost			
At 1 April 2013	50	199	249
Additions	-	12	12
	<u>50</u>	<u>211</u>	<u>261</u>
At 31 March 2014	50	211	261
Depreciation			
At 1 April 2013	50	199	249
Charge for the year	-	1	1
	<u>50</u>	<u>200</u>	<u>250</u>
At 31 March 2014	50	200	250
Net book value			
At 31 March 2014	-	11	11
	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31 March 2013	-	-	-
	<u>=====</u>	<u>=====</u>	<u>=====</u>

13. Debtors

Amounts falling due within one year:

	2014 £'000	2013 £'000
Trade debtors		
- Relate centres	31	61
- Other trade debtors	441	78
Other debtors	-	17
Prepayments and accrued income	96	56
Amounts owed by Dept. for Education	370	1,179
	<u>938</u>	<u>1,391</u>
	<u>=====</u>	<u>=====</u>

14. Short term deposits

Short term deposits represent monies invested in bank accounts.

15. Creditors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Trade creditors	385	283
Other taxation and social security	62	63
Accruals	135	123
	<u>582</u>	<u>469</u>
	=====	=====

Included within accruals is £35,804 (2013: £20,042) of outstanding pension contributions.

16. Restricted funds

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

	At 1 April 2013 £'000	Incoming Resources £'000	Resources Expended £'000	At 31 March 2014 £'000
Department for Education - Relationship Support Services: Policy and Local Infrastructure	-	617	(617)	-
DWP Innovation Fund - Telephony project	-	123	(123)	-
Training & development	6	-	(6)	-
Philip King Charitable Trust	61	50	(78)	33
Claire King Charitable Trust	21	30	(38)	13
The Atkin Foundation	-	5	(5)	-
Prostate Cancer UK project	-	7	(4)	3
Cumbria Development Fund	12	-	(1)	11
	<u>100</u>	<u>832</u>	<u>(872)</u>	<u>60</u>
	=====	=====	=====	=====

Department for Education Lot G - Supporting the Relations Alliance - is a grant to increase the capacity and sustainability of relationship support local infrastructure, with the aim of influencing local commissioning decisions. In addition the aim is also to provide central Government with expertise to ensure that the importance of strong and stable relationships and the positive impact of relationship support interventions are recognised in policy development.

16. Restricted funds (cont.)

DWP Innovation Fund - Telephony project: a grant was provided to upskill staff responsible for supporting potential clients of Relate's services enquiring by telephone to access the most appropriate service to meet their needs.

Philip King Charitable Trust - a 3 year grant programme, with income of £100,000 in 2011/12, £75,000 - 2012/13 and £50,000 - 2013/14.

Claire King Charitable Trust - a 3 year grant programme of £30,000 per year, which commenced in 2011/12.

Other funds – all other restricted funds are short-term (1 -2 years) grants, which are due to be expended during the forthcoming two financial years.

17. Designated funds

	At 1 April 2013	Incoming resources	Resources expended	At 31 March 2014
	£'000	£'000	£'000	£'000
Strategic development of national network of Relate services in order to reach more beneficiaries	477	-	(80)	397
	<u>477</u>	<u>-</u>	<u>(80)</u>	<u>397</u>
	=====	=====	=====	=====

A designated fund was created by the Board for the purposes of instigating or progressing projects of a strategic nature which will benefit the Charity's (future) clients and members. During 2013-14 the Board approved the use of some of the fund to support the development of new income generation, which would provide surpluses in the future to support the core work of the Charity.

18. Financial commitments

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings		Other	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Expiry date:				
Within one year	-	39	-	-
Between two and five years	104	69	9	11
	<u>104</u>	<u>108</u>	<u>9</u>	<u>11</u>
	=====	=====	=====	=====

19. Easily realisable reserves

The easily realisable reserves as at 31 March 2014 were £1,319,088 (2013: £1,325,922). This has been calculated as follows:

	2014	2013
	£'000	£'000
Total funds	1,787	1,903
Less restricted funds	(60)	(100)
Less designated funds	(397)	(477)
Less fixed assets	(11)	-
	-----	-----
Easily realisable reserves	1,319	1,326
	=====	=====

20. Analysis of assets and liabilities between funds

	Fixed Assets	Net current assets	Total
	£'000	£'000	£'000
Unrestricted funds	11	1,319	1,330
Designated funds	-	397	397
Restricted funds	-	60	60
	-----	-----	-----
	11	1,776	1,787
	=====	=====	=====

21. Pension Scheme (Growth Plan)

Relate participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The total charge to the Statement of Financial Activities for the year was £105,926 (2013: £99,528). Relate paid contributions at the rate of 10% of pensionable salaries during the year (2013: 10%). Members paid contributions at the rate of 5% (2013: 5%) during the accounting period.

The Trustees of The Pensions Trust's Growth Plan commission an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

21. Pension Scheme (Growth Plan) (cont.)

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780.3 million and the Plan's Technical Provisions (i.e. past service liabilities) were £927.9 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £147.6 million, equivalent to a funding level of 84.1%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre-retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Rate of price inflation – RPI	2.4
Rate of price inflation - CPI	2.4

The next full actuarial valuation will be carried out as at 30 September 2014.

Currently Relate is not required to contribute additional payments to support the Plan in making good the overall deficit. This is primarily because Relate moved its contributions from The Plan's Growth Series 3 to Growth Series 4 in 2011. However the Plan has indicated that were Relate to withdraw from the Plan altogether, the Plan's advisers have estimated that Relate would be liable for an additional payment of £114,273 (2013 - £139,434) to cover shortfalls generated during the period it participated in the Plan's Growth Series 3. The Trustees consider this to be a remote contingent liability as Relate has no plans to withdraw from the Plan at this stage.

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

22. Cash flow statement

a) Reconciliation of net outgoing resources to net cash inflow / (outflow) from operating activities

	2014	2013
	£'000	£'000
Net outgoing resources	(116)	(148)
Depreciation	1	28
Interest received	(12)	(27)
Decrease / (increase) in debtors	453	(491)
Increase / (decrease) in creditors	113	(24)
	-----	-----
Net cash inflow / (outflow) from operating activities	439	(662)
	=====	=====

22. Cash flow statement (cont.)

b) Returns on investment and servicing of finance

	2014	2013
	£'000	£'000
Interest received	12	27
	=====	=====

c) Capital expenditure and financial investment

	2014	2013
	£'000	£'000
Purchase of tangible fixed assets	(12)	-
	=====	=====

d) Management of liquid resources

	2014	2013
	£'000	£'000
Withdrawn from deposits	500	350
	=====	=====

e) Analysis of changes in net funds

	At 1 April 2013 £'000	Cash flows £'000	At 31 March 2014 £'000
Cash at bank and in hand	481	939	1,420
Current asset investments	500	(500)	-
	-----	-----	-----
	981	439	1,420
	=====	=====	=====