

**YORKSHIRE FAMILY MEDIATION SERVICE LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

**Company Registration No. 03143339 (England and Wales)**  
**Charity Registration No. 1057519**

YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

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Trustees	J Moffatt A MacKay J Wheeler S Green
Secretary	S Smith
Charity number	1057519
Company number	03143339
Principal address	9 Salem Street Bradford BD1 4QH
Registered office	9 Salem Street Bradford BD1 4QH
Independent Examiner	Colin Whitehead BA (HONS), FCA, MAAT Azets Audit Services Ltd Carlton House Grammar School Street Bradford BD1 4NS
Bankers	Co-operative Bank Plc 41 Vicar Lane Leeds LS1 1HJ  Shawbrook Bank Queens Court 24 Queens Court Manchester M2 5HX  Scottish Widows Bank P O Box 12757 67 Morrison Street Edinburgh EH3 8YJ

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**YORKSHIRE FAMILY MEDIATION SERVICE LIMITED**

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# **YORKSHIRE FAMILY MEDIATION SERVICE LIMITED**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "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 2019)"

Yorkshire Family Mediation Council Limited (t/a Yorkshire Family Mediation) is also referred to as YFMS.

#### **Objectives and activities**

##### **Mission**

The charity's mission is:

*To provide a service that helps parents and couples whose relationships are ending or have already ended, to dissolve those relationships in a way that causes least distress to themselves and to their children, both emotionally and financially.*

The founders of YFMS held a firm belief in mediation being the most positive and constructive way to resolve conflict within families. Furthermore, they believed mediation was a way to help resolve disputes whilst introducing users to the potential of solving other life problems through discussion and agreement rather than through argument.

##### **Aim**

The charity's aim is to make the family mediation service available and accessible to all families and family members affected by divorce, separation and family relationship breakdown. It's work is to help separating couples achieve the best possible outcomes for themselves and their children. We will promote good parenting, fairness and respect towards each other through and beyond the separation process.

The aims, objectives and activities are reviewed each year. This review looks at what the charity has achieved and the outcomes of its work over the previous 12 months. The review considers the key activities and what benefits they have brought to those the charity was set up to help. The review helps the charity stay focused on its aims and objectives.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, we have considered how planned activities will contribute to our aims and objectives and consider they have complied with the duty of section 4 of the 2011 Charities Act.

#### **Introduction**

In this turbulent year, our service has faced numerous challenges, including the impact of the Covid-19 pandemic and the severe cost of living crisis affecting the entire country. Rising inflation, coupled with ongoing issues such as the Covid pandemic, Russia's invasion of Ukraine, and Brexit, have had a significant economic impact. These factors have particularly affected low-income individuals, making the "luxury" of family mediation less of a priority as people struggle to afford daily necessities.

#### **Background**

The family courts have been grappling with an increasing workload for years, exacerbated by the disruptions caused by Covid lockdowns. Back in 2019, Sir Andrew McFarlane, president of the family division, aptly described the situation as the courts having to "run up a down escalator." Unfortunately, the situation has worsened since then. Currently, the courts are dealing with well over 100,000 cases at any given time, and the average time for a case to be completed has increased to 43 weeks. This represents a five-week increase from 2021 and a 15-week increase from pre-pandemic levels.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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In response to these challenges, the government is conducting a comprehensive review of the civil legal aid market in England and Wales. This review aims to improve the accessibility and delivery of legal aid for individuals facing civil and family legal issues. As a service involved in family mediation, we are particularly interested in the delivery of legal aid to separated families. The government is engaging in consultations with relevant stakeholders, including those providing legal aid for family mediation, and the final report is expected to be published in 2024. This review is long overdue, as the terms of the legal aid contract have remained largely unchanged since 2009, including the remuneration provided to services offering legal aid for family mediation.

There are four key points that we are closely following, as they will significantly impact our future operations:

1. Remuneration: The current rates of payment under the Legal Aid contract for family mediation services have not been increased since 2009, despite a cumulative price increase of 79.8% during this period. These rates are considered to be borderline "poor," making it extremely difficult for services to break even in 2023.
2. Remote delivery/remote supervision: The experience of working through the Covid-19 pandemic has shown that family mediation can effectively be delivered remotely. Families appreciate the convenience of attending mediation sessions from their own homes, and services can operate with greater flexibility. The remote supervision of professional standards by Professional Practice Consultants (PPCs) has also been proven to be efficient, allowing for immediate responses and increased flexibility from our PPCs.
3. Passporting Benefits: Currently, individuals in receipt of universal credit automatically qualify for legal aid in most cases. However, the ongoing consultation may lead to changes in this system, shifting the responsibility of assessment from government departments to individual services. It is likely that no additional payment will be offered for services conducting detailed and time-consuming assessments.
4. Compulsory Family Mediation: As part of the current review, there is consideration given to making family mediation compulsory for individuals seeking resolution in family courts for child or financial matters. This would involve mandatory attendance by all parties at the Mediation Information and Assessment Meeting (MIAM) stage, which aims to educate people about the benefits of mediation as well as compulsory attendance at mediation.

In the meantime, the government has implemented a voucher scheme that extends until December 2024. Clients can apply for up to £500 to help offset the cost of their mediation, excluding the cost of a MIAM.

These developments and ongoing consultations will shape the future landscape of family mediation services and legal aid. We are closely monitoring these changes to ensure our service can adapt and continue providing crucial support to families in need.

### Operations

During the year, our service worked with a total of 1,004 clients, and out of those, 187 cases proceeded to mediation. This represents a 9% decrease in client numbers and a 5% decrease in cases proceeding to mediation compared to the previous year. As mentioned earlier, the drop in client numbers can be attributed to the unexpected cost of living crisis. However, it's worth noting that in the first quarter of the year, prior to the sudden inflation hike, there was a 17% increase in client numbers and a significant 61% increase in cases proceeding to mediation.

Throughout the year, we provided 335 mediation days, which is a slight increase compared to the previous year. Out of these days, 29 were conducted face-to-face, while the rest were conducted remotely. The remote delivery of mediation has proven to be effective and convenient for both families and our service, allowing for greater flexibility.

# **YORKSHIRE FAMILY MEDIATION SERVICE LIMITED**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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Client satisfaction is a key priority for us, and we value feedback from our clients to continuously improve our service and overall client experience. This year, 82% of clients who attended the Mediation Information and Assessment Meeting (MIAM) expressed at least a fair level of satisfaction with the service they received, with 66% being very satisfied. Among clients who attended mediation, 62% reported at least a fair level of satisfaction, with 29% being very satisfied.

While it is inevitable that some clients may not find mediation to be the preferred method for resolving their issues, we remain committed to providing the best possible service and striving for client satisfaction. We will continue to listen to feedback and make improvements to meet the needs of our clients effectively.

The service ended the year with the capacity to deal with approximately a 25% increase in demand.

### **The Team**

Throughout the year, our team has remained largely consistent. The only notable change in staffing numbers was the appointment of two deputy Professional Practice Consultants (PPCs) to support our main PPC in overseeing our remote mediators.

**Leadership.** Our leadership team consists of our CEO/Service Manager, Gordon Laing, who has been with the service for four years. Gordon continues to shape the service, adapting it to overcome new and ongoing challenges while striving to improve the quality of delivery. He maintains a balance between enhancing the service's quality and affordability, making it accessible to all. Victoria Joyce, our Office Manager, brings over 10 years of experience to ensure smooth operations within the service.

**Professional Support.** Professional support is provided by our Professional Practice Consultant, Stefan Klidzia. Stefan ensures that all our mediators adhere to accepted practice procedures and offers expert advice to the service manager and the team as a whole. This year, we welcomed two new Deputy Professional Practice Consultants, Will Stewart and Chloe Evans, who assist Stefan in supporting our remotely located mediators.

**Mediation.** We are fortunate to have a strong team of experienced mediators who work on a part-time basis. Two mediators, Julie Kerwin and David Schoon, are employed by the service, while five others, Jo Bloss, Steffi Boothroyd, Chris Godfrey, Sukie De Andrade, and Ian Wilson, are contracted to work with us. Our mediators have successfully navigated an ever-changing environment, adapting to new policies and procedures without complaint or fault. Their dedication and expertise greatly contribute to the service's success.

**Administration.** Our administration team, led by Aisha Suleman, plays a crucial role in managing over 1,000 clients per year and handling inquiries from a significantly larger number of individuals. They handle public inquiries received through various channels such as Google, Facebook, our website, telephone, email, and third-party organizations. Their professionalism and informed assistance are vital in helping people determine whether attending a Mediation Information and Assessment Meeting (MIAM) is suitable for their circumstances. Although their work may often go unrecognized, our administration team is recognized as an instrumental part of our service's smooth operation.

**Trustees.** We are supported by five trustees, with James Moffatt serving as our Chair. The trustees, including Jill Wheeler, Stephanie Smith, Anne Mackay, and Stuart Green, oversee the running and strategic plans of the service. Leveraging their professional and personal expertise, they ensure that our service operates in a compliant and effective manner. Their guidance and support contribute to our overall success.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

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### Finances

Despite the challenges faced throughout the year, our income showed a notable increase of approximately 11% compared to the previous fiscal year (FY21-22), however, with costs associated to delivering the service rising a similar amount, the service finished the year in a comparable financial position as it's last year. The detailed accounts that follow demonstrate a small excess of earnings throughout the year, which demonstrates the resilience of the service and was welcomed considering the circumstances.

In terms of income breakdown, we generated revenue from two main sources: fees from private clients and fees from clients receiving legal aid. The income from these sources was split almost evenly, with each contributing approximately 50% to the overall income of the service. This balanced distribution reflects our commitment to providing accessible services to clients regardless of their financial circumstances, ensuring that both private and legally aided clients can benefit from our mediation services.

For a more comprehensive understanding of the financial details, please refer to the attached detailed accounts that follow this section of the report.

### Challenges and Opportunities for FY23-24

As explained, the challenging financial situation in the UK, characterized by high inflation and rising costs of essentials, continues to impact many individuals and families. This situation will continue to particularly affect lower-income families, as salaries and benefits have not kept pace with the increasing expenses. As we look ahead to the fiscal year 2023-2024, addressing this ongoing cost of living crisis will be our main challenge.

We appreciate the government's review of legal aid provision for family mediation and their recognition of the effectiveness of mediation in helping couples resolve their issues while reducing the burden on the family courts. The extension of the voucher scheme is also welcomed, as it assists individuals in affording mediation services beyond the initial Mediation Information and Assessment Meeting (MIAM) stage. This extension is likely to result in more cases proceeding to some degree of mediation rather than halting at the MIAM stage. We are prepared to handle a significant increase in the number of MIAMs if they become compulsory following the review. However, like other services, we would face challenges if mediation itself were made compulsory.

Our goal for the upcoming year is to promote our service more widely, ensuring that the public is informed about the benefits of mediation and, more specifically, the services offered by Yorkshire Family Mediation Service. By raising awareness, we aim to reach more individuals and families who could benefit from our mediation services and help them navigate their family issues in a constructive and peaceful manner.

### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. The charity does not actively raise funds from the public either directly or via use of an agent, accordingly no such amounts are presented in the financial statements for the year under review. The charity has received no complaints in relation to fundraising activity for the year under review.

Given the nature of the funding of the charity the Trustees consider that it remains appropriate not to be voluntarily bound to be regulated by the Fundraising Regulator.

### Financial review

The income for the year amounted to £189,975 (2022 £170,879) with expenditure amounting to £185,962 (2022 £165,185), resulting in a net surplus of £4,013 (2022 £5,694).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between six to nine months based on this year's budget (£76,000-£114,000). The trustees consider that reserves at this level will ensure that in the event of a significant drop in funding they will be able to continue the charity's current activities whilst consideration is given to ways in which additional funds may be raised.

## **YORKSHIRE FAMILY MEDIATION SERVICE LIMITED**

### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2023***

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While unrestricted free funds stand at £95,318 (2022 £101,601) there are also designated funds of £21,205 (2022 £16,964). These designated funds are to cover the value of any fixed assets and any staffing contingencies that may arise, such as covering the cost of sickness, maternity and other statutory pay requirements and the cost of temporary cover required in these instances. Furthermore, it is to cover the cost of potential staff redundancies in the event of a loss of funding. The present level of free reserves available to the charity is within the required level.

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.

# **YORKSHIRE FAMILY MEDIATION SERVICE LIMITED**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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### **Structure, governance and management**

The Charity is a company limited by guarantee registered in England and Wales on 13 August 1996.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Moffatt

A MacKay

J Wheeler

S Green

M J Simpson

(Resigned 28 April 2022)

Under the requirements of the Memorandum and Articles of Association the members of the Management Committee are elected to serve for a period of one year after which they must be re-elected at the Annual General Meeting.

The management committee seek to ensure that the needs of the charity are appropriately reflected through the diversity of the trustee body.

Potential trustees are invited to meet with the service manager for an informal introduction and overview of the organisation. Information given to potential trustees includes:

- The obligations of the management committee members
- The main documents which outline the operational framework of West Yorkshire Family Mediation, including the Memorandum and Articles of Association
- The organisation's financial position, as set out in the latest published accounts and quarterly financial reports
- Future plans

The potential trustee is invited to attend one or more general meetings of the management committee to observe how reporting and decision-making discussions and operations are undertaken and to meet and talk with other committee members.

In addition to internal documents and reports, various Charity Commission publications are provided to potential trustees to assist their understanding of the role of the management committee and its members.

Following this introduction to the organisation, the potential trustee is invited to make an application to become a committee member.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Indemnity insurance has been taken out during the year at a cost of £400, (2022 - £400).

## **YORKSHIRE FAMILY MEDIATION SERVICE LIMITED**

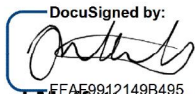
### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023**

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The management committee is made up of a minimum of 3 members who meet quarterly and are responsible for agreeing the strategic direction and policy of YFMS. A representative from the organisation's accountants, Naylor Wintersgill Limited, attends the quarterly meetings to advise on questions of finance.

Day to day responsibility for the provision and development of services rests with the Service Manager. The Service Manager is responsible for ensuring that the charity delivers the services specified. The Service Manager oversees day to day running of the organisation and its operations. Responsibility for individual supervision of staff teams and ensuring that the teams continue to develop their skills and working practices lies with the Service Supervisor (mediation team) and the Office Manager (administration team), who report back to the Service Manager.

The Trustees report was approved by the Board of Trustees.

DocuSigned by:  
  
FFAF59912149B495...  
**J Moffatt**

Trustee

Dated: 19 October 2023

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

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I report on the financial statements of the Charity for the year ended 31 March 2023, which are set out on pages 9 to 21.

#### Respective responsibilities of Trustees and examiner

The Charity's Trustees, who are also the directors of Yorkshire Family Mediation Service Limited for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

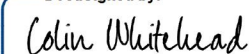
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual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

#### Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

DocuSigned by:



Colin Whitehead FCA, MAAT, BA (HONS)

Independent Examiner

Azets Audit Services Ltd

Carlton House  
Grammar School Street  
Bradford  
BD1 4NS

Dated: 19 October 2023

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	4,100	10,000	14,100	-	-	-
Charitable activities	4	174,963	-	174,963	170,401	-	170,401
Investments	5	912	-	912	478	-	478
<b>Total income</b>		<u>179,975</u>	<u>10,000</u>	<u>189,975</u>	<u>170,879</u>	<u>-</u>	<u>170,879</u>
<b>Expenditure on:</b>							
Charitable activities	6	<u>182,017</u>	<u>3,945</u>	<u>185,962</u>	<u>162,592</u>	<u>2,593</u>	<u>165,185</u>
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		(2,042)	6,055	4,013	8,287	(2,593)	5,694
Fund balances at 1 April 2022		<u>118,565</u>	<u>3,449</u>	<u>122,014</u>	<u>110,278</u>	<u>6,042</u>	<u>116,320</u>
<b>Fund balances at 31 March 2023</b>		<u>116,523</u>	<u>9,504</u>	<u>126,027</u>	<u>118,565</u>	<u>3,449</u>	<u>122,014</u>

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.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	12		2,105		989
<b>Current assets</b>					
Debtors	13	18,864		16,277	
Cash at bank and in hand		112,339		109,652	
		131,203		125,929	
<b>Creditors: amounts falling due within one year</b>	14	(7,281)		(4,904)	
Net current assets			123,922		121,025
<b>Total assets less current liabilities</b>			126,027		122,014
<b>Income funds</b>					
Restricted funds	15		9,504		3,449
<u>Unrestricted funds</u>					
Designated funds	16	21,205		16,964	
General unrestricted funds		95,318		101,601	
			116,523		118,565
			126,027		122,014

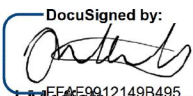
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts 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 accounts, 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 Trustees on 19 October 2023

DocuSigned by:  
  
 J Moffatt  
 Trustee

Company registration number 03143339

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Charity information

Yorkshire Family Mediation Service Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 9 Salem Street, Bradford, BD1 4QH.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the Charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

#### 1.4 Income

Voluntary income including donations and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those 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.

#### 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:

Fixtures and fittings	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 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.

#### 1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2023 £	2023 £	2023 £	2022 £
Donations and gifts	4,100	-	4,100	-
Grants listed below	-	10,000	10,000	-
	<u>4,100</u>	<u>10,000</u>	<u>14,100</u>	<u>-</u>
<b>Grants receivable for core activities</b>				
National Lottery (Clients)	-	10,000	10,000	-
	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>

### 4 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Mediation fees	95,753	83,890
Services provided under contract	79,210	86,511
	<u>174,963</u>	<u>170,401</u>

### 5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	912	478
	<u>912</u>	<u>478</u>

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 6 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Staff costs	70,003	64,468
Sessional mediator fees	37,440	30,692
	<u>107,443</u>	<u>95,160</u>
Share of support costs (see note 8)	76,969	68,180
Share of governance costs (see note 8)	1,550	1,845
	<u>185,962</u>	<u>165,185</u>
<b>Analysis by fund</b>		
Unrestricted funds	182,017	162,592
Restricted funds	3,945	2,593
	<u>185,962</u>	<u>165,185</u>

### 7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or expenses from the Charity during the current or previous year.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	41,050	-	41,050	37,866	-	37,866
Depreciation	1,096	-	1,096	1,003	-	1,003
Operating lease charges	1,256	-	1,256	-	-	-
Rent, rates and service charges	11,276	-	11,276	10,794	-	10,794
Insurance	975	-	975	536	-	536
Telephone	1,425	-	1,425	1,112	-	1,112
Computer software and maintenance	9,512	-	9,512	9,204	-	9,204
Printing, postage and stationery	682	-	682	462	-	462
Subscriptions and affiliation fees	1,738	-	1,738	2,073	-	2,073
Sundry expenses	2,070	-	2,070	1,043	-	1,043
Advertising	146	-	146	250	-	250
Bank charges	2,256	-	2,256	1,360	-	1,360
Accountancy fees	3,487	-	3,487	2,477	-	2,477
Independent examiner's fee	-	1,550	1,550	-	1,445	1,445
Indemnity insurance	-	-	-	-	400	400
	<u>76,969</u>	<u>1,550</u>	<u>78,519</u>	<u>68,180</u>	<u>1,845</u>	<u>70,025</u>
Analysed between						
Charitable activities	<u>76,969</u>	<u>1,550</u>	<u>78,519</u>	<u>68,180</u>	<u>1,845</u>	<u>70,025</u>

All costs are allocated to the sole activity of the charity.

### 9 Taxation

As a charity the company is exempt from tax on income falling within part II of the Corporation Tax Act 2010 and on gains falling within s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the charity.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
7	7

#### Employment costs

	2023 £	2022 £
Wages and salaries	108,505	99,039
Social security costs	1,805	2,131
Other pension costs	743	1,164
	111,053	102,334

There were no employees whose annual remuneration was £60,000 or more (2022 none).

### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 12 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2022	4,013
Additions	2,237
Disposals	(1,165)
At 31 March 2023	5,085
<b>Depreciation and impairment</b>	
At 1 April 2022	3,024
Depreciation charged in the year	1,096
Eliminated in respect of disposals	(1,140)
At 31 March 2023	2,980
<b>Carrying amount</b>	
At 31 March 2023	2,105
At 31 March 2022	989

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Prepayments	18,864	16,277

### 14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	3,019	3,454
Accruals	4,262	1,450
	7,281	4,904

### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021 £	Resources expended £	Balance at 1 April 2022 £	Movement in funds		
				Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Fixed assets	316	(291)	25	-	(25)	-
Clients	5,726	(2,302)	3,424	-	(1,082)	2,342
Outreach services	-	-	-	10,000	(2,838)	7,162
	6,042	(2,593)	3,449	10,000	(3,945)	9,504

The Listening Ear Project was funded by Awards for All. Part of the funding has been spent on fixed assets and the amount was transferred to the fixed asset fund to show depreciation and net book value at the year end.

The National Lottery funded client mediation.

The National Lottery funded outreach services

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021	Transfers	Balance at 1 April 2022	Transfers	Balance at 31 March 2023
	£	£	£	£	£
Staffing contingency	40,000	(24,000)	16,000	3,100	19,100
Fixed assets	1,283	(319)	964	1,141	2,105
	<u>41,283</u>	<u>(24,319)</u>	<u>16,964</u>	<u>4,241</u>	<u>21,205</u>

Staffing contingency is to cover cost of sickness, maternity and other statutory pay requirements and the cost of temporary cover required in these instances, also to cover the cost of potential staff redundancies, this expenditure is not expected in the foreseeable future. A transfer has been made to keep this figure current.

Fixed assets were purchased during the year. A transfer has been made to ring fence the net book value of these assets.

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

17 Funds	Balance at 1 April 2021		Incoming resources		Resources expended		Transfers		Balance at 1 April 2022		Incoming resources		Resources expended		Transfers		Balance at 31 March 2023	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Restricted funds	6,042	-	-	(2,593)	-	3,449	-	10,000	(3,945)	-	9,504	-	-	-	-	-	9,504	-
Designated funds	41,283	-	-	-	(24,319)	16,964	-	-	-	4,241	21,205	-	-	-	4,241	-	21,205	-
Unrestricted funds	68,995	170,879	170,879	(162,592)	24,319	101,601	-	179,975	(182,017)	(4,241)	95,318	-	-	-	-	-	95,318	-
	116,320	170,879	170,879	(165,185)	-	122,014	-	189,975	(185,962)	-	126,027	-	-	-	-	-	126,027	-
<b>18 Analysis of net assets between funds</b>																		
Fund balances are represented by: Tangible assets Current assets/(liabilities)	General		Restricted		Designated		Total		General		Restricted		Designated		Total		Total	
	2023	£	2023	£	2023	£	2023	£	2023	£	2023	£	2023	£	2023	£	2022	£
	-	-	-	-	2,105	2,105	2,105	-	-	-	25	25	964	964	989	989	121,025	121,025
	95,318	95,318	9,504	9,504	19,100	123,922	123,922	101,601	101,601	3,424	16,000	16,000	16,964	16,964	122,014	122,014	122,014	122,014

# YORKSHIRE FAMILY MEDIATION SERVICE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 19 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	5,200	4,500
Between two and five years	6,500	13,500
	<u>11,700</u>	<u>18,000</u>

#### 20 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>26,438</u>	<u>24,356</u>