
CENTRE FOR EFFECTIVE DISPUTE RESOLUTION LIMITED

(A charitable company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Registered Company Number: 2422813

Registered Charity Number: 1060369



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Reference and Administrative Details

DIRECTORS and TRUSTEES:

Joanna Page	Acting Chair
Sheila Bates	
Joanna Day	
Tracey Fox	(resigned 13 September 2021)
Neil Goodrum	(resigned 12 August 2021)
Margaret Heffernan	(resigned 31 December 2020)
Alan Jacobs	(resigned 15 August 2021)
Dr Karl Mackie CBE	(resigned 23 September 2021)
Adrian Mecz	
James South	(appointed 23 September 2021)
Rick Tazzini	
Wolf von Kumberg	
David Wilson	

SECRETARY: Graham Massie FCA

SENIOR EXECUTIVES: James South Chief Executive
Eileen Carroll QC (Hon)
Andrzej Grossman
Dr Karl Mackie CBE
Marinus Maris
Graham Massie FCA
Lauren McGuirl
John Munton
Andy Rogers
Susanne Schuler

REGISTERED OFFICE: 100 St Paul's Churchyard, London EC4M 8BU

COMPANY NUMBER: 2422813

CHARITY NUMBER: 1060369

BANKERS: Barclays Bank PLC, Atlas House, 1-7 King Street, London, EC2V 8AU
HSBC Bank PLC, 60 Queen Victoria Street London EC4N 4TR

AUDITORS: Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road,
London EC1M 7AD

Aims and Objectives

Centre for Effective Dispute Resolution (“CEDR”) is a UK registered charity that is committed to improving the way organisations prevent, manage and resolve conflict deadlock.

The objects for which the company is established are to promote, for the benefit of the public in the United Kingdom, Europe and throughout the World, the use of conciliation, mediation, adjudication and other methods and procedures for resolving disputes between individuals and/or organisations where this will avoid or reduce the need for, and thereby relieve the social and economic costs of, litigation and equivalent procedures (“Alternative Dispute Resolution” or “ADR”).

The strategies we employ to achieve CEDR’s objectives are:

1. providing a distinct and independent voice which offers innovative and creative practical leadership in the field of conflict management in relation particularly to justice systems and to organisations;
2. providing an information and advisory service to our members, experts and legal representatives in the field, and others;
3. operating as an independent third party at all dispute levels from global conflict, major business transactions and organisational politics, through to court-annexed schemes and cases of individual consumer complaint and disagreement;
4. running conflict training programmes and consultancy projects to teach participants to use mediation skills, effective communication and conflict management techniques in their working and personal lives.

Better conflicts, better outcomes, better world

Our vision is that better conflicts result in better outcomes leading to a better world. Our mission is to provide society with skills and solutions for effective dialogue and to bring about sustainable change. All our work is underpinned by our values of Humanity, Independence, Tenacity and Transformation.

CEDR were the original disruptors before disruptors had their name, being the leading campaigner for the development of alternative methods of resolving disputes both in the UK and internationally. We have been instrumental in assisting organisations and government to develop their own conflict management and dispute resolution strategies; and we have lobbied vigorously to raise the awareness of mediation and related skills training. We continue to honour that legacy, charting our own path as the modern face of mediation and conflict resolution.

As a social enterprise, our dispute resolution, training and consultancy services are integral to our overall mission. These activities are conducted through a wholly owned subsidiary, CEDR Services Limited. All of the taxable profits of the subsidiary are donated by way of Gift Aid to CEDR in order to provide funding for our charitable work alongside subscriptions from our members.

Achievements and Performance

Impact of the covid-19 pandemic

With the announcement of the nationwide lock-down and our move to home working in mid-March 2020, CEDR entered this financial year with a degree of trepidation as traditionally all of our commercial dispute resolution and training services have been delivered on an in-person basis. However, within the first month of remote working, our commercial services team successfully pivoted to delivering online mediations, achieving 40% of our normal case volume in April 2020, a proportion which rose steadily thereafter as both mediators and lawyers became more comfortable with the approach.

A similar picture emerged in our training operations where we rapidly reoriented our material for online delivery such that, by June, we were able to successfully deliver our scheduled Mediation Skills Training course entirely online. Not only did this course go well but the new approach opened up new opportunities for overseas courses where the costs of travel might previously have been prohibitive.

Being largely based on documentation reviews, our consumer services have been able to maintain their high standards throughout the shift from office working. Case volumes in the majority of our individual schemes were unaffected by the pandemic other than in our aviation service which saw a significant downturn as a consequence of the global reduction in air travel.

Alongside this re-positioning of our business operations, we continued to work on new developments. Extensive preparatory work was undertaken to support the establishment of the new Business Banking Resolution Service (BBRS) that has been set up to resolve disputes between eligible small and medium sized businesses and seven of the major lending banks; this includes historical complaints which could go back to 2001. Our work during 2020/21 primarily involved delivering consultancy services, conducting a casework pilot, and establishing an advanced online case management system. BBRS formally launched on 15 February 2021, and we are now providing expertise to support delivery of the service.

We also developed new services to assist internet platform providers comply with the new European Union Regulation 2019/1150 on promoting fairness and transparency for businesses and traders who use online intermediation service providers to reach their customers. Both Amazon and Google are already subscribers.

The majority of our Foundation work was also able to continue largely unaffected, although again our in-person activities such as The National Negotiation Competition and seminars shifted to online delivery.

As these financial statements report, 2020/21 has seen considerable financial success for CEDR. Our staff have performed exceptionally well, not only in demonstrating resilience in difficult times but also in maintaining the commitment to quality and innovation that is at the heart of CEDR. Our achievements in this past year go far beyond simply ensuring CEDR's survival; we have learnt a lot that will fuel further growth and success in the future.

Achievements and Performance

How our activities deliver public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. In setting the level of fees, charges and concessions, the organisation gives careful consideration to the accessibility of its services to those on low incomes.

We are mindful of the need to deliver services direct to the public, and we therefore continue to expand our range of lower value schemes in targeted sectors. Our low-cost, quality-controlled mediation service continues to be well used; the majority of our consumer services are free of charge to complainants; and we offer financial support for our training by way of targeted programmes for individuals and groups where we believe that those working and living around them will benefit from their new skills.

Commercial dispute services

Mediation delivers value by facilitating negotiated resolutions whilst avoiding wasted management time, damaged relationships, lost productivity and legal fees. It is an established feature in the conflict landscape, with its use increasingly mandated by commercial contracts, corporate policy and procedural rules; and CEDR continues to maintain a position of leadership in what is now a very competitive marketplace.

The value delivered by mediation was quantified in the ninth iteration of our Mediation Audit, published in May 2021. This reported that approximately £17.5 billion of commercial claims are now mediated annually, and that through mediation British business saves around £4.6 billion each year.

Consumer adjudication services

CEDR runs over 100 consumer dispute schemes for major organisations and industries, and around 30,000 individual consumers used our services this year, generally with impartial adjudication leading to a decision which can be enforceable against a business if the consumer chooses to accept it. Our most active schemes remain in the telecommunication and internet, water and sewerage, postal and private healthcare sectors. We also fulfil an independent role in reviewing complaints handling by large organisations such as Ofsted and the Solicitors Regulation Authority with a view to identifying lessons as to how consumer concerns may be better handled in future.

Consumer schemes such as these save consumers the time and trouble of pursuing their case through the courts. They are easily accessible, with a clear and straightforward process and a tight timetable that generally leads to consumers receiving written reasoned decisions within six weeks of their application to us. In addition to enabling consumers achieve resolutions in complaints which may not otherwise have been practicable for them to pursue, we provide valuable independent feedback to subscriber organisations as to how they might improve their customer experience.

Achievements and Performance

Training and consultancy

CEDR regularly partners with national and multi-national organisations to develop a better understanding of the value of communication and collaboration skills in and out of the workplace, as well as dispute resolution capabilities. We inspire people to look differently at conflict, reframing it as an opportunity to achieve better outcomes and build a better society.

CEDR's experience as practicing mediators remains central to our overall training proposition, and we continue to work hard to ensure that our Mediator Skills Training and Accreditation retains its world-leading position. In addition, our negotiation and conflict management specialists offer a range of consultancy, coaching and training to support individuals have effective communication and manage conflict at all levels, whilst our international development consultants continue to support the take-up of mediation in new jurisdictions by delivering training and building the institutional capacity of local ADR centres, thereby reducing the negative effects of litigation, and promoting economic development.

Innovation, policy and campaigning

At the heart of CEDR's work is its Foundation activity. This refers to our range of activities, funded by surpluses from our services and from membership subscriptions, which focus on thought leadership and innovation. We undertake innovative research into understanding conflict in all forms and methods of resolving it; we convene special working groups on key conflict issues; we create events and publications to raise awareness of better conflict management approaches; and we look for opportunities to encourage positive change in systemic professional and business conflict practices.

Foundation projects this year included further work on Improving Diversity in Commercial Mediation, a multi-year project designed to address the imbalances of gender, race and age within the commercial mediation field. We continued our long-standing organisation and sponsorship of the National Negotiation Competition for Law Students; we researched and published the results of the Ninth Mediation Audit; and we have significantly increased our output of social media content, online seminars and podcasts to meet the needs of the new virtual environment.

In addition, CEDR continues to work on its own and with others to promote more effective dispute resolution and collaboration. Our website, which has been significantly refreshed during the year, provides an up-to-date information resource on the latest ADR-related judgments in the Courts and on best practice and other topical issues, and CEDR's Model ADR Clauses for Commercial Contracts, which are updated annually, are freely available through our website, with over 20,000 downloads every year.

Our senior executives sit on the boards of the UK's Civil Mediation Council and the International Mediation Institute, and we continue to work closely with our US counterpart, The International Institute for Conflict Prevention and Resolution (CPR). One of our main initiatives with CPR this year was the organisation of their European Conference.

Plans for 2021/22 and beyond

Whilst the first half of 2021/22 has seen a continuation of the past year's pattern of remote working and largely online delivery of our mediation and training services, we shall be moving into a new era of CEDR's development in September 2021 as we move into a new, custom-built, state of the art office in St Paul's Churchyard.

This move is a landmark moment for our organisation as for the first time we will have a space specifically designed for the needs of our staff, trainers, dispute resolution professionals and clients. In particular, we have learned many lessons from the past eighteen months of remote working and have incorporated these into the office design to create a flexible, hybrid workspace that can support both in-person and virtual mediation and training delivery as well as providing a collaborative workspace that can be a hub not only for our own staff but also for the commercial mediation community as a whole.

Linked to this new office and a gradual return to office-based working in the second half of 2021/22, we anticipate a steady move back to in-person services although clearly the case for online delivery has been well made and we are likely to have a hybrid operating model in future. We also anticipate further recovery in overall mediation and training volumes, although it is likely to be April 2022 before activity is restored to pre-pandemic levels.

Within consumer services, activity will stabilise following the transition from the intensive development phase into normal service operation although we continue to pursue growth from new services and in new sectors. In addition, in August 2021, CEDR has taken over control of the Independent Sector Complaints Adjudication Service (ISCAS), the leading body for the handling of patient complaints about independent healthcare providers. CEDR has been hosting the ISCAS operations since 2016, but this development brings its work under our charity umbrella as well as providing greater security for the provision of an efficient and patient-responsive service.

A common thread across all of our services is the increasing reliance upon high quality technology. The development of a bespoke online case management system for use with the BBRS has been very successful, and this platform will now be rolled out across many of our other high volume consumer services over the coming years. We are also continuing with our work to establish online access to some of our commercial mediation services, thereby simplifying the process for users.

Technology will also play an increasing part in delivery of our training services. Video conferencing will continue to be used for course delivery where appropriate, but we are also looking to develop more a structured learning and development experience for our course participants. This will be rolled out during 2021/22.

Within our Foundation work, our existing projects on diversity and the next generation of young leaders will continue, and we will also be looking to consolidate our recent learnings on the use of technology in ADR. We shall also be looking to broaden our thought leadership activity into the consumer redress area as this is now becoming an increasingly significant proportion of our overall activity.

Review of Financial Performance

These financial statements report that total income rose by 11.9% to £9,262,000 (2020: £8,279,000) with revenues from the new BBRS project more than offsetting covid-related dips in our commercial mediation, aviation adjudication and training services.

Total expenditure, rose by only 2.4% to £8,170,000 (2020: £7,979,000) as we were largely able to deliver the BBRS project from within our existing staff resources. Because of this new work, we made only modest use of the Government's Coronavirus Job Retention Scheme, claiming only £27,000 for 12 staff who were furloughed in late April 2020 but who were all returned to full-time working by early July 2020.

The consolidated balance sheet shows that we have invested very significantly (£662,000) in new case management system software over the year. However, the consolidated balance sheet position continues to be strong, including cash and bank balances of £1,980,000 (2020: £1,695,000) and total reserves of £3,111,000 (2020: £2,019,000). We are, therefore, well able to cover the projected £800,000 investment in our new office premises in 2021/22.

Reserves policy

The surplus for the year has increased our free reserves to £2,019,000 (2020: £1,589,000).

In their consideration of what would be the appropriate level of reserves to be held by the company, the directors have set a policy which requires (a) that reserves be maintained at a level which ensures that core activities could continue during a period of unforeseen difficulty; and (b) that a proportion of reserves be maintained in a readily realisable form.

The directors have considered the organisation's commitments, planned activity levels and the risks associated with each stream of income and expenditure being different from that budgeted, and have concluded that the target should be set at a level which equates to a free reserves figure of approximately £2,150,000, such amount to be held largely in bank and cash deposits or other readily realisable assets.

CEDR is, therefore, getting close to achieving its reserves target, and the directors intend to focus on maintaining that position by generating financial surpluses through prudent financial management in future years.

Structure, Governance and Management

The company was incorporated by guarantee on 14 September 1989. It has no share capital and is a registered charity. The liability of each member of the company in the event of its winding up is limited to £1 per member. At 31 March 2021 the company had 19 members.

The governing document is the Memorandum and Articles of Association of the company, and members of the Board of Trustees are the directors of the company.

Trustees

In accordance with the Articles of Association directors are elected by the members in General Meeting; in addition, the directors may co-opt additional Board members either to fill vacancies or to add to their numbers.

When seeking new members, the directors try to attract members with relevant skills and experience whilst ensuring that there is appropriate diversity amongst their number in terms both of professional background and representation from each of the various stakeholder groups with which CEDR engages (these include mediators, the legal profession, business and the public sector). Because of their professional background, new trustees generally already have a working knowledge or experience of the ADR field, but they all undertake an induction process based largely on briefings by briefings by senior executives; additional training is available where appropriate.

The directors of the company who served during the year and as at 31 March 2021 are listed on page 1 above. The Board currently consists of 8 directors, all of whom, with the exception of James South and, prior to his resignation on 23 September 2021, Dr Karl Mackie CBE, are non-executive and receive no remuneration for their services as directors.

During the year ended 31 March 2021, the Board met on a quarterly basis to review appropriate strategic, operational, and financial matters. The Board has established Audit, Nominations and Remuneration Committees. The members of these committees are non-executive directors of the company.

The Board ensures that it complies with the principles and recommendations set out in the updated Charity Governance Code which it regards as setting a benchmark for the high standards of governance that it intends to maintain within CEDR. In late 2020, the Board determined that, as a matter of good practice, it should embark upon a formal governance review with the assistance of its lawyers. This review, which is ongoing, has not uncovered any significant shortcomings in our practices but some aspects of our formal constitution have been found to be out-dated and will be refreshed during 2021/22.

Management

The Board supervises the executive management of CEDR, whilst day-to-day management of the company's affairs is conducted by the Senior Executives of the company, who are listed on page 1 above.

Structure, Governance and Management

Remuneration policy

CEDR is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our objectives.

CEDR is ambitious for our field and aims at leadership in the sector. We believe in recruiting high-calibre people to represent our interests and to deliver the highest quality professional services and thought leadership on which our reputation is built. We also believe in rewarding staff fairly for the jobs that they do and fostering a positive working environment, and we believe our salaries and our terms and conditions reflect this.

People are employed at CEDR on the basis of the specific skills that they bring to their particular role. For us to run successfully, a large range of skills and disciplines are required, and we need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain them in a competitive market where, particularly in relation to our service delivery, their skills are readily transferable to other organisations, particularly in the commercial sector. CEDR firmly believes in trying to retain staff for the long term, developing them and benefiting from their growing knowledge and expertise. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our staff pay scales are set with this in mind taking into account factors including inflation and CEDR's financial position. Further details of employee remuneration are set out in note 7 to the financial statements.

Remuneration for the senior executive team are set and reviewed annually by the Remuneration Committee, a sub-committee of the Board. CEDR's unique position means that the senior management team require a breadth and depth of professional expertise that requires drawing from the best senior-level and practitioner talent in a competitive market. They need to be able to command the respect of our stakeholders and clients through their experience and their credibility. At the same time, we seek to keep salary costs under control.

All other staff salaries are set by the senior management team within the context of the overall policy approved by the Remuneration Committee. Salaries are arranged in organisation-wide pay bands, using comparisons with organisations of our size in London.

Each year the senior executives participate in performance appraisal as part of the same feedback and appraisal scheme operated for all CEDR staff. This includes seeking detailed feedback from trustees, colleagues and external contacts.

Structure, Governance and Management

Risk management

The directors have a risk management strategy that comprises:

- an annual review of the risks that the company may face;
- the establishment of systems and procedures to manage those risks; and
- the implementation of procedures designed to minimise any potential impact on the company should any of those risks materialise.

This work has identified that financial sustainability is the major financial risk for the company. The major proportion of its revenues is derived by way of fees for service provision earned by its trading subsidiary, CEDR Services Limited. These are largely dependent upon the continued engagement, reputation and performance of its key professional staff as well as on overall market demand for dispute resolution and training services.

Management of this trading risk is an integral part of the Board's oversight of CEDR's affairs. The activities of the company are reviewed by the directors following their consideration of a rolling strategic perspective. The business plan is updated annually by the senior executives and is presented for review by the Board at its March meeting each year along with risk registers. The directors monitor progress against the objectives set out in the plan at each Board meeting, by reference to monthly management accounts and reports from the senior executives on specific operational matters. This includes regular consideration of staff development and retention issues.

Attention has also been focussed on non-financial risks arising from loss of our communications and I.T. facilities as a result of catastrophic disaster, terrorist incident or other infrastructure failure. Loss of such facilities could cause a serious interruption of the company's trading operations, and the senior executives have, therefore, developed comprehensive contingency procedures that would enable an orderly and swift return to operations in the event of a disaster.

Investment powers

Under the Memorandum and Articles of Association, the company has the power to invest funds by any lawful means except permanent trading activities undertaken otherwise than in direct furtherance of the objects of the company.

Directors' and trustees' responsibilities

The directors and trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and law applicable to charities in England and Wales requires the directors and trustees to prepare financial statements for each financial year which give a true and fair view of

Structure, Governance and Management

the state of affairs of the group and company and of the group's incoming resources and application of resources, including its income and expenditure, for that period.

In preparing those financial statements, the directors and trustees are required to:

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

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

In so far as the directors and trustees are aware there is no relevant audit information of which the company's auditors are unaware; and the directors and trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board



Joanna Page - Director and Trustee

Independent Auditors' Report to the Members of Centre for Effective Dispute Resolution Limited

Opinion

We have audited the financial statements of Centre for Effective Dispute Resolution Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's 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 requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of Centre for Effective Dispute Resolution Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Independent Auditors' Report to the Members of Centre for Effective Dispute Resolution Limited

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

**Independent Auditors' Report to the Members of
Centre for Effective Dispute Resolution Limited**

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

**Independent Auditors' Report to the Members of
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- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of s.1212 of the Companies Act 2006

Consolidated Statement of Financial Activities
(including an Income and Expenditure Account)

	Notes	2021 £'000	2020 £'000
INCOME			
<i>Income from charitable activities</i>			
Dispute resolution services		1,571	2,022
Consumer adjudication services		6,401	4,442
Conflict training and consultancy		1,232	1,722
Membership subscriptions and events		57	86
<i>Income from investments</i>		1	7
TOTAL INCOME	4	<u>9,262</u>	<u>8,279</u>
EXPENDITURE			
<i>Expenditure on charitable activities</i>			
Dispute resolution services		1,577	2,073
Consumer adjudication services		4,600	3,516
Conflict training and consultancy		1,235	1,642
Innovation, policy and campaigning		758	748
TOTAL EXPENDITURE	4	<u>8,170</u>	<u>7,979</u>
NET GAINS/ (LOSSES) ON INVESTMENTS		-	-
NET INCOME / (EXPENDITURE) AND NET MOVEMENT IN FUNDS	6	<u>1,092</u>	<u>300</u>
Total unrestricted funds at 31 March 2020		2,019	1,719
TOTAL FUNDS AT 31 MARCH 2021	15	<u>3,111</u>	<u>2,019</u>

All amounts above are derived from continuing operations and relate to unrestricted funds.
There were no other recognised gains or losses.

The attached notes 1 to 20 form part of these financial statements.

CENTRE for EFFECTIVE DISPUTE RESOLUTION
ANNUAL REPORT and FINANCIAL STATEMENTS for the YEAR ENDED 31 MARCH 2021

Consolidated and Parent Balance Sheets

(Registered Company Number: 2422813)

	Notes	Group 2021	Group 2020	Company 2021	Company 2020 (restated)
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Goodwill	8	16	39	-	-
Other intangible assets	8	849	281	82	135
		<u>865</u>	<u>320</u>	<u>82</u>	<u>135</u>
Tangible assets	9	227	110	147	110
Investments	10	120	120	120	120
		<u>1,212</u>	<u>550</u>	<u>349</u>	<u>365</u>
CURRENT ASSETS					
Debtors	11	3,593	1,836	316	763
Cash at bank and in hand		1,980	1,695	914	195
		<u>5,573</u>	<u>3,531</u>	<u>1,230</u>	<u>958</u>
LIABILITIES:					
Creditors: amounts falling due within one year	12	3,674	2,062	189	292
NET CURRENT ASSETS (LIABILITIES)		<u>1,899</u>	<u>1,469</u>	<u>1,041</u>	<u>666</u>
NET ASSETS		<u>3,111</u>	<u>2,019</u>	<u>1,390</u>	<u>1,031</u>
FUNDS OF THE CHARITY					
Revaluation reserve		92	92	92	92
Unrestricted funds		3,019	1,927	1,298	939
TOTAL FUNDS	15	<u>3,111</u>	<u>2,019</u>	<u>1,390</u>	<u>1,031</u>

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

These financial statements were approved by the directors and trustees on 23 September 2021 and are signed on their behalf by Joanna Page.



The attached notes 1 to 20 form part of these financial statements.

Consolidated Cash Flow Statement

	2021 £'000	2020 £'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in funds	1,091	300
Adjustments for:		
Amortisation charges	117	84
Depreciation charges	63	56
Gains on investments	-	-
Dividends and interest from investments	-	(7)
Decrease / (increase) in debtors	(1,757)	(17)
Increase in creditors	1,612	(87)
Net cash flows from operating activities	<u>1,126</u>	<u>329</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends and interest from investments	1	7
Purchase of software and website development	(662)	(233)
Purchase of leasehold improvements	(22)	-
Purchase of office equipment and furniture	(158)	(70)
Net cash used in investing activities	<u>(841)</u>	<u>(249)</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	285	80
Cash and cash equivalents at 1 April 2020	1,695	1,615
CASH AND CASH EQUIVALENTS AT 31 MARCH 2021	<u>1,980</u>	<u>1,695</u>

The attached notes 1 to 20 form part of these financial statements.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The principal accounting policies adopted and the judgements and key sources of estimation uncertainty used in the preparation of the financial statements are as follows:

(a) *Basis of preparation of accounts*

The financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102") and the new Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities: Statement of Recommended Practice". The charitable company constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain investments measured at fair value.

The company has relied on the provisions of section 394 Companies Act 2006, as a charity, in adapting the statutory formats for the preparation of these financial statements so that they reflect the special nature of its activities.

(b) *Group financial statements*

The consolidated financial statements incorporate the accounts of the charity and its non-charitable trading subsidiary CEDR Services Limited. The results of the trading subsidiary have been incorporated on a line by line basis. The results of subsidiaries acquired are consolidated for the periods from or the date on which control passed. Transactions and balances between the entities are eliminated on consolidation.

A separate statement of financial activities for the charity itself is not presented as the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The parent company surplus amounted to £359,000 (2020: £457,000).

(c) *Going concern*

The financial statements are prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future. The directors have assessed the appropriateness of the going concern basis for the preparation of the financial statements and have taken account potential uncertainties arising from the Covid-19 pandemic. Whilst it had a significant impact on the nature of activities during 2020/2021, with staff largely working from home, and commercial disputes and training operations having to pivot rapidly to online delivery models, there has been no adverse financial impact and the financial position continues to be sound. The directors consider that there are no material uncertainties and accordingly continue to prepare the financial statements on a going concern basis.

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (continued)

(d) *Income*

Fees from dispute resolution, consumer adjudication and training services are included in income, net of value added tax, in the period in which the relevant services are rendered. Amounts invoiced and/or received for events occurring after the year-end are excluded. Membership subscription income, if received before the balance sheet date, is recognised evenly over the period to which it relates. Interest is included in income when receivable.

(e) *Expenditure*

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources.

Direct costs are allocated on an actual basis to the key strategic areas of activity. Staff salaries, overheads and other support costs are allocated between expense headings on the basis of time spent.

Support costs include the costs of governance arrangements that relate to the general running of the charity. These activities provide the governance infrastructure that allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity.

(f) *Goodwill*

Goodwill arising on consolidation represents the difference between the fair value of consideration given and the fair value of net assets acquired. The goodwill arising on the acquisition of subsidiary undertakings is amortised on a straight-line basis over its estimated useful life, which the directors have anticipated as being 10 years.

(g) *Other intangible assets*

Depreciation is provided on computer software and web-site development costs at rates of 20-33% per annum on a straight-line basis calculated to write off the cost of these assets over their estimated useful lives after being brought into use.

(h) *Tangible fixed assets*

All individual fixed assets costing £500 or more are capitalised at cost.

Depreciation is provided on office equipment and furniture at rates of 20-33% per annum on a straight-line basis calculated to write off the cost of these assets over their estimated useful lives. Depreciation is provided on leasehold improvements on a straight-line basis calculated to write off the cost of these assets over the remaining term of the lease.

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (continued)

(i) *Investments*

Programme-related investments, being investments made directly in pursuit of the organisation's charitable purposes, are included in the balance sheet at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities. Investments in subsidiaries are stated at cost less provision for any impairment.

(j) *Debtors*

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

(k) *Cash and cash equivalents*

Cash at bank and cash in hand include cash and short-term liquid investments with original maturities of three months or less.

(l) *Creditors and provisions*

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

(m) *Financial instruments*

The company only has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(n) *Pensions*

The company operates a defined contribution scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

(o) *Operating leases*

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

(p) *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at rates of exchange ruling at the date of the transaction. All exchange differences are taken to the statement of financial activities.

(q) *Fund accounting*

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the company.

Notes to the Financial Statements (continued)

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors 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.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

The annual depreciation charge for leasehold improvements, office equipment and furniture is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the leasehold improvements, office equipment and furniture; accounting policy 1(h) for the useful economic lives for each class of asset; and accounting policy 1(i) for the valuation of programme-related investments.

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. See note 8 for the carrying amount of the intangible assets and accounting policies 1(f) and 1(g) for the useful economic lives for each class of asset.

3. PRIOR YEAR ADJUSTMENT

The financial statements of the company for the year ended 31 March 2020 have been restated to correct an error whereby certain items of software were wrongly treated as having been acquired by the company rather than by its subsidiary undertaking, CEDR Services Limited. The effect of this restatement has been to decrease the cost of intangible assets and increase the amount due from the subsidiary company by £145,716. There is no change to the reported profit for the year to 31 March 2020 or to the consolidated financial statements.

Notes to the Financial Statements (continued)

4. TOTAL INCOME

The total incoming resources and net income are attributable to the principal activity of the charity and its subsidiaries carried out mainly in the United Kingdom. During the year 6% (2020: 14%) of the total incoming resources related to overseas activities.

5. TOTAL EXPENDITURE

(a) Analysis of expenditure on charitable activities

	Direct costs £'000	Staff costs £'000	Support costs £'000	Total 2021 £'000
Dispute resolution services	897	465	215	1,577
Consumer adjudication services	1,590	2,123	887	4,600
Conflict training and consultancy	404	622	209	1,235
Innovation, policy & campaigning	-	609	149	758
	<u>2,891</u>	<u>3,819</u>	<u>1,460</u>	<u>8,170</u>
	£'000	£'000	£'000	2020 £'000
Dispute resolution services	1,068	714	291	2,073
Consumer adjudication services	1,366	1,425	725	3,516
Conflict training and consultancy	745	688	209	1,642
Innovation, policy & campaigning	33	576	139	748
	<u>3,212</u>	<u>3,403</u>	<u>1,364</u>	<u>7,979</u>

(b) Analysis of support costs

	Dispute £'000	Consum. £'000	Train. £'000	Innov. £'000	Total 2021 £'000
Staff-related	110	168	57	13	348
Marketing	7	50	11	6	74
Communications	22	165	38	22	247
Premises	37	273	61	37	408
Financial	25	103	19	56	203
Depreciation/amortisation	14	128	23	15	180
	<u>215</u>	<u>887</u>	<u>209</u>	<u>149</u>	<u>1,460</u>

Notes to the Financial Statements (continued)

5. TOTAL EXPENDITURE (continued)

(b) *Analysis of support costs (continued)*

	Dispute	Consum.	Train.	Innov.	Total 2020
	£'000	£'000	£'000	£'000	£'000
Staff-related	140	173	75	46	434
Marketing	15	60	14	13	102
Communications	22	90	21	20	153
Premises	69	283	67	63	482
Financial	28	28	16	(18)	54
Depreciation/amortisation	17	91	16	15	139
	<u>291</u>	<u>725</u>	<u>209</u>	<u>139</u>	<u>1,364</u>

(c) *Analysis of governance costs (included within support costs)*

	2021 £'000	2020 £'000
Audit fees	29	21
Apportionment of staff-related support costs	45	52
	<u>74</u>	<u>73</u>

6. NET INCOME / (EXPENDITURE)

	2021 £'000	2020 £'000
Net (expenditure) income for the year is stated after charging:		
Amortisation of intangible fixed assets	117	84
Depreciation on tangible fixed assets	63	56
Operating lease rentals	287	333
Auditors' remuneration - audit	29	21
Foreign exchange losses	56	-
and after crediting:		
Investment income (dividend from IDRC – note 10(a))	-	7
Foreign exchange gains	-	24

Notes to the Financial Statements (continued)

7. STAFF NUMBERS AND COSTS

The average number of employees, including directors, employed by the company during the year was 71 (2020: 65). Their aggregate payroll costs were as follows:

	2021 £'000	2020 £'000
Wages and salaries	3,202	2,815
Social security costs	323	308
Pension costs	201	181
Termination benefits	-	13
Other employee benefits	93	86
	<u>3,819</u>	<u>3,403</u>

The number of employees, including directors, whose emoluments, excluding pension contributions, exceeded £60,000 were as set out in the table below. Each of these employees has retirement benefits accruing under a money purchase scheme. Pension contributions in relation to these eleven employees totalled £94,757 (2020: £92,729).

	2021 Number	2020 Number
£ 60,001 - £ 70,000	2	2
£ 70,001 - £ 80,000	-	2
£ 80,001 - £ 90,000	2	1
£ 90,001 - £100,000	-	-
£100,001 - £110,000	2	2
£110,001 - £120,000	1	-
£130,001 - £140,000	-	-
£140,001 - £150,000	3	1
£150,001 - £160,000	-	2
£190,001 - £200,000	1	-
£270,001 - £280,000	-	1

The key management personnel of the company are the Senior Executives named on page 1. The aggregate payroll cost in relation to these individuals was £1,478,617 (2020: £1,272,021).

Details of transactions with directors are set out in note 19.

Notes to the Financial Statements (continued)

8. INTANGIBLE ASSETS

<i>Group</i>	Goodwill	Software & website	Total
	£'000	£'000	£'000
COST			
At 1 April 2020	233	462	695
Additions	-	662	662
At 31 March 2021	<u>233</u>	<u>1,124</u>	<u>1,357</u>
DEPRECIATION			
At 1 April 2020	194	181	375
Charge for year	<u>23</u>	<u>94</u>	<u>117</u>
At 31 March 2021	<u>194</u>	<u>275</u>	<u>492</u>
NET BOOK VALUE			
At 31 March 2021	<u>16</u>	<u>849</u>	<u>865</u>
At 31 March 2020	<u>39</u>	<u>281</u>	<u>320</u>
<i>Company</i>		Software & website £'000	
COST			
At 1 April 2020			
As originally stated			462
Prior year adjustment – note 3			(146)
As restated			316
Additions			<u>4</u>
At 31 March 2021			<u>320</u>
DEPRECIATION			
At 1 April 2020			181
Disposals			-
Charge for year			<u>57</u>
At 31 March 2021			<u>238</u>
NET BOOK VALUE			
At 31 March 2021			<u>82</u>
At 31 March 2020			<u>135</u>

Notes to the Financial Statements (continued)

9. TANGIBLE FIXED ASSETS

Group and Company

	Leasehold improvements £'000	Office equipt. & furniture £'000	Total £'000
COST			
At 1 April 2020	28	387	415
Additions	22	158	180
Disposals	-	-	-
At 31 March 2021	<u>50</u>	<u>545</u>	<u>595</u>
DEPRECIATION			
At 1 April 2020	12	293	305
Charge for year	11	52	63
Disposals	-	-	-
At 31 March 2021	<u>23</u>	<u>345</u>	<u>368</u>
NET BOOK VALUE			
At 31 March 2021	<u>27</u>	<u>200</u>	<u>227</u>
At 31 March 2020	<u>16</u>	<u>94</u>	<u>110</u>

All tangible fixed assets are used in furtherance of the charity's objectives.

10. INVESTMENTS

(a) Social investments (Group and Company)

	2021 £'000	2020 £'000
FAIR VALUE		
At 1 April 2020	120	120
Net fair value gains or losses	-	-
At 31 March 2021	<u>120</u>	<u>120</u>

On 9 June 2005, the company subscribed for 12,000 £1 ordinary shares in International Dispute Resolution Centre Limited (IDRC) at a cost of £28,080. This represents a holding of approximately 1.5% of the issued share capital of IDRC, which is an unlisted company. The principal activity of IDRC is the provision of hearing rooms and support services for dispute resolution, and the company's main premises are located within IDRC's main building. The directors regard this as a programme-related investment.

The directors have determined the fair value of this investment by reference to recent transactions between shareholders of IDRC.

Notes to the Financial Statements (continued)

10. INVESTMENTS (continued)

(b) *Subsidiary undertakings (Company)*

The company had six wholly owned subsidiary undertakings at 31 March 2021.

Name	Net assets (liabilities) at 31 March 2021
Owned directly by the company	
CEDR Services Limited (company no: 3271988)	£1,705,803
CEDR Solve Limited* (company no: 4216681)	£1
Centre for Dispute Resolution Limited* (company no: 4200149)	£2
Mediate Direct Limited* (company no: 4102158)	£1
Owned by CEDR Services Limited	
IDRS Limited* (company no: 5945499)	£27,415
Centre for Effective Dispute Resolution Europe Limited* (incorporated in the Republic of Ireland)	€100

The subsidiaries marked *, which are held for the purpose of protecting certain business names, did not trade in the year ended 31 March 2021. The registered office of each of UK subsidiary is 70 Fleet Street, London EC4Y 1EU.

CEDR Services Limited provides dispute resolution, training and consultancy services, and pays all of its profits to the company by way of Gift Aid. The company owns the entire share capital of 2 ordinary shares of £1 each. The directors regard this as a programme-related investment. The summary financial performance of CEDR Services Limited is:

	2021 £'000	2020 £'000
Turnover	9,204	8,191
Total expenses	(7,498)	(7,242)
Profit for the year	<u>1,706</u>	<u>949</u>

At a Board meeting held after the year end, the directors of CEDR Services Limited resolved that the year's profit on ordinary activities before taxation should be transferred to the company. This donation has not been provided for as an asset in the financial statements of the company.

Notes to the Financial Statements (continued)

11. DEBTORS

	Group		Company	
	2021	2020	2021	2020
			(restated)	
	£'000	£'000	£'000	£'000
Trade debtors	2,937	1,274	-	-
Less: provisions	(30)	(40)	-	-
Due from subsidiary undertaking	-	-	273	674
Prepayments	315	147	43	89
Accrued income	368	444	-	-
Other debtors	3	11	-	-
	<u>3,593</u>	<u>1,836</u>	<u>316</u>	<u>763</u>

12. CREDITORS: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	715	756	80	169
Social security and other taxes	871	311	-	-
Accruals	583	429	84	93
Deferred income (note 13)	1,505	566	25	30
	<u>3,674</u>	<u>2,062</u>	<u>189</u>	<u>292</u>

13. DEFERRED INCOME

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Balance at 1 April 2020	566	453	30	38
Amount released to incoming resources	(523)	(453)	(30)	(38)
Amount deferred in the year	1,462	566	25	30
	<u>1,505</u>	<u>566</u>	<u>25</u>	<u>30</u>
Balance at 31 March 2021				

Deferred income comprises amounts invoiced and/or received in advance of services to be provided after the year-end.

Notes to the Financial Statements (continued)

14. PENSIONS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable charged to the Consolidated Statement of Financial Activities amounted to £201,000 (2020: £181,000) with £26,000 (2020: £27,000) payable at the balance sheet date.

15. RECONCILIATION OF MOVEMENTS IN RETAINED RESERVES

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Funds at 1 April 2020	2,019	1,719	1,031	574
Net income / (expenditure) for the financial year	1,092	300	359	457
Funds at 31 March 2021	<u>3,111</u>	<u>2,019</u>	<u>1,390</u>	<u>1,031</u>

16. FINANCIAL INSTRUMENTS

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,278	1,689	273	674
Cash and cash equivalents	<u>1,980</u>	<u>1,695</u>	<u>914</u>	<u>195</u>
	<u>5,254</u>	<u>3,384</u>	<u>1,187</u>	<u>869</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>1,298</u>	<u>1,185</u>	<u>164</u>	<u>262</u>

Notes to the Financial Statements (continued)

17. FINANCIAL COMMITMENTS

The company occupies leasehold premises at The International Dispute Resolution Centre, London EC4 under an arrangement which, following the landlord's exercise of a break option, will run until 28 September 2021.

In addition, CEDR Services Limited has taken on a three-year operating lease commitment for the provision of data processing services until 14 February 2023.

The total future minimum commitments payable under these leases are:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Due within one year	79	362	4	287
Between two and five years	150	919	-	769
	<u>229</u>	<u>1,281</u>	<u>4</u>	<u>1,056</u>

Since the year end, the company has confirmed its intention to relocate to new premises at 100 St Paul's Churchyard, London EC4 and to take on a new fifteen-year lease commitment as well as incur significant capital expenditure on new premises. As at 31 March 2021, the directors had authorised a capital budget of £800,000 for this work, none of which had yet been contracted.

18. INDEMNITY INSURANCE

During the year, the company purchased and maintained professional indemnity insurances at a total cost of £23,000 (2020: £19,393).

During the year, the company purchased and maintained liability insurance at a cost of £1,970 (2020: £1,918) for its directors and officers as permitted by section 234 of the Companies Act 2006.

Notes to the Financial Statements (continued)

19. TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

Under its Memorandum of Association, the company is permitted to pay reasonable and proper remuneration to directors for professional Alternative Dispute Resolution services supplied by them provided that only a minority of directors benefit from such arrangements. No such payments were made by the company during the year.

During the year payments of fees in respect of dispute resolution and training services were made by the company's commercial subsidiary, CEDR Services Limited, to the following directors or entities in which they are owners or partners:

Sheila Bates	£17,000
Tracey Fox	£132,849
Neil Goodrum	£62,056
Alan Jacobs	£123,512
Adrian Mecz	£1,950
Wolf von Kumberg	£4,420

Dr Karl Mackie CBE, Founder President, received remuneration from CEDR Services Limited totalling £151,086 (2020: £152,528) including benefits in kind. The company paid pension contributions totalling £nil (2020: £nil) on his behalf.

The company has also taken advantage of the exemption not to disclose any transactions or balances with wholly owned subsidiaries that have been eliminated on consolidation.

20. CHARITABLE STATUS

The company is a registered charity under the Charities Act 2011 and as such is potentially exempt from direct tax on its income and gains to the extent that such income and gains are applied for charitable purposes.

The company's trading subsidiary, CEDR Services Limited, passes profits on which tax would be payable to the charity under a gift aid arrangement. Accordingly, there is no corporation tax charge in these financial statements.