
CENTRE FOR EFFECTIVE DISPUTE RESOLUTION LIMITED

(A charitable company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Registered Company Number: 2422813

Registered Charity Number: 1060369



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Reference and Administrative Details

DIRECTORS and TRUSTEES:

Joanna Page	Chair
Sheila Bates	
Joanna Day	
Jamie Drummond Smith	(appointed 24 March 2022)
Tracey Fox	(resigned 13 September 2021)
Neil Goodrum	(resigned 12 August 2021)
Alan Jacobs	(resigned 15 August 2021)
Dr Karl Mackie CBE	(resigned 23 September 2021)
Adrian Mecz	
James South	(appointed 23 September 2021)
Riccardo Tazzini	
Hannah Tumpel	(appointed 24 March 2022)
Wolf von Kumberg	(resigned 11 April 2022)
David Wilson	

SECRETARY: Graham Massie FCA

SENIOR EXECUTIVES: James South Chief Executive
Eileen Carroll KC (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, 9 Appold Street, London EC2A 2AP

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

Whereas 2020/21 saw a substantial re-orientation of our work to online delivery supported by home working, this year we saw a steady return towards normality, particularly in the second half. The proportions of mediations and training courses delivered on an in-person basis have steadily increased, although it is evident that we are now in a new era of hybrid approaches in which online delivery will continue to play a significant part.

Our staff have also been able to return to the workplace if they wish. However, one of the lessons we learned from the lockdown was that our technology provision could become strong enough to enable a more complex hybrid working model with staff adopting a combination of at-home and office-based working according to individual needs and preferences.

Highlights of the year

This new hybrid working model underpins the design of our new offices at 100 St Paul's Churchyard, London EC4M 8BU. We have taken a 15-year lease on some very high-quality space, directly in front of St Paul's Cathedral and, with the assistance of professional design team, we now have a vibrant modern space that not only provides bookable desks for our staff when they wish to come in but also a wide range of flexible meetings rooms, collaboration spaces and quiet working areas as well as high specification audio-visual technology equipment for conferencing and online training. For the first time in CEDR's history, this enables us to host mediations and run full mediator skills training courses within our own premises.

This move towards hybrid working has also seen a significant increase in the flexibility that we can offer to our staff. In particular, given that there is no longer a requirement to have to commute into Central London every day, we have seen a significant geographical dispersal of our staff profile, with individual successfully remote working from locations throughout the United Kingdom.

Amongst our services, by far the most significant development was the progression of the Business Banking Resolution Service (BBRS) that was set up to resolve disputes between eligible small and medium sized businesses and seven of the major lending banks. Following extensive consultancy work on the set-up phase during 2020/21, we started handling live casework when BBRS formally launched on 15 February 2021. This has required a significant expansion of our staffing, with our overall headcount rising from 71 to 97 this year.

In August 2021, we took 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.

Within our thought leadership arm, the Foundation, highlights included the launch of the CEDR Diversity and Inclusion Mediation Charter to promote greater diversity and inclusion within our

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profession; the extension of our New Dialogues Programme through an online Skills for Life programme offering young people the opportunity to learn valuable conflict management skills; and we have launched a new series of Masterclasses covering a wide range of communication and conflict related topics.

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.

In addition to offering low-cost services so that dispute resolution is accessible, we regard these services as also delivering public benefit in that they can assist in cutting the cost of conflict, in other words relieving individuals, businesses and society of the expensive and damaging consequences, both personal and financial, of badly handled adversarial conflict. Our training work has a similar objective which we aim to achieve by upskilling individual and organisations so that they can either manage their own conflicts more effectively or assist others to do so.

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 last 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. The tenth CEDR Mediation Audit survey will be conducted later this year and we anticipate these figures will have increased significantly.

Consumer adjudication services

CEDR runs over 100 consumer dispute schemes for major organisations and industries, and over 20,000 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

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accept it. Our most active schemes are in the telecommunication and internet, water and sewerage, postal, banking and private healthcare sectors. We also fulfil an independent role in reviewing complaints handling by organisations such as Ofsted and the Solicitors Regulation Authority, identifying lessons as to how consumer concerns may be better handled in future.

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.

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, 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 research into understanding conflict in all forms and methods of resolving it; we convene 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 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 imbalances of gender, race and age within our field, and in January 2022 we launched the CEDR Diversity and Inclusion Mediation Charter, a pan-industry initiative designed to allow law firms, mediators and mediation providers to commit to supporting the mediation profession's work to improve diversity and inclusion. As well as continuing our long-standing organisation and sponsorship of the National Negotiation Competition for Law Students, we have built on our New Dialogues Programme for young and emerging leaders by developing an online Skills for Life programme which will give far more younger people the opportunity to learn conflict management skills for free.

Plans for 2022/23 and beyond

CEDR is emerging into the post-pandemic as an organisation which has evolved considerably in just two short years. We have:

- Begun a strategic repositioning of the organisation from a focus on products and services to talking to the outside world about the much broader set of expertise we have to address our clients' needs in respect of addressing difficult dialogue, conflict and disputes in a world where the rapid transitions taking place will inevitably result in an increase of all of these.
- Developed new business opportunities through the use of online delivery of our commercial mediation services and training and consultancy work. This allows us to be thought leaders in this emerging area of our profession and a driver for growth.
- Expanded our complaints redress work into the finance sector with the Business Banking Resolution Service and consolidated our position in the other sectors we are working in.
- Designed, built and moved into a new office and transitioned to a hybrid approach to working.

Throughout this time, CEDR staff have maintained their unity and focus and there is a clear sense across the organisation that 2022/23 is a year for deeper implementation of the work already begun. In effect, a year of consolidation.

The key area in which we do expect to see further innovation is technology. We have embarked upon a multi-year digital transformation strategy designed to review our use of technology across the business. As well as building on the successes of the bespoke online case management system developed for use with the BBRS, rolling out similar platforms across our other high volume consumer services and some of our commercial mediation services, thereby simplifying the process for users, we are also moving our online training delivery beyond the simple use of video conferencing platforms such as Zoom towards a specialist CEDR Virtual Campus that supports pre, post and live session training delivery as well providing entirely remote self-service training modules. This new platform is currently in the final stages of testing.

Within our Foundation work, our existing projects on diversity and the next generation of young leaders will continue, and 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. We aim to publish a standalone CEDR Impact Report in autumn 2022 and we will continue to deliver projects that deliver social impact. We will continue our work on our Diversity Charter; we will undertake research for what will be the tenth iteration of the CEDR Mediation Audit; we will roll out of new Skills for Life programme and a separate Mediation 101 programme for use by law students. We also intend to explore how we might make use of our new premises not only to support our own work but also to support the wider dispute resolution community.

Review of Financial Performance

These financial statements report that total income rose by 5.8% to £9,799,000 (2021: £9,262,000) primarily as a result of the recovery of dispute resolution services activity following the easing of the lockdown and the result resumption of in-person activity.

Total expenditure, rose by only 21.2% to £9,905,000 (2021: £8,170,000) largely as a result of additional personnel that we took on to support the Business Banking Resolution Service following the service going live in February 2021.

The consolidated balance sheet shows that we have invested very significantly (£857,000) in fitting out our new office premises including new furniture and equipment this year. However, the consolidated balance sheet position continues to be strong, including cash and bank balances of £2,837,000 (2021: £1,980,000) and total reserves of £3,023,000 (2021: £3,111,000).

Reserves policy

Although our overall reserve position has only decreased by £88,000 as a result of the net deficit for the year, our free reserves have fallen to £1,247,000 (2021: £2,019,000) as a result of our significant investment in our new premises. Of these reserves, £128,000 (2021: £nil) has arisen from our increased involvement in ISCAS and has been designated specifically for use in furtherance of our charitable objectives within the independent healthcare sector.

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 £1,940,000, such amount to be held largely in bank and cash deposits or other readily realisable assets.

Having been relatively close to reaching its free reserves target, CEDR has, therefore, now fallen back as a result of the investment in our new premises. The directors are, however, confident that the fruits of that investment will be realised over the 15-year period of our new lease, and they expect gradually to restore our reserves 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 2022, 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 2022 are listed on page 1 above. The Board currently consists of 9 directors, all of whom are non-executive and receive no remuneration for their services as directors, with the exception, prior to his resignation on 23 September 2021, of Dr Karl Mackie CBE and our current Chief Executive, James South, who was appointed to the Board on that same date.

The stepping down of Karl Mackie marks the end of a period of service as a trustee and as CEDR's first Chief Executive that goes back some 30 years. The value of his contribution both to CEDR and to the entire mediation field has been immeasurable and the Board is grateful that he will continue to support the organisation as a member of our senior leadership team.

During the year ended 31 March 2022, 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. A formal governance review, commenced in late 2021, has not uncovered any significant shortcomings in our practices but some aspects of our formal constitution have been found to be out-dated and we are in the course of seeking Charity Commission approval for some updating.

Structure, Governance and Management

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.

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 6 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.

Statement of 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 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.

On behalf of the Board



Joanna Page - Director and Trustee

22 September 2022

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 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, 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 Financial Reporting Standard 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 2022 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.

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 in 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 strategic report or the trustees' annual report.

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

- the 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 pages 10 and 11, 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

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.
- 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

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

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.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

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

- 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. Our audit work has been undertaken so that we might state to the charitable company's members 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 and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

9 Appold Street
London EC2A 2AP

Date: 28 September 2022

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

	Notes	2022 £'000	2021 £'000
INCOME			
<i>Income from charitable activities</i>			
Dispute resolution services		2,096	1,571
Consumer adjudication services		6,214	6,401
Conflict training and consultancy		1,213	1,232
Membership subscriptions and events		276	57
<i>Income from investments</i>		-	1
TOTAL INCOME	3	<u>9,799</u>	<u>9,262</u>
EXPENDITURE			
<i>Expenditure on charitable activities</i>			
Dispute resolution services		2,066	1,577
Consumer adjudication services		5,511	4,600
Conflict training and consultancy		1,190	1,235
Innovation, policy and campaigning		1,138	758
TOTAL EXPENDITURE	4	<u>9,905</u>	<u>8,170</u>
NET GAINS/ (LOSSES) ON INVESTMENTS		18	-
NET INCOME / (EXPENDITURE)	5	<u>(88)</u>	<u>1,092</u>
AND NET MOVEMENT IN FUNDS			
Total unrestricted funds at 31 March 2021		3,111	2,019
TOTAL FUNDS AT 31 MARCH 2022	14	<u>3,023</u>	<u>3,111</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 19 form part of these financial statements.

Consolidated and Parent Balance Sheets

(Registered Company Number: 2422813)

	Notes	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
FIXED ASSETS					
Goodwill	7	-	16	-	-
Other intangible assets	7	803	849	193	82
		<u>803</u>	<u>865</u>	<u>193</u>	<u>82</u>
Tangible assets	8	973	227	911	147
Investments	9	138	120	138	120
		<u>1,914</u>	<u>1,212</u>	<u>1,242</u>	<u>349</u>
CURRENT ASSETS					
Debtors	10	1,422	3,593	58	316
Cash at bank and in hand		2,837	1,980	1,292	914
		<u>4,259</u>	<u>5,573</u>	<u>1,350</u>	<u>1,230</u>
LIABILITIES:					
Creditors: amounts falling due within one year	11	3,150	3,674	509	189
NET CURRENT ASSETS (LIABILITIES)		<u>1,109</u>	<u>1,899</u>	<u>841</u>	<u>1,044</u>
NET ASSETS		<u>3,023</u>	<u>3,111</u>	<u>2,083</u>	<u>1,390</u>
FUNDS OF THE CHARITY					
Revaluation reserve		110	92	110	92
Unrestricted funds		2,913	3,019	1,973	1,298
TOTAL FUNDS	14	<u>3,023</u>	<u>3,111</u>	<u>2,083</u>	<u>1,390</u>

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.

These financial statements were approved by the directors and trustees on 22 September 2022 and are signed on their behalf by Joanna Page.



The attached notes 1 to 19 form part of these financial statements.

Consolidated Cash Flow Statement

	2022 £'000	2021 £'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in funds	(88)	1,091
Adjustments for:		
Amortisation charges	309	117
Depreciation charges	75	63
Loss on disposal of fixed assets	45	-
Gains on investments	(18)	-
Decrease / (increase) in debtors	2,171	(1,757)
Increase / (decrease) in creditors	(524)	1,612
Net cash flows from operating activities	<u>1,970</u>	<u>1,126</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends and interest from investments	-	1
Purchase of software and website development	(247)	(662)
Purchase of leasehold improvements	(538)	(22)
Purchase of office equipment and furniture	(333)	(158)
Proceeds on disposal of fixed assets	5	-
Net cash used in investing activities	<u>(1,113)</u>	<u>(841)</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	857	285
Cash and cash equivalents at 1 April 2021	1,980	1,695
CASH AND CASH EQUIVALENTS AT 31 MARCH 2022	<u>2,837</u>	<u>1,980</u>

The attached notes 1 to 19 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 subsidiaries CEDR Services Limited and Independent Sector Complaints Adjudication Service Limited. The results of the trading subsidiaries 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.

The parent company surplus amounted to £693,000 (2021: £359,000).

(c) *Going concern*

The financial statements have been prepared on the going concern basis. The directors have considered the impact of the current economic environment and have concluded that this does not affect the charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

Notes to the Financial Statements (continued)

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 a rate of 20% 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 a rate of 20% 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)

(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 10 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 8 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 7 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. 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 3% (2021: 6%) of the total incoming resources related to overseas activities.

Notes to the Financial Statements (continued)

4. TOTAL EXPENDITURE

(a) Analysis of expenditure on charitable activities

	Direct costs £'000	Staff costs £'000	Support costs £'000	Total 2022 £'000
Dispute resolution services	1,229	586	251	2,066
Consumer adjudication services	1,452	2,906	1,153	5,511
Conflict training and consultancy	544	482	164	1,190
Innovation, policy & campaigning	6	923	209	1,138
	<u>3,231</u>	<u>4,897</u>	<u>1,777</u>	<u>9,905</u>
	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>

(b) Analysis of support costs

	Dispute £'000	Consum. £'000	Train. £'000	Innov. £'000	Total 2022 £'000
Staff-related	110	196	38	110	454
Marketing	13	95	14	13	135
Communications	22	162	25	23	232
Premises	23	163	25	23	234
Financial	43	231	18	0	292
Depreciation/amortisation	40	306	44	40	430
	<u>251</u>	<u>1,153</u>	<u>164</u>	<u>209</u>	<u>1,777</u>

Notes to the Financial Statements (continued)

(b) Analysis of support costs (continued)

	Dispute	Consum.	Train.	Innov.	Total 2021
	£'000	£'000	£'000	£'000	£'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>

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

	2022 £'000	2021 £'000
Audit fees	34	29
Legal fees for governance review	11	-
Apportionment of staff-related support costs	45	45
	<u>90</u>	<u>74</u>

5. NET INCOME / (EXPENDITURE)

	2022 £'000	2021 £'000
Net (expenditure) income for the year is stated after charging:		
Amortisation of intangible fixed assets	309	117
Depreciation on tangible fixed assets	75	63
Loss on disposal of fixed assets	45	-
Operating lease rentals	178	362
Auditors' remuneration - audit	34	29
Foreign exchange losses	-	56
and after crediting:		
Foreign exchange gains	1	-

Notes to the Financial Statements (continued)

6. STAFF NUMBERS AND COSTS

The average number of employees, including directors, employed by the company during the year was 97 (2021: 71). Their aggregate payroll costs were as follows:

	2022 £'000	2021 £'000
Wages and salaries	4,044	3,202
Social security costs	441	323
Pension costs	313	201
Other employee benefits	99	93
	<u>4,897</u>	<u>3,819</u>

The number of employees, including directors, whose emoluments, excluding pension contributions, exceeded £60,000 were as set out in the table below. Eleven of these employees have retirement benefits accruing under a money purchase scheme. Pension contributions in relation to these employees totalled £152,308 (2021: £94,757).

	2022 Number	2021 Number
£ 60,001 - £ 70,000	2	2
£ 70,001 - £ 80,000	2	-
£ 80,001 - £ 90,000	1	2
£ 90,001 - £100,000	1	-
£100,001 - £110,000	2	2
£110,001 - £120,000	1	1
£130,001 - £140,000	1	-
£140,001 - £150,000	1	3
£150,001 - £160,000	1	-
£190,001 - £200,000	-	1
£200,001 - £210,000	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 £1,519,279 (2021: £1,478,617).

Details of transactions with directors are set out in note 18.

Notes to the Financial Statements (continued)

7. INTANGIBLE ASSETS

<i>Group</i>	Goodwill	Software & website	Total
	£'000	£'000	£'000
COST			
At 1 April 2021	233	1,124	1,357
Additions	<u>-</u>	<u>247</u>	<u>247</u>
At 31 March 2022	<u>233</u>	<u>1,371</u>	<u>1,604</u>
DEPRECIATION			
At 1 April 2021	217	275	492
Charge for year	<u>16</u>	<u>293</u>	<u>309</u>
At 31 March 2022	<u>233</u>	<u>568</u>	<u>801</u>
NET BOOK VALUE			
At 31 March 2022	<u>-</u>	<u>803</u>	<u>803</u>
At 31 March 2021	<u>16</u>	<u>849</u>	<u>865</u>
<i>Company</i>		Software & website	
		£'000	
COST			
At 1 April 2021			320
Additions			<u>154</u>
At 31 March 2022			<u>474</u>
DEPRECIATION			
At 1 April 2021			238
Charge for year			<u>43</u>
At 31 March 2022			<u>281</u>
NET BOOK VALUE			
At 31 March 2022			<u>193</u>
At 31 March 2021			<u>82</u>

Notes to the Financial Statements (continued)

8. TANGIBLE FIXED ASSETS

Group

	Leasehold improvements £'000	Office equipt. & furniture £'000	Total £'000
COST			
At 1 April 2021	50	545	595
Additions	538	333	871
Disposals	<u>(28)</u>	<u>(358)</u>	<u>(386)</u>
At 31 March 2022	<u>560</u>	<u>520</u>	<u>1,080</u>
DEPRECIATION			
At 1 April 2021	23	345	368
Charge for year	13	62	75
Disposals	<u>(23)</u>	<u>(313)</u>	<u>(336)</u>
At 31 March 2022	<u>13</u>	<u>94</u>	<u>107</u>
NET BOOK VALUE			
At 31 March 2022	<u>547</u>	<u>426</u>	<u>973</u>
At 31 March 2021	<u>27</u>	<u>200</u>	<u>227</u>

Company

	Leasehold improvements £'000	Office equipt. & furniture £'000	Total £'000
COST			
At 1 April 2021	50	462	512
Additions	538	319	857
Disposals	<u>(28)</u>	<u>(358)</u>	<u>(386)</u>
At 31 March 2022	<u>560</u>	<u>423</u>	<u>983</u>
DEPRECIATION			
At 1 April 2021	23	342	365
Charge for year	13	30	43
Disposals	<u>(23)</u>	<u>(313)</u>	<u>(336)</u>
At 31 March 2022	<u>13</u>	<u>59</u>	<u>72</u>
NET BOOK VALUE			
At 31 March 2022	<u>547</u>	<u>364</u>	<u>911</u>
At 31 March 2021	<u>27</u>	<u>120</u>	<u>147</u>

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

Notes to the Financial Statements (continued)

9. INVESTMENTS

(a) Social investments (Group and Company)

	2022 £'000	2021 £'000
FAIR VALUE		
At 1 April 2021	120	120
Net fair value gains or losses	<u>18</u>	<u>-</u>
At 31 March 2022	<u>138</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 the current financial position of IDRC and its trading performance.

(b) Subsidiary undertakings (Company)

The company had seven wholly owned subsidiary undertakings at 31 March 2022.

Name	Net assets (liabilities) at 31 March 2022
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
Independent Sector Complaints Adjudication Service Limited (company no: 7474408)	£128,359

The subsidiaries marked *, which are held for the purpose of protecting certain business names, did not trade in the year ended 31 March 2022. The registered office of each UK subsidiary is 100 St Paul's Churchyard London EC4M 8BU.

Notes to the Financial Statements (continued)

(b) *Subsidiary undertakings (Company) (continued)*

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:

	2022 £'000	2021 £'000
Turnover	9,305	9,204
Total expenses	(8,492)	(7,498)
Profit for the year	<u>813</u>	<u>1,706</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.

On 1 August 2021, CEDR Services Limited became the sole member of Independent Sector Complaints Adjudication Service Limited ("ISCAS"), a company limited by guarantee which administers a Code for the resolution of complaints by patients of independent healthcare providers. This acquisition was at nil cost. At 31 March 2022, the net assets of ISCAS totalled £138,359. The summary financial performance of ISCAS is:

	2022 £'000	2021 £'000
Turnover	436	490
Total expenses	(401)	(454)
Profit for the year	<u>35</u>	<u>36</u>

The value of the net assets of ISCAS at 31 March 2022 are fully available for distribution to the company by way of Gift Aid and this amount has, therefore, been included within consolidated net income for the year. As, however, it has been agreed that the company will only use such monies in furtherance of its charitable objectives within the independent healthcare sector, these amounts are included as a designated fund (see note 14).

Notes to the Financial Statements (continued)

10. DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	954	2,937	-	-
Less: provisions	(60)	(30)	-	-
Due from subsidiary undertaking	-	-	-	273
Prepayments	114	315	58	43
Accrued income	407	368	-	-
Other debtors	7	3	-	-
	<u>1,422</u>	<u>3,593</u>	<u>58</u>	<u>316</u>

11. CREDITORS: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	899	715	112	80
Due to subsidiary undertaking	-	-	219	-
Social security and other taxes	430	871	-	-
Accruals	472	583	150	84
Deferred income (note 12)	1,346	1,505	28	25
Other creditors	3	-	-	-
	<u>3,150</u>	<u>3,674</u>	<u>509</u>	<u>189</u>

12. DEFERRED INCOME

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at 1 April 2021	1,505	566	25	30
Amount released to incoming resources	(978)	(523)	(25)	(30)
Amount deferred in the year	819	1,462	28	25
	<u>1,346</u>	<u>1,505</u>	<u>28</u>	<u>25</u>

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)

13. 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 £313,000 (2021: £201,000) with £31,000 (2021: £26,000) payable at the balance sheet date.

14. RECONCILIATION OF MOVEMENTS IN RETAINED RESERVES

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
FUNDS AT 1 APRIL 2021				
Revaluation reserve	92	92	92	92
Designated funds	-	-	-	-
Unrestricted funds	<u>3,019</u>	<u>1,927</u>	<u>1,298</u>	<u>939</u>
	<u>3,111</u>	<u>2,019</u>	<u>1,390</u>	<u>1,031</u>
NET INCOME / (EXPENDITURE) FOR THE FINANCIAL YEAR				
Revaluation reserve	18	-	18	-
Designated funds	128	-	30	-
Unrestricted funds	<u>(234)</u>	<u>1,092</u>	<u>645</u>	<u>359</u>
	<u>(88)</u>	<u>1,092</u>	<u>693</u>	<u>359</u>
FUNDS AT 31 MARCH 2022				
Revaluation reserve	110	92	110	92
Designated funds	128	-	30	-
Unrestricted funds	<u>2,785</u>	<u>3,019</u>	<u>1,943</u>	<u>1,298</u>
	<u>3,023</u>	<u>3,111</u>	<u>2,083</u>	<u>1,390</u>

The designated fund arose on the acquisition of ISCAS (see note 9) as is to be used in furtherance of the company's charitable objectives within the independent healthcare sector.

Unrestricted funds are available to be spent for any of the company's charitable purposes.

Notes to the Financial Statements (continued)

15. FINANCIAL INSTRUMENTS

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,308	3,278	-	273
Cash and cash equivalents	<u>2,837</u>	<u>1,980</u>	<u>1,292</u>	<u>914</u>
	<u>5,254</u>	<u>5,254</u>	<u>1,292</u>	<u>1,187</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>1,374</u>	<u>1,298</u>	<u>481</u>	<u>164</u>

16. FINANCIAL COMMITMENTS

The company occupies leasehold premises at 100 St Paul's Churchyard London EC4M 8BU under an arrangement which will run until 26 February 2036.

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	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Due within one year	355	79	280	4
Between two and five years	1,119	150	1,119	-
Over five years	2,494	-	2,494	-
	<u>3,968</u>	<u>229</u>	<u>3,893</u>	<u>4</u>

17. INDEMNITY INSURANCE

During the year, the company purchased and maintained professional indemnity insurances at a total cost of £31,000 (2021: £23,000).

During the year, the company purchased and maintained liability insurance at a cost of £4,130 (2021: £1,970) for its directors and officers as permitted by section 234 of the Companies Act 2006.

Notes to the Financial Statements (continued)

18. 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		£41,087
Tracey Fox	(resigned 13 September 2021)	£17,147
Neil Goodrum	(resigned 12 August 2021)	£30,941
Alan Jacobs	(resigned 15 August 2021)	£48,928
Adrian Mecz		£2,652

Dr Karl Mackie CBE, Founder President and former Chief Executive, received remuneration from CEDR Services Limited totalling £23,443 in the period prior to his resignation as a director of the company on 23 September 2021.

James South, current Chief Executive, received remuneration from CEDR Services Limited totalling £112,500 in the period subsequent to his appointment as a director of the company on 23 September 2021.

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.

19. 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 subsidiaries, CEDR Services Limited and Independent Sector Complaints Adjudication Service Limited, pass 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.