

Company registration number: 03721723 (a company limited by guarantee)

Charity registration number: 1074796



National Family Mediation

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Wortham Jaques Limited
Chartered Accountants & Charity Advisers
130a High Street
Crediton
Devon
EX17 3LQ

National Family Mediation

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National Family Mediation

Reference and Administrative Details

Trustees	Carol Reay, Chair Julian Curtis, Treasurer Sarah Hewitt James Leech Michael Stepan Lorraine Tuckey Oliver Wilson
Senior Management / Leadership Team	Jane Robey, CEO
Charity Registration Number	1074796
Company Registration Number	03721723 (a company limited by guarantee)
Registered Office	The charity is incorporated in England and Wales. 1st Floor Civic Centre Paris Street Exeter Devon EX1 1JN
Independent Examiner	Wortham Jaques Limited Chartered Accountants & Charity Advisers 130a High Street Crediton Devon EX17 3LQ

National Family Mediation

Trustees' Report

The Trustees of National Family Mediation (NFM) are pleased to present their report together with the unaudited financial statements of the charity for the year ended 31st March 2022.

The financial statements have been prepared in accordance with the Memorandum and Articles of Association, the Charities Act 2011, the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial reporting Standard for in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FR 102). They also comply with the small companies' regime under the Companies Act 2006.

Administrative details

Reference and administrative information about the charity and its advisers is set out on page 1.

Trustees

Persons who served as a Trustee for the financial year and up to the date this report was approved were as follows:

Carol Reay	Independent Trustee (Chair)
Julian Curtis	Independent Trustee (Treasurer)
Paul Davies	Independent Trustee retired October 2021
Sarah Hewitt	Independent Trustee
James Leech	Independent Trustee appointed January 2022
Michael Stepan	Independent Trustee
Lorraine Tuckey	Independent Trustee
Oliver Wilson	Independent Trustee

Constitution and Governing Document

NFM is a registered charity and company limited by guarantee, incorporated in 2000 to take over the activities of the previously unincorporated organisation of the same name that was established in 1981. The company was set up under a Memorandum of Association, which established the objects and powers of the charitable company and is governed by its Articles of Association. Updated Articles of Association were approved at the AGM on 5 December 2011 and subsequently at an EGM on 10 May 2017.

Recruitment and Appointment of Trustees

The Directors of the charitable company are known as Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

At each annual general meeting one-third of the Trustees must retire from office. The Trustees to retire by rotation shall be those who have been longest in office since their last appointment. All Trustees are appointed for an initial term of three years from the date of the AGM at which they were ratified, and each may stand for re-election for a second term at the end of which they would normally stand down. On 10 May 2017, the Articles of Association were amended to permit any individual or not for profit organisation to become a member of the charity and for any individual member to be a Trustee of the charity. In addition, a Trustee may now stand for re-election for up to a maximum of two consecutive terms.

All Trustees receive induction training and a Trustee Induction Pack.

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The Board on occasions recruits expert advisors to support the work of the organisation. This enables the professional voice of practitioners to contribute to the development of NFM and its service delivery. In this year Margaret Pendlebury resigned and is succeeded by Tanja Dodd an experienced mediator and professional practice consultant.

Organisation

As set out in the Articles of Association the full complement of Trustees should be the Chair, and up to five Independent Trustees. The Board may co-opt additional Trustees as the operational needs of the charity may require. The minimum number of Trustees is three. The Board meets four times a year in addition to the AGM.

On 10 May 2017 the Articles of Association were amended such that only individual trustees may be appointed.

Day to day operations and financial matters are delegated to the Chief Executive.

Risk Management

Risk is managed by the Treasurer and, on a day to day basis, the Chief Executive and Finance Manager. Risk management is reviewed by the Board annually.

The risk management matrix considers the operation of the network as a whole and identifies the specific activities and risks of the component parts of the organisation.

The year continued to be dominated by the Covid 19 pandemic. Whilst NFM recovered quickly after the initial lockdown and adapted its delivery to be primarily on line, the uncertainty around the spread of the virus and the different government measures put in place and changed as the pandemic progressed meant that the year's activities fluctuated with the continuing uncertainty. NFM was able to manage these fluctuations and did not need to access any of the government schemes available and as the workload referrals and income stabilised the Board was able to revert to quarterly reporting with monthly finance updates. During the year NFM continued to work on line and The Legal Aid Agency extended its covid contingency measures to allow contractors to remain remote working without risk of contract sanctions. At the end of the year, referrals remained lower than pre-pandemic levels but conversions to mediation were maintained. This combined with increased training delivery has improved our financial stability and enabled us to return to focus on more innovative and creative projects that support mediation delivery.

Government policy is now very focussed on eradicating backlogs and delays in the justice system including family courts. There has been a backlog in the family court for many years; however, this was exacerbated by the pandemic and increased average waiting times from application to case closure in court to 42 weeks in 2021 an increase of seven weeks from 2020 and double the time it took to get a final order through the court in 2016.

The Ministry of Justice (MOJ) Voucher Scheme was launched in March 2021 and offered £500 towards the cost of mediation for families with children who could not access legal aid. The scheme has been extended several times over the past year and has delivered 10,000 vouchers nationally. MOJ analysis of the data shows 65% of cases did not go to court after attending mediation.

Additionally, in the year the Private Law Working Group launched two pilot pathway projects in Dorset and North Wales in response to the "What About Me?" report.

The Legal Aid Agency (LAA) extended their covid contingency measures several times during the year although there were several threats that the contingency measures would be lifted. This caused much concern and anxiety for providers as it was clear that the client group did not wish for in person meetings, preferring the convenience and safety of on-line appointments and putting providers at risk of breach of contract terms. LAA Covid contingencies have now ended and there is a temporary agreement in place for the amount of work and cases that can be conducted on-line until new contracts are issued in 2023.

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The latter part of the year saw the long-awaited launch of No-fault Divorce. This marks the biggest change to legislation in over 50 years. This marks the first step in reducing the potential for conflict in divorce and is much welcomed by family mediators.

In relation to grant funding we completed our second and final year of funding from Therium Access. This provided salary costs for a call handler/case manager and was particularly helpful in the first year of the pandemic because it helped us to maintain staffing levels at a critical time. We are very grateful for the contribution Therium has made to the organisation.

Staffing has remained relatively stable through this period and any recruitment we have undertaken has been successful. It is now the case that some candidates applying for posts expect to work remotely and quickly adapt to our remote office set up with systems in place to provide induction and support.

Training has now transferred to exclusively on-line and is well received. Despite the end of lockdown there appears to be no appetite for training delegates to attend in person but we continue to test this by offering in person courses.

Objectives and Activities

NFM relies on income from grants, fees and charges for mediation services supplied to the general public, and fees for membership services it provides to its affiliated members. No charges are made for information supplied to the public. The NFM website (www.nfm.org.uk) is a great resource for families experiencing breakdown and increasingly we are including information for potential referral sources; other professionals; and other organisations as the pandemic has altered the way in which information is supplied. As most external organisations have also been working remotely, we have created a suite of PDF leaflets that can be sent electronically to replace our leaflets that would otherwise have been posted. During the year we developed a new website that launched in May and is providing more information. Our analytics show that our website is increasing its visibility with our dedicated work on search engine optimization with new articles and web content being included frequently which is helping to boost our google profile.

NFM has a contract with the LAA to provide publicly funded mediation services across England and Wales, thereby ensuring the public has access to not-for-profit family mediation services in every location. The need for affordable post-separation mediation is often greatest in areas that are hard to reach and where other services have also been hardest hit. The continuing decline of support services and advice and information services means that in most areas there is a deficit of services of a range of types to meet the need of the local populations. The pandemic has also highlighted inequalities in access to digital services, and data poverty is an issue that affects many of our clients.

Increasingly we rely on our website and call handling to provide information and advice as the most cost-effective means of delivering a service.

NFM's national office has continued to provide the Separated Parents Information Programme (SPIP) across the South West of England. This contract has been extended to 2022. The tender is currently live and closes in October. The programme will be significantly different in future with larger contract areas and an assumption that the lead provider will subcontract for services. The competitive nature of the tender means there is a real prospect that NFM will not continue to deliver SPIP in future years. We have however increased our mediation delivery significantly over the past eighteen months and will focus our attention on growing this area of our work to offset the losses that will be incurred if we are unsuccessful in the SPIP tender round. Nevertheless, we are likely to have to restructure some roles that will no longer be required if we are not delivering SPIP. This has been accounted for in our current contract as it was always a possibility that the contract may be awarded elsewhere.

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The numbers attending the SPIP programme have largely recovered to pre-pandemic levels although most programmes are delivered on-line. In addition, Cafcass officers are also able to refer people to attend a SPIP without a court direction however this facility is not widely used by Cafcass officers despite the benefits it would bring to encourage people to divert from court proceedings.

Our charitable objectives as stated in our Memorandum and Articles of Association are as follows:

“4. The objects for which the Association is established are to promote such objects as are exclusively charitable under the law of England and Wales from time to time and in particular (without prejudice to the generality) for the public benefit to: -

4(1) to alleviate hardship and distress caused by the breakup of marriage and family or by families in dispute or difficulty; and,

4(2) to preserve and protect the health, both mental and physical, of adults and children involved in the breakup of marriage and family or family disputes or difficulties; and,

4(3) to promote and co-ordinate services to be provided for such purposes by Members; and,

4(4) to promote education and training for those involved in providing mediation and conciliation services; and,

4(5) to provide assistance through mediation and conciliation services to couples whose relationships appear to be breaking down or who are otherwise in dispute or difficulty; and,

4(6) where such relationships have already broken down, to advise and help in the settlement of differences or potential differences over associated matters such as the residence of and contact with children and financial matters (“the Objects”); and

4(7) to advocate, promote and co-ordinate services and provide support to not for profit mediation and dispute resolution services working in other fields of mediation or dispute resolution.”

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

NFM aims continue to be:

NFM’s Vision

Our vision is for families in relationship breakdown to resolve their issues concerning their children, finances and property through mediation wherever appropriate.

NFM’s Mission

The Board of NFM aims to support the provision of timely family mediation and allied supportive services that are affordable, geographically well-distributed and of a high professional standard, to all communities in our society, regardless of ability to pay.

Marketing & Communications Objectives:

- i. To further the voice and profile of NFM nationally and to assist its member services to do so locally, in an effective and professional way.
- ii. To inform, consult, liaise and negotiate with government ministers and civil servants and with colleagues in the Family Justice System, at national level and encourage and help services to do so at local level.

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Professional Practice Objectives:

- i. To review, develop and extend training and supervising opportunities within the network.
- ii. To develop training provided to other bodies, by increasing recognition of NFM as a specialist 'preferred' training supplier of family mediation nationwide.
- iii. To establish family mediation as a career option of choice equal to other career fields.

Stability and Sustainability Objectives:

- i. To ensure that the NFM infrastructure is adequately resourced and 'fit for purpose' in an internal and external environment.
- ii. To ensure that the CEO, staff and national office are the nerve centre for managing the overall strategy.

In this second year of the pandemic the Board approved a continuation of the strategic plan with some additional targets and ambitions. In recognition of the fully digital environment in which we are operating the focus on continuing to recover referrals using our website has become increasingly critical. To that end we have developed a new website and have tied in our PR and marketing to our digital profile.

It remains the case that we will focus on three key areas:

- Mediation delivery
- Training
- SPIP

These three areas remain the priority for the forthcoming year and are the focus of the budget activity. However, within that there are opportunities to enhance practice and delivery and improve the client experience.

The forced move from face-to-face delivery to online delivery hastened the need to look for digital solutions to providing effective services, and to facilitate mediation practice especially in all issues cases NFM has launched a digital tool called Management of Mediation Online (MoMO) to support mediators and clients as they work through cases where finances need to be settled. This product provides a secure portal for the exchange of information and enables mediators to work more easily with multiple documents as they help clients negotiate settlement. It has been very well received by mediators who are using it in their live cases and helping us to make improvements for version 2. NFM is the first to develop a digital solution for mediators and plans are under way to develop it as a standalone version to aid practice.

Key Achievements and Performance

Mediation services

Having overcome the obstacles of setting up our on-line delivery we now have a smooth-running referral and allocation process and a number of policies and procedures to deliver safely remotely. Clients are always asked for their preference of either on-line or face to face and it is only in exceptional cases that clients request a face to face meeting.

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The referrals have still not recovered to pre-pandemic levels and remain 23% below previous pre-pandemic years. In this last year 2021/22 referral levels were slightly lower (1%) than the previous year 2020/21. Indications for the coming year are that referral levels will exceed last year's levels but are unlikely to return to pre-pandemic numbers. This may take more time as a reflection of the uncertainties surrounding the pandemic that included several false starts about lifting of restrictions and the emergence of virus variants, meant that we saw unseasonal and uncharacteristic changes to referral and work patterns. This resulted in unexpected drops in referrals and at the end of the year we recorded 5 months where referral numbers were lower than the previous year at times when we would ordinarily have expected to match or exceed referral numbers.

Despite this unpredictability and the fluctuation in referrals we were able to grow mediation starts by 4%. This is a result of better quality of referrals that convert firstly from enquiry to MIAM (Mediation information and Assessment Meeting) attendance and secondly because the processes we have implemented to engage the second client have been improved.

The MOJ voucher scheme which provides a £500 contribution towards the cost of family mediation to families who would otherwise go to court on children's issues is proving to be very successful with 77% of cases reaching agreement in mediation with 65% of these cases not going on to use court. There are plans to extend the pilot but political uncertainty, and the cost of living crisis are having an impact on the policy priorities of government. We are reassured that despite these very large challenges government policy priority is to reduce the delays in the justice system that have been exacerbated by the pandemic. In the family courts and children cases the delays mean that the average time taken from application to court order is now 44 weeks, an increase of 7 weeks from 2020/21, and an increase of 15 weeks from 2016. It is widely recognised that delay in making arrangements for children in divorce is harmful and detrimental to their well-being and development.

Since the launch of the voucher scheme, NFM has claimed 246 vouchers on behalf of potential mediation clients of which 171 proceeded to mediation. 52% of the cases that went to mediation included one client who was eligible for legal aid. This means the voucher met the cost of the fee-paying client's mediation sessions.

Over the year, we continued to see an increasing number of cases that are eligible for legal aid. This reflects the state of the economy, wage levels and unemployment as access to legal aid for family mediation is means tested. The increase in legally aided cases restricts our income as it is based on a fixed fee and those fees have not been increased since 2004 and whereas in 2018/19 private fee-paying income constituted 61% of our income in 2021/22 this figure dropped to 49%. The voucher scheme has been particularly beneficial for those cases who are just outside legal aid eligibility and would otherwise be unable to pay for services. As we are able to claim our private fee rates this has boosted our private income.

During the year, NFM also launched the first digital tool to support mediators with their all issues and finance cases. MoMO provides a secure portal for clients to exchange their financial information so they can achieve full financial disclosure and negotiate their settlement in mediation. We are working on version 2 that will be a standalone digital tool for any mediator to use independent of our case management system.

At the end of the year the long-awaited Divorce Law Reform was enacted and from 6th April 2022 people separating can now achieve no fault divorce. This is the first much needed reform of divorce law for almost 50 years and places an emphasis on the parties to the divorce to settle the issues that arise (finances, property and children) without escalating blame and recrimination.

NFM is grateful to Therium Access for their contribution to the salary cost of a call handler/case manager for the second year of their two-year award.

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Marketing & Communications

Marketing and communications remain the highest priority for NFM national office. Most people access most services using internet searches, so our continued investment in digital and website is crucial and then most people coming to our service now either phone or email. The expansion of client use of email has been huge over the course of the pandemic and now forms for many the major communication channel. This means that our IT infrastructure has become key to our success and needs to be maintained.

During the year we also had the benefit of some excellent pro bono consultation with a brand and marketing specialist, and this has resulted in us achieving greater clarity about the messages we want to give about our service and the target audiences to whom we want to appeal.

As part of the PR and marketing development we have looked at providing expert opinion on a range of issues where family breakdown is likely to feature. These include providing thought pieces and articles around, for example, mental health week and children's book week. We have published support guides for families that have been taken up in the media and given us good exposure, for example Our Christmas Survival Guide and Surviving the Summer Holidays; How to ensure you can take your children abroad now we are no longer part of the EU and we regularly feature as a support service in Dear Deidre The Sun Agony Aunt column.

The launch of the new website has seen a reversal in the decline of hits and visits and the growth in organic traffic combined with our Search Engine Optimisation means that we are increasing our visibility.

NFM's key messages for use in promotions remain:

Family mediation ...

- *is usually cheaper, quicker & less confrontational than heading straight to court*
- *provides long-term solutions that are in the best interests of children and families, not lawyers*
- *allows families to keep more control of their own destinies, instead of handing it over to courts*

National Family Mediation ...

- *is the largest provider of family mediation in the country*
- *helps families in conflict, especially those experiencing divorce or separation*
- *reduces conflict in divorce by avoiding costly court battles*
- *enables couples to typically take just over three months to finalise divorce or separation; cases going to court take four times as long*
- *enables couples to work with our mediators who are trained in all aspects of family law*
- *provides vital support in property, finance and long-term solutions for children*

On a professional level, NFM continues its work as a member organisation of the Family Mediation Council (FMC) and liaises with the other family mediation providers and the legal profession. NFM was instrumental in helping the FMC develop and launch the MOJ voucher scheme.

In other areas, The President's Private Law Reform Programme has launched two pilot programmes in Dorset and North Wales that are aimed at diverting people from the family court process. As yet we have seen no evidence of new cases coming to mediation or SPIP via this new route. the government launched a consultation "Dispute Resolution in England and Wales: A call for Evidence that we were able to contribute to and this has been followed by a further consultation, Increasing the use of Mediation in Civil Proceedings and there have been further announcements from the government about the intention to make mediation compulsory.

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The Department of Work and Pensions (DWP) has now ended its three-year programme focussed on Reducing Parental Conflict. It is unclear what learning was taken from the pilots and despite repeated and concerted efforts on NFM's part, family mediation remained absent as an option for parents.

Services' Development

The membership increased slightly in the year with one new member service joining.

We continue to provide direct help and support to all affiliated services through referrals, voice and representation activity. Referrals to affiliated services however reduced at the start of the pandemic and have not recovered. The new website was launched with renewed and refreshed content. Member services continue to derive benefit from our web presence in conjunction with our extensive PR and Marketing efforts.

We continued to freely provide affiliated services with our re-branded hard copy and PDF email-friendly leaflets to use with clients.

NFM has continued to provide support and communication to affiliated members and mediators via the new website, which has a dedicated 'services for mediators' section with a focus on training opportunities and vacancies. We have continued to provide monthly bulletins to service managers and trustees as well as providing a training bulletin to advertise our CPD events.

NFM's database continues to provide a very useful resource for communicating directly with mediators and professional practice consultants.

The Board agreed to maintain the lower affiliation fee for members for the year in recognition that this would provide help and support additional to the activities.

Professional Practice & Training

All training and CPD has been delivered on-line by Zoom and Teams. This has been very well received. The benefit of providing shorter CPD events on-line means there has been greater take up that is cost effective for both NFM and the delegates.

The Foundation training Programme is also delivered remotely and despite the lifting of restrictions there is still no appetite among delegates to return to in person training. The convenience and cost savings through less travel are a big attraction. The trainers established the best and most effective ways to deliver the course and settled for half days spread over a 5-day period. This means we have been able to add more courses to the calendar all of which have been full.

During the year we also developed and delivered an e-learning CPD course Accounts for Mediators. This is experimental to see how the mediation community responds to self-directed learning rather than classroom style.

At the beginning of the year we recruited two consultants to develop our training with a view to gaining greater access to the training market and provide some inspirational new topics to the training menu. To that end we will deliver in the coming year an updated Equality Diversity and inclusion resource pack for mediators, and we will provide training in motivational interviewing techniques. We also hope to be able to publish formal research into the impact of motivational training on mediator practice.

We have overcome some of the obstacles to providing trainees with a route through to accreditation and in the past year we have supported 6 trainees. We will aim to expand the training programme in the coming year to enable more trainees to gain practice experience and accreditation. In the coming year we plan to have another recruitment drive for professional Practice Consultants to address the ongoing retirement and succession planning problems we experience.

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Stability and Sustainability

Having established an effective way of delivering services during the first year of the pandemic, this year we were able to sustain our delivery methods, reduce our overhead costs and increase our surplus. This is the first time in many years that we have been able to confidently recruit staff and engage in new development work that supports our client work and the mediator workforce.

This investment in management to extend our capabilities has proved effective in continuing to drive up attendance on our training courses where we see the improvements in wider communication using our social media, channels, website and newsletter functions coupled with administrative support and training programme development is increasing the numbers of mediators attending training courses as well as maintaining a full calendar of foundation training events.

The same applies to website marketing and PR, additional investments in these areas has increased our organic growth of the visibility of the website and consequently awareness of our services. Our focus on providing additional supporting materials related to relationship and family breakdown for the general public is helping to raise awareness of NFM as a service that can provide solutions.

We have been able to pass on some of our success to the members by maintaining the lower rate of affiliation fee whilst continuing to offer the same level of service.

Launching MoMO we should see further efficiencies in our delivery processes as we increase our reliability on technological tools.

Finance Review

The year to 31 March 2022 saw further development in the financial position of NFM. This was the second year of working through the pandemic. Having developed our remote model of delivery for all our activities, we were able to maintain and increase our workload. The benefits of on-line working meant that whilst referrals were still lower than pre-pandemic levels, our systems and processes enabled us to convert many more cases from referral to case start and then on to mediation. The key to this success was the convenience for all, and especially clients, of not having to attend appointments in person and our improved rates of conversion of clients into mediation. The increase in mediation income was therefore derived from an increase in joint mediation sessions combined with the very low overhead and direct costs created by remote working and on-line delivery.

The Trustees agreed to maintain the 50% reduction in affiliation fees for this year to support the services in their recovery as they had not been able to stabilise during the pandemic as effectively as the national office and were still struggling with the technological challenges of working on-line. For the coming year the Trustees agreed to maintain the 50% reduction in affiliation fees mainly as a gesture of support and because we had increased our surplus to the extent that we could afford to pass on our financial success to add further support to the membership.

Affiliation income increased by 49% to £15,547 during the year (2021 - £10,422) as a result of gaining new members.

Having gained permission to deliver our foundation training on-line in the first year of the pandemic we continued, throughout the year, to deliver all types of training on-line. Training activity increased with the numbers of CPD events delivered increasing and our Foundation Training Programme has been fully booked and at times oversubscribed. For the first time in many years, we were able to invest in the development of training offers and styles. We expanded our Moodle platform to deliver e-learning for mediators and will be able to monitor in the coming year how this learning style is received. We also invested in outside expertise to expand our training offer and in the coming year hope to provide training materials to other organisations with the intention of improving awareness of family mediation and NFM in particular as a service that can support many more families.

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In this year, as on-line working became embedded, we saw a return to pre-pandemic levels of referrals to the SPIP programme. The referrals increased also as a result of the growing problems in the family justice system as many applicants now face substantial periods of delay in getting their case heard in court.

Total activity-based income for the year was £955,825 (2021 - £807,490). We received Furlough grants of £Nil (2021 - £23,544) and grant income of £Nil (2021 - £36,000)

Unrestricted reserves at 1 April 2021 totalled £338,841. The charity made a surplus this year of £180,699 which results in unrestricted reserves at the year-end totalling £519,539.

Investment Policy

To maintain liquidity, the Board places surplus funds on short-term deposit.

Reserves Policy

The Trustees have determined a minimum of reserves as three to six months operating costs plus any long-term contractual liabilities that may be outstanding. For these purposes, operating costs exclude the costs of products and services purchased and supplied directly to Member Services – such as training.

The Trustees review progress towards this policy regularly and the policy itself annually. As a result of the year's surplus unrestricted funds now stand at £519,539 (2021 - £338,841). The Trustees monitor the position closely and adopt the necessary controls to ensure that there will be adequate liquid reserves to meet their obligations.

Plans for the Future

In 2022/23, NFM's focus will be to continue to promote our services using our website and marketing expertise with the aim of extending our reach and concentrating our efforts on recovering our referral base. Given that all mediation providers are now delivering on-line, removing any geographic boundaries that previously existed, the element of competition to remain the largest and only national provider has intensified. We will be monitoring closely the performance of our new website to ensure we build our search profile.

We will continue to build our training offer and as well as providing our core activity of foundation training and CPD for mediators. We will also seek to offer training to other organisations working with families. We recruited two training development consultants towards the end of the financial year and early indications are that this is proving successful as innovative new small training projects have launched and been well received.

In the coming year we will be re-contracting for the new SPIP contract. The proposed changes to the contract mean that it will be a fiercely competitive process with a revised structure and format for delivery. We will endeavour to meet the criteria as the SPIP programme and mediation for families in conflict provides a more comprehensive support package together than singularly.

Whether or not our efforts to secure the SPIP contract are successful, a central plank of government policy is to tackle the back log in the court system and to do that the intention is to guide and even compel people towards mediation. Discussions are already underway with the MOJ about extending the voucher scheme into the medium/long term. This will provide family mediation with greater access to a larger number of cases increasing our ability to replace income that will be lost if unsuccessful with the SPIP tender. As a follow on from the success of the voucher scheme, the government has also started a review of the MIAM exemptions. The intention is to narrow the opt out options and strengthen the mediator's role in signing off court forms. This is very encouraging and should mean more people coming to find out about mediation before making an application to court.

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It is likely that remote working and delivery is now with us as a more permanent feature as it is popular with staff, mediators and clients alike. To that end we will focus our attention on making the online process as seamless and professional as possible. In any financial mediation there is a lot of paperwork and evidence to be gathered if clients are to achieve full disclosure as the court requires and to go on to achieve a financial order. Ensuring we have a reliable and up to date product in MoMO will assist with this and improve the client experience.

We will also work to develop a product that helps clients achieve full legal settlement using independent legal advice. Currently mediation clients are encouraged to seek independent legal advice on the options they have agreed in mediation. Most people do not want the expense of engaging a solicitor and are anxious about runaway legal costs. And yet to achieve a safe and fair agreement it is advisable for clients to take legal advice. We will work with legal services to provide affordable legal services.

The Divorce Reform Act allowing, for the first time, no fault divorce was enacted on 6th April 2022. In the coming year we will see the impact this change has on the divorce process as we would anticipate more people will seek mediation in the spirit of achieving a no-fault divorce. A fundamental obstacle to this is the fact that application for a financial order or child arrangements court order has not modernised in the same way and is likely to undermine the first ambition of achieving a no-fault divorce.

In this coming year the Board has agreed a strategic plan with the priority to focus on:

- Recover the mediation referrals for NFMD and members
- Deliver training both accredited and non-accredited
- Maintain SPIP delivery

We will maintain our investment in PR and marketing in line with our strategy as this is the most cost-effective means of making the public aware of our services and has the added benefit of supporting our members.

We will continue to maintain our position as leader in the field by:

- Continuing to provide expert comment to government consultations; policy developments; and all types of media;
- Maintaining our commitment to professional standards that will continue to exceed the minimum standards set by the FMC;
- Maintaining our marketing strategy;
- Investing in our IT infrastructure to support the delivery of more efficient services;
- Monitoring our delivery outcomes to maintain a high service-user satisfaction at affordable cost;
- Using our upgraded website to extend our services.

Strategic work will continue to ensure the 'NFM Direct' delivery model continues to grow with an emphasis on mediator retention and succession planning and training to increase stability in the team.

Our direct marketing has produced some good results for public awareness and has sustained our referral levels. This year the referrals were bolstered by the launch of the Family Mediation Voucher scheme which removes a barrier for clients to try mediation first. In the coming year this is likely to increase assuming the government continues in earnest to tackle the backlog and delay in the family courts. Additionally, we will be monitoring closely the impact of our marketing and brand positioning work as the new website gains traction in the Google rankings.

National Family Mediation

Trustees' Report

Despite the many challenges of adapting to working with covid, in the coming year we will have to be agile and responsive to the changes that may inevitably come as we emerge from the pandemic. This will mean careful management of our overhead costs and the impact this has on our budget. We are also facing unprecedented challenges with the cost of living crisis and inflationary increases. Whilst we addressed some of these issues at the beginning of the new financial year it is clear that the state of the economy and inflation remains volatile and pay increases may need to be reviewed. We also appreciate this is a global phenomenon and largely outside of our control, but the impact will be felt at our level. This is challenging when on fixed fees especially legal aid and given the growth in numbers of cases now eligible for legal aid presents a further risk to our financial future.

We start the new financial year in a good position with financial liquidity and increased reserves. This has allowed us to invest in development work for the first time in several years. The results of this investment should start to show through in the coming year with increased income from other sources especially training and, if successful, will cement our position as leading training provider in mediation.

In the coming year NFM celebrates its 40th birthday. The Board is planning to celebrate this milestone throughout the course of the year.

Going Concern

The going concern of NFM is reliant on preserving a sufficient level of reserves and adequately funding the balance sheet. In making their going concern assessment in connection with preparing the financial statements, the Trustees considered a wide range of information including NFM's long-term business and strategic plans, forecasts and projections, estimated capital, funding and liquidity requirements, contingent liabilities and the reasonably possible changes in trading performance arising from potential economic, market and product developments.

Having assessed this information and the principal risks and uncertainties, the Trustees are satisfied that NFM has adequate resources to continue operations for a period of at least twelve months from the date of this report and therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The Trustees have also assessed the current reserves policy and have decided that no change is required, given the upwards trend of unrestricted funds against the current level policy figure. The only designated funds relate to the activity of Training and the Trustees do not see this changing in the foreseeable future.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of National Family Mediation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

National Family Mediation

Trustees' Report

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 17 October 2022 and signed on its behalf by:

National Family Mediation

Independent Examiner's Report to the trustees of National Family Mediation ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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

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

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

.....
Charlotte Chapman Gibbs BFP ACA
Wortham Jaques Limited
Chartered Accountants & Charity Advisers

130a High Street
Crediton
Devon
EX17 3LQ

18 October 2022

National Family Mediation

Statement of Financial Activities for the Year Ended 31 March 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	4,087	-	4,087
Charitable activities	4	951,628	-	951,628
Investment income	5	110	-	110
Total income		955,825	-	955,825
Expenditure on:				
Raising funds		(1)	-	(1)
Charitable activities	6	(775,126)	(13,110)	(788,236)
Total expenditure		(775,127)	(13,110)	(788,237)
Net income/(expenditure)		180,698	(13,110)	167,588
Net movement in funds		180,698	(13,110)	167,588
Reconciliation of funds				
Total funds brought forward		338,841	14,439	353,280
Total funds carried forward	17	519,539	1,329	520,868
	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	35,741	-	35,741
Charitable activities	4	802,759	26,000	828,759
Investment income	5	211	-	211
Total income		838,711	26,000	864,711
Expenditure on:				
Charitable activities	6	(621,073)	(69,729)	(690,802)
Total expenditure		(621,073)	(69,729)	(690,802)
Net income/(expenditure)		217,638	(43,729)	173,909
Transfers between funds		(4,735)	4,735	-
Net movement in funds		212,903	(38,994)	173,909
Reconciliation of funds				
Total funds brought forward		125,938	53,433	179,371
Total funds carried forward	17	338,841	14,439	353,280

All of the charity's activities derive from continuing operations during the above two periods.

The notes on pages 19 to 35 form an integral part of these financial statements.

National Family Mediation

(Registration number: 03721723 (a company limited by guarantee))

Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	1,708	-
Current assets			
Debtors	14	155,544	142,213
Cash at bank and in hand	15	549,869	396,096
		705,413	538,309
Creditors: Amounts falling due within one year	16	(186,253)	(185,029)
Net current assets		519,160	353,280
Net assets		520,868	353,280
Funds of the charity:			
Restricted income funds			
Restricted funds		1,329	14,439
Unrestricted income funds			
Unrestricted funds		519,539	338,841
Total funds	17	520,868	353,280

For the financial year ending 31 March 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 16 to 35 were approved by the trustees, and authorised for issue on 17 October 2022 and signed on their behalf by:

The notes on pages 19 to 35 form an integral part of these financial statements.

National Family Mediation

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income		167,588	173,909
Adjustments to cash flows from non-cash items			
Depreciation		427	-
Investment income	5	<u>(110)</u>	<u>(211)</u>
		167,905	173,698
Working capital adjustments			
(Increase)/decrease in debtors	14	(13,331)	1,628
Increase in creditors	16	8,802	10,453
(Decrease)/increase in deferred income		<u>(7,578)</u>	<u>7,571</u>
Net cash flows from operating activities		<u>155,798</u>	<u>193,350</u>
Cash flows from investing activities			
Interest receivable and similar income	5	110	211
Purchase of tangible fixed assets	13	<u>(2,135)</u>	<u>-</u>
Net cash flows from investing activities		<u>(2,025)</u>	<u>211</u>
Net increase in cash and cash equivalents		153,773	193,561
Cash and cash equivalents at 1 April		<u>396,096</u>	<u>202,535</u>
Cash and cash equivalents at 31 March		<u><u>549,869</u></u>	<u><u>396,096</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 19 to 35 form an integral part of these financial statements.

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

1st Floor
Civic Centre
Paris Street
Exeter
Devon
EX1 1JN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

National Family Mediation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

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

Donations and legacies

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

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

Grants receivable

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

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

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

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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

Support costs

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

Governance costs

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

Government grants

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

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	20% straight line basis

Trade debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

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

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

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

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

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	4,087	4,087
Total for 2022	4,087	4,087
Total for 2021	35,741	35,741

4 Income from charitable activities

	Unrestricted funds Designated £	General £	Restricted funds £	Total funds £
Service Support & Development	-	15,547	-	15,547
Training	175,240	-	-	175,240
Direct Service Provision	-	760,841	-	760,841
Total for 2022	175,240	776,388	-	951,628
Total for 2021	140,587	662,172	26,000	828,759

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income; Interest receivable on bank deposits	110	110
Total for 2022	110	110
Total for 2021	211	211

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

6 Expenditure on charitable activities

	Note	Unrestricted funds	Restricted funds	Total 2022	Total 2021
		Designated £	General £	£	£
Service Support & Development		-	1,784	-	1,676
Training		73,969	-	-	64,486
Direct Service Provision		-	296,701	8,008	272,066
Depreciation, amortisation and other similar costs		-	427	-	-
Staff costs		46,493	274,152	5,102	287,038
Allocated support costs	7	14,926	63,633	-	62,873
Governance costs	7	515	2,526	-	2,663
		<u>135,903</u>	<u>639,223</u>	<u>13,110</u>	<u>690,802</u>
			Activity undertaken directly £	Activity support costs £	Total expenditure £
Service Support & Development			1,784	1,571	3,355
Training			73,969	14,926	88,895
Direct Service Provision			304,708	62,062	366,770
Total for 2022			<u>380,461</u>	<u>78,559</u>	<u>459,020</u>
Total for 2021			<u>338,230</u>	<u>62,872</u>	<u>401,102</u>

In addition to the expenditure analysed above, there are also governance costs of £3,041 (2021 - £2,663) which relate directly to charitable activities. See note 7 for further details.

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Analysis of governance and support costs

Charitable activities expenditure

Basis of allocation	Unrestricted funds		Restricted funds	Total funds
	Designated £	General £	£	£
Direct costs	66,171	281,703	8,557	356,431
Professional Practice Committee	4,378	86	-	4,464
Staff costs	31,808	218,799	5,138	255,745
Rent and rates	-	141	-	141
Telephone	-	204	-	204
Office costs	101	1,067	-	1,168
Computer software and maintenance costs	3,073	7,520	-	10,593
Printing, postage and stationery	26	1,188	-	1,214
Subscriptions	-	63	-	63
Travel and subsistence	-	332	-	332
Advertising and marketing	-	65	-	65
Bank charges	76	2,694	-	2,770
Depreciation charge	-	427	-	427
Total for 2022	<u>105,633</u>	<u>514,289</u>	<u>13,695</u>	<u>633,617</u>
Total for 2021	<u>53,543</u>	<u>258,524</u>	<u>9,626</u>	<u>321,693</u>

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

Support costs allocated to charitable activities

		Finance costs £	Information technology £	Staff costs £	Administration costs £	Premises costs including depreciation £	Other support costs £	Total 2022 £	Total 2021 £
	Basis of allocation								
Service Support & Development	A, B, C	13	522	17,071	100	411	493	18,610	64,755
Training	A, B, C	119	4,961	15,141	952	3,901	4,679	29,753	38,244
Direct Service Provision	A, B, C	495	20,625	42,459	3,957	16,220	19,457	103,213	44,476
		<u>627</u>	<u>26,108</u>	<u>74,671</u>	<u>5,009</u>	<u>20,532</u>	<u>24,629</u>	<u>151,576</u>	<u>147,475</u>

Basis of allocation

Reference	Method of allocation
A	Staff time
B	Activity
C	Equipment allocated

National Family Mediation

Notes to the Financial Statements for the Year Ended 31 March 2022

Governance costs

	Unrestricted funds Designated £	General £	Total funds £
Independent examiner fees			
Examination of the financial statements	515	2,220	2,735
Other governance costs	-	306	306
Total for 2022	515	2,526	3,041
Total for 2021	384	2,279	2,663

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2022 £	2021 £
Other non-audit services	2,735	2,563
Depreciation of fixed assets	427	-

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Donations made by the trustees without any conditions attached totalled £Nil for the year (2021 - £Nil).

10 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	274,252	241,453
Social security costs	10,406	10,834
Pension costs	4,152	4,495
Other staff costs	36,937	30,256
	325,747	287,038

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2022 No	2021 No
Charitable activities	20	19

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Notes to the Financial Statements for the Year Ended 31 March 2022

No employee received emoluments of more than £60,000 during the year.

11 Independent examiner's remuneration

	2022	2021
	£	£
Examination of the financial statements	<u>2,735</u>	<u>2,563</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

12 Taxation

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

13 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 April 2021	20,234	20,234
Additions	<u>2,135</u>	<u>2,135</u>
At 31 March 2022	<u>22,369</u>	<u>22,369</u>
Depreciation		
At 1 April 2021	20,234	20,234
Charge for the year	<u>427</u>	<u>427</u>
At 31 March 2022	<u>20,661</u>	<u>20,661</u>
Net book value		
At 31 March 2022	<u><u>1,708</u></u>	<u><u>1,708</u></u>
At 31 March 2021	<u><u>-</u></u>	<u><u>-</u></u>

14 Debtors

	2022 £	2021 £
Trade debtors	137,806	133,207
Prepayments	<u>17,738</u>	<u>9,006</u>
	<u><u>155,544</u></u>	<u><u>142,213</u></u>

15 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	46	46
Cash at bank	<u>549,823</u>	<u>396,050</u>
	<u><u>549,869</u></u>	<u><u>396,096</u></u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	48,820	43,137
Other taxation and social security	49,381	38,196
Accruals	28,343	36,409
Deferred income	59,709	67,287
	<u>186,253</u>	<u>185,029</u>
	2022 £	2021 £
Deferred income at 1 April 2021	67,287	59,716
Resources deferred in the period	(67,287)	(59,716)
Amounts released from previous periods	59,709	67,287
Deferred income at year end	<u>59,709</u>	<u>67,287</u>

17 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
<i>General</i>				
General unrestricted funds	239,711	780,585	(639,224)	381,072
<i>Designated</i>				
Training	99,130	175,240	(135,903)	138,467
Total unrestricted funds	<u>338,841</u>	<u>955,825</u>	<u>(775,127)</u>	<u>519,539</u>
Restricted funds				
Therium	5,187	-	(5,187)	-
IT Project Fund	3,230	-	(3,230)	-
Avril Reid Award	1,329	-	-	1,329
NLCF	4,693	-	(4,693)	-
	<u>14,439</u>	<u>-</u>	<u>(13,110)</u>	<u>1,329</u>
Total funds	<u>353,280</u>	<u>955,825</u>	<u>(788,237)</u>	<u>520,868</u>

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Notes to the Financial Statements for the Year Ended 31 March 2022

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds					
<i>General</i>					
General unrestricted funds	61,687	698,124	(512,902)	(7,198)	239,711
<i>Designated</i>					
Training	<u>64,251</u>	<u>140,587</u>	<u>(108,171)</u>	<u>2,463</u>	<u>99,130</u>
Total unrestricted funds	<u>125,938</u>	<u>838,711</u>	<u>(621,073)</u>	<u>(4,735)</u>	<u>338,841</u>
Restricted funds					
Marketing Development	22,445	-	(27,180)	4,735	-
Therium	16,453	11,000	(22,266)	-	5,187
IT Project Fund	13,206	-	(9,976)	-	3,230
Avril Reid Award	1,329	-	-	-	1,329
NLCF	-	10,000	(5,307)	-	4,693
Rayne Trust	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
	<u>53,433</u>	<u>26,000</u>	<u>(69,729)</u>	<u>4,735</u>	<u>14,439</u>
Total funds	<u><u>179,371</u></u>	<u><u>864,711</u></u>	<u><u>(690,802)</u></u>	<u><u>-</u></u>	<u><u>353,280</u></u>

The specific purposes for which the funds are to be applied are as follows:

Designated Funds Training - The board has agreed that any surplus from the sale of training courses will be designated to be spent on the professional development of the charity's training programmes.

Restricted Funds

Marketing Development - a grant from the John Ellerman Fund to build a new website and provide IT support.

Therium – a grant from Theirum Access was awarded in 2019 grant awarded to fund a case manager's salary.

IT Project Fund- a grant awarded to develop online mediation services.

Avril Reid Award - The Avril Reid Award was established in 2007 and is a fund provided by Michael Reid to be awarded at the NFM AGM. It is an award for innovation in mediation practice and is reserved for this purpose.

NLCF – a grant from NLCF awarded as a Covid crisis fund to provide mediation to cases that did not qualify for legal aid to enable low income families to access mediation.

The Rayne Foundation – a grant awarded from The Rayne Trust to provide training and support to mediators to develop on line skills and knowledge to enable mediators to continue delivering mediation during the pandemic.

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Notes to the Financial Statements for the Year Ended 31 March 2022

18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	1,708	-	-	1,708
Current assets	565,617	138,467	1,329	705,413
Current liabilities	(186,253)	-	-	(186,253)
Total net assets	<u>381,072</u>	<u>138,467</u>	<u>1,329</u>	<u>520,868</u>

	Unrestricted funds		Restricted funds	Total funds at 31 March 2021
	General	Designated		
	£	£	£	£
Current assets	424,740	99,130	14,439	538,309
Current liabilities	(185,029)	-	-	(185,029)
Total net assets	<u>239,711</u>	<u>99,130</u>	<u>14,439</u>	<u>353,280</u>

19 Analysis of net funds

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	<u>396,096</u>	<u>(396,096)</u>	<u>-</u>
Net debt	<u>396,096</u>	<u>(396,096)</u>	<u>-</u>

	At 1 April 2020	Financing cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	<u>202,535</u>	<u>(202,535)</u>	<u>-</u>
Net debt	<u>202,535</u>	<u>(202,535)</u>	<u>-</u>