

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

Charity registration number: 1074796

# National Family Mediation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

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**

<b>Trustees</b>	Carol Reay, Chair Julian Curtis, Treasurer Sarah Hewitt James Leech Michael Stepan Lorraine Tuckey Oliver Wilson
<b>Senior Management / Leadership Team</b>	Miss Sarah Hawkins, Chief Executive
<b>Charity Registration Number</b>	1074796
<b>Company Registration Number</b>	03721723 (a company limited by guarantee)
<b>Registered Office</b>	The charity is incorporated in England and Wales. 1 Barnfield Crescent Exeter Devon EX1 1QT
<b>Independent Examiner</b>	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 2023.

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)), and 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)
Sarah Hewitt	Independent Trustee
James Leech	Independent Trustee
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 company and is governed by its Articles of Association, last updated in May 2012.

### **Recruitment and Appointment of Trustees**

The Directors of the 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 the appointments were ratified, and each may stand for re-election for a second term at the end of which they would normally stand down. The Articles of Association 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 stand for re-election for up to a maximum of two consecutive terms.

All Trustees receive induction training and a Trustee Induction Pack.

The Board, on occasion, 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.

# **National Family Mediation**

## **Trustees' Report**

### **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.

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 every 6 months.

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.

### **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](http://www.nfm.org.uk)) is a great resource for families experiencing breakdown. We now include information for potential referral sources, other professionals and other organisations, such as schools, as the Covid-19 pandemic altered the way in which information is requested.

The website remains the focus for the Chief Executive and the Marketing department. We continuously monitor our website analytics, to ensure that the visibility of our website continues to increase. New articles and web content are added frequently, which helps to boost our Google profile and much of the work has been focused on client's journeys and clients clicks through the website, to help us gain a better understanding of the main focuses of our audience.

NFM continues to have a contract with the Legal Aid Agency (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 to meet the need of the local populations. This is vital with the cost of living crisis, pushing already struggling households to the limit.

We continue to rely on our website and call handling to provide information and advice as this remains the most cost-effective means of delivering a service as well as enabling us to ensure that people can access the information in a way that suits their needs.

Until March 2023, NFM's national office continued to provide the Separated Parents Information Program (SPIP) across the South West of England. However, NFM were not successful in being awarded a new contract for SPIP. As a result, when the contract ended in March 2023, some staff left NFM through the TUPE process, as per the contract, and others were recruited into different roles in NFM. We would like to take this opportunity to thank all the staff who were involved in SPIP for the last 5 years and wish them the best in their future roles.

NFM is a Member Organisation and values all its Services and members and we continuously strive to ensure that we are offering our members good value for money and a strong, reliable support network.

## National Family Mediation

### Trustees' Report

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’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.

#### **Professional Practice Objectives:**

- i. To review, develop and extend training and supervising opportunities within the network.
- ii. To continue to develop training provided to other bodies, by increasing recognition of NFM as a specialist ‘preferred’ training provider.
- iii. To help establish family mediation as a career option and provide them with both the skills and experience they need to be successful in the role.

# National Family Mediation

## Trustees' Report

### 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 Chief Executive, staff and national office are the 'go to place' for information and best practice and provide an excellent service.

The Board approved a continuation of the strategic plan for this year and we focused on Four key areas:

- Mediation delivery
- Training
- SPIP
- Services

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

Following on from the launch of our online finance tool, Management of Mediation Online (MOMO), we have continued to make regular updates and launched version 2 in September 2022. Feedback from Mediators and clients has continued to be positive. 38% of Mediators have been using this new online application in both property and finance cases and all issues cases. Work will continue and consultation meetings with Mediators are planned to ensure we continue to supply a strong and robust tool. Work has continued on the stand-alone version, now known as MOMO+ and we plan to launch in 2023/2024.

### Key Achievements and Performance

2022/23 was a significant year as we reached our 40th anniversary and we celebrated by looking back and spoke to many people who have been part of NFM over that time. We shared much media content celebrating this milestone, which included interviews of our trustees, explaining why they are passionate about NFM, as well as Mediators, both past and present, who discussed the ways that NFM has been able to continue to provide this much needed service and how it has kept up with the changes and overcome the challenges over the last 40 years.

However, the year was not without its challenges as activity levels had not fully recovered to pre-pandemic levels and major world events took over, such as the conflict in Ukraine which worsened, and the impact of this was soon felt, as the cost of living spiraled and prices rose and people's disposable income swiftly declined.

Online Mediation remained the focus for delivery for 2022/23 and the demand remained high and preferred to traditional in person meetings. This allowed us to grow mediation income by 17% compared to 2021/22, which is a great achievement considering the above issues.

Referrals saw an increase, although they remained 8% below pre-pandemic levels. In the last year we saw a significant increase compared to the previous year. For all but two months of the last year, we saw higher referrals than the previous year. Indications for the coming year are that we will fill that gap substantially and begin to overtake pre-pandemic levels.

Mediation case starts were slow at the beginning of the first quarter but made a good recovery from August onwards and we saw an overall increase of 2% from the last financial year.

This was due to improvements in our processes when engaging the second client as well as quality referrals coming through.

Courts were still reeling from the backlog caused throughout 2020 / 2022 and starting to understand early resolution for separating couples can have a huge impact on their workload.

## **National Family Mediation**

### **Trustees' Report**

The Ministry of Justice (MoJ) continued to offer £500 towards the cost of mediation for families with children who were not eligible for Legal Aid. More than 20,000 vouchers had been issued by The Family Mediation Council (FMC) from August 2021 to 31 March 2023. Analysis of the data shows that 68% of cases do not go to court after attending mediation. This scheme has now been extended until 2024.

Since the launch of the voucher scheme, NFM has claimed 496 vouchers on behalf of potential mediation clients of which 372 proceeded to mediation. 62% 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.

In addition, the Legal Aid Agency (LAA) confirmed that the online measures it put in place throughout the Covid-19 pandemic were to be continued until the new contract has been agreed (August 2024). This allowed us to plan accordingly, knowing that a decision had been made. The tender process has begun for the 2024 contract and NFM have submitted their interest in readiness to apply.

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 continues to restrict 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 2022/23 this figure was 36%. 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 can claim our private fee rates this has boosted our private income.

Training continues to be well received online and NFM intends to offer this on a permanent basis as feedback shows that attendees prefer this way of attending as it keeps costs down for them but still delivers the high standard of training they require.

General staffing remained stable throughout the year, allowing us to continue to deliver successfully. After 19 years in the role, the Chief Executive, Jane Robey, announced that she would retire in March 2023. We thank Jane for her years of hard work and dedication to NFM.

The loss of such an experienced Chief Executive was a challenge that the Board actively managed. Following an extensive and comprehensive recruitment process that considered external and internal candidates, the Board appointed Sarah Hawkins as Chief Executive in April 2023.

Sarah comes with a broad knowledge of mediation after working within NFM for the past 5 years and benefits from knowing the organisation very well and having the opportunity to closely work alongside Jane. With that, Sarah also comes with fresh ideas and a forward-thinking approach to ensure the continued success of NFM.

#### **Marketing & Communications**

Marketing and communications remain the highest priority for NFM national office. The majority of people access most services using internet searches, so our continued investment in digital marketing and our website is crucial. Email now forms the major communication channel for our clients. This means that our IT infrastructure has become key to our success.

We have continued to market and develop NFM in providing expert opinions on the range of issues that can occur when couple separate. We are still regularly referenced to in the Dear Deidre Column feature with The Sun newspaper. We have remained a monthly contributor to the Family Law Articles which allows us to have a voice to Solicitors and other Family Law experts. Due to the success of both the Summer Holiday and Christmas Survival guides, we have again refreshed and promoted them this year, and they have again been taken up in the media.



# National Family Mediation

## Trustees' Report

Ongoing work that has been put into maintaining and developing the 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 month on month.

NFM's key messages for use in promotions remains:

*Family mediation ...*

*Turn Arguments into Agreements*

- *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*
- *Leading provider in Child Inclusive Mediation*

On a professional level, NFM continues its work as a member organisation of the 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 and remains fully involved in the continuation of the scheme.

The Government continued to discuss the possibility of making mediation compulsory and the first round of consultations have taken place and we await the outcome.

### Services' Development

The membership remained the same throughout 2022/23.

We continued 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 still 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 freely provide affiliated services with our 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 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.

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.

# **National Family Mediation**

## **Trustees' Report**

### **Professional Practice & Training**

All training and CPD continues to be delivered on-line and remains very well received. The benefit of providing shorter CPD events on-line means there has been greater capacity that is cost effective for both NFM and the delegates.

The Foundation training Program also continues to be delivered remotely and there is still little appetite among delegates to return to in person training. The convenience and cost savings through less travel continue to be a big attraction.

The Family Mediation Training (FMT) saw a total of 58 attendees, an increase of 38% from the previous year. This is encouraging as we try to ensure that mediation becomes a recognised and valued profession in its own right.

During the year we also developed and delivered a large number of CPD courses and development continues, to create new and interactive courses.

Where it has not been appropriate to do self-directed study, we have launched a split of online self-study followed up with a webinar. The feedback for this style has been good and we plan to continue to provide courses in this manner.

We have also developed a resources pack for Schools and teachers, which has started to see improved take up due to promotion via social media.

### **Stability and Sustainability**

The ongoing investment in staff to enable us to extend our capabilities and develop new courses has proved effective in continuing to drive up attendance on our training courses. We have seen the improvements in wider communication using our social media channels, website and newsletter.

Again, in website marketing and PR, additional investment in these areas has increased 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.

### **Finance Review**

The year to 31 March 2023 saw further development in the financial position of NFM. Continuing our remote model of delivery for all our activities, we were able to maintain and increase our workload. We have continued to engage both parties as we are able to offer much more flexibility and availability with online working, this had an impact on the number of cases converting to full mediation. We continue to be client led and offer sessions both online and Face to Face.

For a third consecutive 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 further support to the membership.

Our training offering has remained extensive with the number of CPD events delivered and investment into development has been enable us to offer, new and up to date and training.

Our accredited course have continued to be popular and levels for both our Foundation Training and Family Mediation Training (FMT) courses have remained steady. In 2023, we will be launching our new updated FMT to allow us to give our learners a much more rounded experience.

# **National Family Mediation**

## **Trustees' Report**

CAFCASS allowed us to continue to deliver the SPIP program online and we saw an increase in referrals as the family courts worked hard to clear their backlog.

Total activity-based income increased by 2.9% for the year was £984,012 (2022 - £955,825).

Unrestricted reserves at 1 April 2022 totaled £519,539. The charity made a surplus this year of £25,370 which results in unrestricted reserves at the year-end totaling £544,909.

### **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 £544,909 (2022 - £519,539). The Trustees monitor the position closely and adopt the necessary controls to ensure that there will be adequate liquid reserves to meet their obligations.

In April 2023, the Board agreed to increase the level of reserves from the minimum of 3 months to 4 months. This increase was to enhance NFM's resilience for the future and was made possible by NFM's continued financial success.

### **Plans for the Future**

In 2023/24, under the new Chief Executive, NFM's focus will be on the following key areas, as presented in the Strategic plan for 2023/2025 and agreed by the board in July 2023.

- 1) **To increase external consumer awareness, broaden targeting and drive up quality referrals**
  - Target new markets
  - Appeal to more private clients with different marketing strategies
  - Promote the benefits of mediation and the outcomes to new audiences
- 2) **Partnering with other organisations**
  - Promoting to external organisations where mediation may be an alternative route
  - Working with current partners and their supporting partners
- 3) **Incorporating technology and be the leader for other services**
  - Launch of MOMO+
  - Continue to invest in technology, including MOMO+
- 4) **Continue to create affordable and creative CPD Courses**
  - Ensure we remain current and continue to offer new courses
- 5) **Ensure that affiliated services are included and increase our offering to our members**
  - Regular updates and contact with Chief Executive

Our main focus will be to increase mediation. The marketing strategy is to ensure more public awareness of the options outside of the court arena. We will be continuing the good work that has been done over the years but also focus on the quality of referrals and build on our reputation.

## **National Family Mediation**

### **Trustees' Report**

We are confident that the loss of the SPIP contract will not impact the financial stability of NFM, but rather allow us to focus and build on our three remaining key areas: Mediation, Training and Services, along with establishing new projects and partnerships over the next year.

We will continue to promote Mediation and work alongside the FMC to ensure that we remain in the forefront of changes and have a voice for both NFM and our services.

Our direct marketing continues to produce good results for public awareness and has helped to sustain our referral levels. We will ensure that we continue to be represented with good coverage and keep NFM in the media.

We await the outcome of the MOJ's Early dispute resolution consultation paper and if confirmed will bolster referrals to new levels and will capture a range of court attendees, that have previously been hard to reach.

#### **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 also assessed the current reserves policy and decided that from April 2023 the level of reserves will be increased from 3 months to 4 months operating costs to increase resilience. 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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 the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

## **National Family Mediation**

### **Trustees' Report**

The trustees are responsible for keeping proper accounting records that can 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 governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 1 November 2023 and signed on its behalf by:

.....  
Carol Reay  
Trustee

## **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 2023.

#### **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 the Company 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.

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  
Credton  
Devon  
EX17 3LQ

28 November 2023

## National Family Mediation

### Statement of Financial Activities for the Year Ended 31 March 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	43	-	43
Charitable activities	4	980,366	-	980,366
Investment income	5	3,603	-	3,603
Total income		984,012	-	984,012
<b>Expenditure on:</b>				
Charitable activities	6	(958,642)	-	(958,642)
Total expenditure		(958,642)	-	(958,642)
Net income		25,370	-	25,370
Net movement in funds		25,370	-	25,370
<b>Reconciliation of funds</b>				
Total funds brought forward		519,539	1,329	520,868
Total funds carried forward	17	544,909	1,329	546,238
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>				
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
<b>Expenditure on:</b>				
Charitable activities	6	(775,128)	(13,110)	(788,238)
Total expenditure		(775,128)	(13,110)	(788,238)
Net income/(expenditure)		180,697	(13,110)	167,587
Net movement in funds		180,697	(13,110)	167,587
<b>Reconciliation of funds</b>				
Total funds brought forward		338,842	14,439	353,281
Total funds carried forward	17	519,539	1,329	520,868

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2022 is shown in note 17.

The notes on pages 15 to 27 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 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	1,281	1,708
<b>Current assets</b>			
Debtors	14	168,428	155,544
Cash at bank and in hand	15	553,568	549,869
		721,996	705,413
<b>Creditors: Amounts falling due within one year</b>	16	(177,039)	(186,253)
<b>Net current assets</b>		544,957	519,160
<b>Net assets</b>		546,238	520,868
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		1,329	1,329
<b>Unrestricted income funds</b>			
Unrestricted funds		544,909	519,539
<b>Total funds</b>	17	546,238	520,868

For the financial year ending 31 March 2023 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.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 13 to 27 were approved by the trustees, and authorised for issue on 1 November 2023 and signed on their behalf by:

.....  
Carol Reay  
Trustee

The notes on pages 15 to 27 form an integral part of these financial statements.



# **National Family Mediation**

## **Notes to the Financial Statements for the Year Ended 31 March 2023**

### **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:

1 Barnfield Crescent

Exeter

Devon

EX1 1QT

These financial statements were authorised for issue by the trustees on 1 November 2023.

### **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 2023**

#### ***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.

#### ***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 meetings and reimbursed expenses.

#### **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:

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

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.

#### 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.

#### 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.

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 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.

#### 3 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies;		
Donations from individuals	43	43
<b>Total for 2023</b>	<b>43</b>	<b>43</b>
<b>Total for 2022</b>	<b>4,087</b>	<b>4,087</b>

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 4 Income from charitable activities

	Unrestricted funds Designated £	General £	Total funds £
Service Support & Development	-	11,194	11,194
Training	160,841	-	160,841
Direct Service Provision	-	808,331	808,331
<b>Total for 2023</b>	<u>160,841</u>	<u>819,525</u>	<u>980,366</u>
<b>Total for 2022</b>	<u>175,240</u>	<u>776,388</u>	<u>951,628</u>

#### 5 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income; Interest receivable on bank deposits	<u>3,603</u>	<u>3,603</u>
<b>Total for 2023</b>	<u>3,603</u>	<u>3,603</u>
<b>Total for 2022</b>	<u>110</u>	<u>110</u>

#### 6 Expenditure on charitable activities

	Note	Unrestricted funds Designated £	General £	Restricted funds £	Total funds £
Service Support & Development		-	34,619	-	34,619
Training		114,704	-	-	114,704
Direct Service Provision		-	342,226	-	342,226
Depreciation, amortisation and other similar costs		-	357	-	357
Staff costs		41,430	321,179	-	362,609
Allocated support costs	7	16,608	84,242	-	100,850
Governance costs	7	<u>-</u>	<u>3,277</u>	<u>-</u>	<u>3,277</u>
<b>Total for 2023</b>		<u>172,742</u>	<u>785,900</u>	<u>-</u>	<u>958,642</u>
<b>Total for 2022</b>		<u>135,903</u>	<u>639,225</u>	<u>13,110</u>	<u>788,238</u>

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

	Activity undertaken directly £	Activity support costs £	Total expenditure £
Service Support & Development	42,916	29,393	72,309
Training	137,527	35,215	172,742
Direct Service Provision	558,399	151,915	710,314
<b>Total for 2023</b>	<u>738,842</u>	<u>216,523</u>	<u>955,365</u>
<b>Total for 2022</b>	<u>633,621</u>	<u>151,576</u>	<u>785,197</u>

In addition to the expenditure analysed above, there are also governance costs of £3,277 (2022 - £3,041) which relate directly to charitable activities. See note 7 for further details.

#### 7 Analysis of governance and support costs

##### Charitable activities expenditure

Basis of allocation	Unrestricted funds Designated £	General £	Restricted funds £	Total funds £
Direct costs	104,428	352,354	-	456,782
Professional Practice Committee	2,328	200	-	2,528
Staff costs	41,430	321,179	-	362,609
Rent and rates	2,409	12,414	-	14,823
Insurance	480	2,444	-	2,924
Telephone	440	2,445	-	2,885
Office costs	745	3,821	-	4,566
Computer software and maintenance costs	5,835	30,438	-	36,273
Printing, postage and stationery	761	5,512	-	6,273
Subscriptions	163	833	-	996
Travel and subsistence	161	1,266	-	1,427
Advertising and marketing	12,881	31,748	-	44,629
Legal and professional fees	599	14,358	-	14,957
Bank charges	12	3,254	-	3,266
Depreciation charge	70	357	-	427
<b>Total for 2023</b>	<u>172,742</u>	<u>782,623</u>	<u>-</u>	<u>955,365</u>
<b>Total for 2022</b>	<u>135,903</u>	<u>636,184</u>	<u>13,110</u>	<u>785,197</u>

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### Support costs allocated to charitable activities

		Finance costs £	Information technology £	Staff costs £	Administration costs £	Premises costs including depreciation £	Other support costs £	Total funds £
	<b>Basis of allocation</b>							
Service Support & Development	A, B, C	1	350	28,237	124	206	475	29,393
Training	A, B, C	12	5,030	18,608	1,775	2,959	6,831	35,215
Direct Service Provision	A, B, C	59	25,273	68,472	8,921	14,868	34,323	151,916
<b>Total for 2023</b>		<u>72</u>	<u>30,653</u>	<u>115,317</u>	<u>10,820</u>	<u>18,033</u>	<u>41,629</u>	<u>216,524</u>
<b>Total for 2022</b>		<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>

#### 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 2023

### Governance costs

	Unrestricted funds Designated £	General £	Total funds £
Independent examiner fees			
Examination of the financial statements	-	2,857	2,857
Other governance costs	-	420	420
<b>Total for 2023</b>	-	3,277	3,277
<b>Total for 2022</b>	515	2,526	3,041

### 8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Other non-audit services	2,857	2,735
Depreciation of fixed assets	357	427

### 9 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

#### Carol Reay

£33 (2022: £Nil) of expenses were reimbursed to Carol Reay during the year.

Reimbursement of travel expenses and subsistence

#### Michael Stepan

£50 (2022: £Nil) of expenses were reimbursed to Michael Stepan during the year.

Reimbursement of travel expenses and subsistence

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

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



## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	315,820	274,252
Social security costs	19,119	10,406
Pension costs	5,708	4,152
Other staff costs	21,962	36,937
	<u>362,609</u>	<u>325,747</u>

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:

	2023 No	2022 No
Charitable activities	<u>22</u>	<u>20</u>

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

#### 11 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	<u>2,857</u>	<u>2,735</u>

#### 12 Taxation

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

#### 13 Tangible fixed assets

	Furniture and equipment £	Total £
<b>Cost</b>		
At 1 April 2022	<u>22,369</u>	<u>22,369</u>
At 31 March 2023	<u>22,369</u>	<u>22,369</u>
<b>Depreciation</b>		
At 1 April 2022	20,661	20,661
Charge for the year	<u>427</u>	<u>427</u>
At 31 March 2023	<u>21,088</u>	<u>21,088</u>

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

	Furniture and equipment £	Total £
<b>Net book value</b>		
At 31 March 2023	1,281	1,281
At 31 March 2022	1,708	1,708
<b>14 Debtors</b>		
	<b>2023</b> £	<b>2022</b> £
Trade debtors	150,753	137,806
Prepayments	17,675	17,738
	<u>168,428</u>	<u>155,544</u>
<b>15 Cash and cash equivalents</b>		
	<b>2023</b> £	<b>2022</b> £
Cash on hand	-	46
Cash at bank	553,568	549,823
	<u>553,568</u>	<u>549,869</u>
<b>16 Creditors: amounts falling due within one year</b>		
	<b>2023</b> £	<b>2022</b> £
Trade creditors	44,414	48,820
Other taxation and social security	64,855	49,381
Accruals	17,560	28,343
Deferred income	50,210	59,709
	<u>177,039</u>	<u>186,253</u>
	<b>2023</b> £	<b>2022</b> £
Deferred income at 1 April 2022	(59,709)	(67,287)
Resources deferred in the period	(50,210)	(59,709)
Amounts released from previous periods	59,709	67,287
Deferred income at year end	<u>(50,210)</u>	<u>(59,709)</u>

Deferred income relates to income received in advance for; affiliation fees (£13,973), training (£32,045) and mediation fees (£4,192).

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 17 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
<i>General</i>				
General unrestricted funds	381,072	823,171	(785,900)	418,343
<i>Designated</i>				
Training	<u>138,467</u>	<u>160,841</u>	<u>(172,742)</u>	<u>126,566</u>
<b>Total unrestricted funds</b>	519,539	984,012	(958,642)	544,909
<b>Restricted funds</b>				
Avril Reid Award	<u>1,329</u>	<u>-</u>	<u>-</u>	<u>1,329</u>
<b>Total funds</b>	<u><u>520,868</u></u>	<u><u>984,012</u></u>	<u><u>(958,642)</u></u>	<u><u>546,238</u></u>

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
<i>General</i>				
General unrestricted funds	239,712	780,585	(639,225)	381,072
<i>Designated</i>				
Training	99,130	175,240	(135,903)	138,467
<b>Total unrestricted funds</b>	<u>338,842</u>	<u>955,825</u>	<u>(775,128)</u>	<u>519,539</u>
<b>Restricted funds</b>				
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>
<b>Total funds</b>	<u><u>353,281</u></u>	<u><u>955,825</u></u>	<u><u>(788,238)</u></u>	<u><u>520,868</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

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.

## National Family Mediation

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 18 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds at 31 March 2023
	General	Designated		
	£	£	£	£
Tangible fixed assets	1,281	-	-	1,281
Current assets	557,309	163,358	1,329	721,996
Current liabilities	(140,247)	(36,792)	-	(177,039)
Total net assets	<u>418,343</u>	<u>126,566</u>	<u>1,329</u>	<u>546,238</u>

  

	Unrestricted funds		Restricted funds	Total funds at 31 March 2022
	General	Designated		
	£	£	£	£
Tangible fixed assets	1,708	-	-	1,708
Current assets	512,200	191,884	1,329	705,413
Current liabilities	(132,836)	(53,417)	-	(186,253)
Total net assets	<u>381,072</u>	<u>138,467</u>	<u>1,329</u>	<u>520,868</u>

#### 19 Analysis of net funds

	At 1 April 2022	Financing cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	<u>549,869</u>	<u>3,699</u>	<u>553,568</u>
Net debt	<u>549,869</u>	<u>3,699</u>	<u>553,568</u>

  

	At 1 April 2021	Financing cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	<u>396,096</u>	<u>153,773</u>	<u>549,869</u>
Net debt	<u>396,096</u>	<u>153,773</u>	<u>549,869</u>