SURREY FAMILY & MEDIATION SERVICES

England & Wales · Charity number 1091539

Details

Other names	SURREY FAMILY MEDIATION SERVICE, SFMS
Status	Registered
Legal form	Charitable company
Company number	04363273
Registered	2002-04-05
Register	View on the Charity Commission register

Contact

Address	Leatherhead Institute 67 High Street Leatherhead KT22 8AH
Phone	01372 677 660
Email	admin@sfms.org.uk
Website	www.sfms.org.uk

Activities

Objects: 1. TO PROVIDE ASSISTANCE TO ALLEVIATE THE HARDSHIP AND DISTRESS CAUSED BY THE BREAKING UP OF RELATIONSHIPS, MARRIAGE AND FAMILY, INCLUDING SEPARATING AND/OR DIVORCING COUPLES TO RESOLVE DISPUTES AROUND CHILDREN, PROPERTY, FINANCE AND ALL ISSUES ARISING FROM FAMILY STRESS. 2. TO PROVIDE ASSISTANCE TO BOTH PARENTS AND CHILDREN IN COMING TO TERMS WITH THE CHANGES IN THEIR LIVES WHICH COME ABOUT AS A RESULT OF DIVORCE AND SEPARATION INCLUDING DIRECT CONSULTATION WITH CHILDREN AND OTHER SERVICES.

Activities: Provision of family mediation to couples going through separations and divorce (marriage or civil partnership). Full range of mediation reaching agreement in all issues such as those relating to children, finance and property. Our mediation practices place importance on the needs of the child delivering child consultations and special conflict resolutions such as special guardianship orders.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Other Charitable Purposes
- **Who:** Children/young People, Other Defined Groups

Geography

- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£123,510	£163,243	-	-
2024-03-31	£116,383	£108,976	-	-
2023-03-31	£117,502	£119,233	-	-
2022-03-31	£111,502	£115,538	-	-
2021-03-31	£146,126	£112,021	-	-

Trustees

Name	Role	Appointed
Nicholas Francis Preedy	Chair	2015-06-29
Catherine Hedges-Grimshaw		2024-02-01
Haleema Hussain		2026-06-02
Jane Olsen		2021-02-12

Accounts

Company registration number: 04363273
Charity registration number: 1091539

SURREY FAMILY & MEDIATION SERVICES
TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Accountants247 Limited

Contents

The trustees present their report and the financial statements for the year ended 31 March 2025.

Objectives and Activities

Aims and Objectives

The objects of the Charity are:

- To provide assistance to alleviate the hardship and distress caused by the breakup of marriage, civil partnerships and other family relationships, including assisting separating or divorcing couples to resolve disputes around children, property and finance.

- To provide assistance to both parents and children in coming to terms with the changes in their lives, which come about as a result of divorce and separation, including direct consultation with children.

The Charity aims to work with families to resolve issues around separation and divorce, with a particular emphasis on the children of couples going through the process.

The strategies employed by the Charity to achieve its objectives are to:

- Promote Family Mediation through advertising, its website and its leaflets, which are distributed through libraries, courts, Citizens Advice Bureaus (CABs), Relate Offices, General Practitioner surgeries and schools throughout the County each year.
- Promote Family Mediation via Pro Bono sessions provided for CAB clients throughout Surrey.
- Provide free to client mediation for those meeting the financial eligibility criteria of the Legal Aid Agency (LAA).
- Promote links with other professionals involved in the process of separation and divorce, e.g. family law solicitors, magistrates and county courts, schools, family centres, Relate, the Children and Family Court Advisory and Support Service (Cafcass) and other similar services.
- Train mediators and staff to a high standard, enabling the charity to maintain the LAA quality mark for family mediation services.

Significant Activities

The two main areas of activity of the Charity continue to be:

- The provision of mediation to couples going through separation and / or divorce and those dissolving civil partnerships, supporting the couple through the process, enabling them to reach decisions that allow both parties to feel that they can sign up to the final agreements.

- Child Inclusive Mediation (CIM), offered to children of couples going through the mediation process, allowing them confidential access to the mediator working with their parents. This gives the children an opportunity for their 'voice to be heard' regarding family interaction and future arrangements. The children agree the feedback process with the mediator, and parents can be informed of the outcome of the discussion in a number of ways. This is a very powerful tool enabling the children to feel included in the process.

Child and Education Services

SF&MS works to offer mediation across the generations, including disputes between children and parents, parents and grandparents and other familial relationships.

Information courses and presentations are offered to CAB staff and volunteers to ensure that they are able to inform their clients of the benefits of mediation and regarding the continued availability of legal aid.

Public Benefit

SF&MS operates exclusively in areas of benefit to the public. We provide the public with access to the most economic, quick and least hostile method by which to obtain professional assistance in formalising a divorce or separation. Mediation has been found on average to lower the amount of conflict between separated parents which has clear and demonstrable benefits for children. Legally aided and subsidised mediation provides access to professional assistance and guidance to the most disadvantaged and economically vulnerable clients in society.

The Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

The trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

Achievements and Performance

Main Achievements
Service Performance

The service is primarily a remote service, based primarily on client preference.

Mediation/ Legal Aid Assistance (LAA)

The number of couples either referred by their solicitor or self-referring to the charity in the year to March 2025 was 426 reflecting a 10% increase on the previous year (2024: 386).

In the year ending March 2025 we conducted 414 MIAMs and 105 cases went to mediation.

The Trustees remain committed to offering mediation free at the point of delivery for those unable to access it in any other way, despite the administrative costs involved.

Concerns remain regarding the legislation implemented in 2013 that sought to encourage couples in dispute to seek mediation rather than go to court. Regrettably direct applications (C100's) to the courts have remained high. However, the current government has stated that they regard mediation as being the most appropriate form of support for separated parents and that the vast majority of cases that are absent of domestic abuse should be dealt with there, rather than court. The family courts have published several judgements in the last two years which make it clear that in financial remedy cases litigants are expected to negotiate openly and in good faith both prior to and during litigation and that failure to do so will begin to attract punitive costs orders. In addition, the government is considering to make mediation compulsory prior to court, rather than just attending a MIAM. It is therefore reasonable to anticipate a rise in mediation referrals as the court system becomes more risky and costly to access. The regulatory body, the Family Mediation Council, have also released new guidance that there is now an expectation that the other party will be invited to attend a MIAM, except in cases of domestic abuse. Clients are expected to provide a sufficient reason if they do not wish the other party to be invited. This is to further encourage clients to communicate together and avoid court proceedings, thus encouraging a rise in mediation.

Of the cases that were closed in this financial year in which both parties attend a Mediation Information Assessment Meeting (MIAM), 74% progressed to full mediation reflecting an increase of 3% (2024: 71%). Of those, 46% achieved success, being defined as clients having reached agreement on child cases or a Memorandum of Understanding (MOU) and Open Financial Statement (OFS) in property and finance or all issues mediation. This is a total of 45 successful outcomes remaining unchanged from last year (2024: 46%).

A total of 113 legally aided MIAM meetings were conducted across the year and the service closed 82 mediated cases during the year which were fully or partially funded through legal aid during the financial year.
SF&MS places children at the heart of its service offering. It continues to provide Child Inclusive Mediation free of charge for legal aid cases as a reflection of its commitment. It is a powerful tool to focus the parents on their children's needs which can get lost in the stress of separation.

Grant funding

During the year the service worked hard to identify and secure grants for core funding and for developing additional services. The Charity remains reliant on grant funding for its long term financial sustainability.

Financial Review

Financial Position
The results for the year and financial position of the Charity are shown in the annexed statements.

In the year ending 31 March 2025 the charity generated a deficit of £39,733 (2024: deficit of £516). Income from charitable activities was £123,510, an increase over the previous year, when income was £116,383. Total expenditure was £46,344 higher at £163,243 (2024: £116,899). However this is after an exceptional item of £49,914 - see following note on going concern.These financial results reduced the total charity funds to a deficit of £23,909 at 31 March 2025 (31 March 2024: £15,824 - surplus).

With limited expectations of grants being received in the following year and ongoing monthly losses, the Board of Trustees was forced to take action to preserve the Charity's financial sustainability through a reduction of the cost base. In June 2023, the Charity was restructured with the role of Director being eliminated. The resulting ongoing structural cost savings, together with targeted income from Charitable Activities of at least £100,000 for the year ended 31 March 2024 - that is, close to the levels seen in the year ended 31 March 2022 - mean that the expectation is that the Charity will continue to make a modest profit going forward. The Charity has started to rebuild reserves following the restructuring and renewed efforts are also being made to secure new grant funds.

The current reserves policy is to retain sufficient reserves to cover insolvency costs plus 12 weeks of operating costs. At the end of February 2025, this minimum level of reserves was met.

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Financial Position - continued
A risk register is regularly reviewed by the Board of Trustees. This covers the areas of Governance/Regulatory, Financial and Operational matters. A RAG approach (red, amber, green) is used against the criteria of 'likelihood' and 'impact' of any individual item, be that a Risk that requires active monitoring or an Issue that requires direct action. Key risks include strong reliance on the Service Manager and the risk of experienced mediators leaving.

Funds Materially in Deficit
See going concern

Going Concern
The Legal Aid Agency (LAA) informed the Charity on 31 October 2024 that as a result of issues picked up in an audit of legal aid implementation in October 2023, due to breaches in the 2018 Standard Civil Contract Standard Terms there was to be a very large deficit to the LAA following all of the necessary recoupment action. This relates to Legal Aid files claimed during the period February 2022 to October 2023 when digital signatures were obtained but in a way that was routinely non-compliant with the strict Legal Aid requirements, and a loss of data due to an IT issue when migrating to a cloud server that affected all files opened between the period January to July 2022 which have been billed. Under the strict terms of the Legal Aid contract £58,968.60 of Legal Aid income during the affected periods is being sought to be recouped by the LAA although this is still being contested by the charity.

The LAA have agreed to minimise the financial burden on the charity by recouping the income from a proportion of future billing. In the year 24/25 £9045.60 was recouped leaving £49,913.90 to be recouped in future years. The charity has considered it prudent to make provision in the accounts for this sum. This has resulted in a material deficit in funds. With the LAA agreeing to recoup the funds from a proportion of future billing the trustees believe the charity can continue as a going concern. Therefore the accounts have been prepared on a going concern basis.

Plans for the future
Service Development
The service is investigating the possibility in the longer term of becoming a separation "hub", combining its service with other services in the community that provide help with parenting skills, money management and other legal and financial matters. In addition, the service is exploring opportunities that provide clients access to solicitors who can draft their financial consent orders, Arbitrators / Arbitration, as well as providing access to neutral legal evaluations of their issues in property and finance cases.

Infrastructure
The Service has outsourced its IT and cybersecurity, helping it to maintain strong data protection and cyber security standards.

Marketing/Fundraising
The service spent the last year focusing on the utilisation of the website and an effective Google Ads campaign to generate work. This will continue in the coming year, but this will be alongside a renewed focus in creating networks of mutually referring organisations. The service has renewed and developed relationships with family solicitors, citizen's advice bureaux and local community hubs, who can refer appropriate cases to the service in return for the same from the service.

Arbitration / hybrid mediation models.
The charity will look to signpost appropriate cases to arbitration and hybrid mediation processes. Changes in access to and cost of the family court and, in some cases, the limitations of mediation mean that separating/ separated families will benefit from a greater range of options that could help resolve their issues.

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Plans for the future - continued

Structure, Governance and Management

Governing Document

Surrey Family & Mediation Services is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association dated 25 November 2013. The liability of the members, who are the Trustees, is limited to £10 in the event of the charity winding up. It is registered as a Charity with the Charity Commission.

The Board of Trustees, who administer the charity, meet formally on at least a quarterly basis. A director managed the day-to-day operations of the Charity up to June 2023. Following a restructuring, the role of Director was removed, and the Service Manager now manages the day-to-day operations of the Charity and works with the Board to agree strategy. To facilitate effective operations the Service Manager has delegated authority, within the terms of the delegation approved by the Trustees, for operational matters including finance, employment and practitioner related issues.

The charity continues to explore networks across both the public, private and charity sector in order to identify mutually beneficial opportunities.

The people within the organisation are paramount to its success. The Board of Trustees provides support and guidance to the Service Manager in the restructured organization.

SF&MS is an independent organisation. However, it is affiliated to The College of Mediators and National Family Mediation, both of whom are a membership, standards and training organisation for mediators. SF&MS pays affiliation fees to The College and NFM, which provides support services through a national training programme for family mediators and taking a lead in practice matters through its Professional Practice Committee. The CEO of The College and NFM also operates at a national level in promoting the interests of family mediation and also lobbies government departments on behalf of College of Mediators.

Trustee Selection Methods

As set out in the Articles of Association the minimum number of Trustees is three and there is no upper limit. Membership is open to any person, corporate body or unincorporated association that is interested in furthering the work of the Charity and is in agreement with the aims and objectives of the Charity. Trustees are required to retire by rotation every three years, and can stand for re-election if they so wish.

Reference and Administrative Details

Trustees
Mr Francis Preedy - Chairman
Mr Paul O'Callaghan (appointed 16/02/2025)
Ms Jane Olsen
Ms Catherine Hedges-Grimshaw

Company Secretary
Ms Tamsin Remnant

Charity Number
1091539

Company Number
04363273

Registered Office
Guildford Institute
Ward Street
Guildford
GU1 4LH

Independent Examiner
Mark Greeve ACA
Accountants247 Limited
The Heath Business and Technical Park
Block 5, Room 5172
Runcorn
Cheshire
WA7 4QX

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Surrey Family & Mediation Services 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).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statement 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 the income and expenditure, of the charitable company for that period. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at anytime the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The trustees' report was approved by the board of trustees and signed on its behalf by:

Mr Francis Preedy
Trustee
19/12/2025

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2025.

Responsibilities and Basis of Report

As the charity 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

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 the Company 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.

Mark Greeve ACA
09/12/2025
The Heath Business and Technical Park
Block 5, Room 5172
Runcorn
Cheshire
WA7 4QX

Surrey Family & Mediation Services
Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 March 2025

	Notes	2025 Unrestricted funds £	2024 Unrestricted funds £
INCOME AND ENDOWMENTS FROM:			
Charitable activities	3	123,510	116,383
EXPENDITURE ON:			
Raising funds	5	(10,384)	(9,830)
Charitable activities	5	(102,945)	(107,069)
Other		(49,914)	-
		(163,243)	(116,899)
NET EXPENDITURE		(39,733)	(516)
NET MOVEMENT IN FUNDS		(39,733)	(516)
RECONCILIATION OF FUNDS:			
Total funds brought forward		15,824	16,340
TOTAL FUNDS CARRIED FORWARD	14	(23,909)	15,824

The notes on pages 10 to 15 form part of these financial statements.

Surrey Family & Mediation Services
Balance Sheet
As At 31 March 2025

	Notes	2025 Unrestricted funds £	2024 Total funds £
FIXED ASSETS			
CURRENT ASSETS			
Debtors	11	12,543	414
Cash at bank and in hand		21,108	21,832
		33,651	22,246
Creditors: Amounts Falling Due Within One Year	12	**(57,560)**	**(6,422)**
NET CURRENT ASSETS (LIABILITIES)		**(23,909)**	**15,824**
TOTAL ASSETS LESS CURRENT LIABILITIES		**(23,909)**	**15,824**
NET (LIABILITIES)/ASSETS		**(23,909)**	**15,824**
FUNDS OF THE CHARITY			
Unrestricted Funds		(23,909)	15,824
TOTAL FUNDS	14	(23,909)	15,824

For the year ending 31 March 2025 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.
The members have not required the charitable company to obtain an audit in accordance with section 476 of the Companies Act 2006.
The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.
On behalf of the board

Mr Francis Preedy
Trustee
19/12/2025

The notes on pages 10 to 15 form part of these financial statements.

1. General Information

Surrey Family & Mediation Services is a company limited by guarantee, incorporated in England & Wales, registered number 04363273 and registered charity number 1091539. The registered office is Guildford Institute, Ward Street, Guildford, GU1 4LH.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) "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)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The charitable company is a Public Benefit Entity as defined by FRS 102.

2.2. Going Concern Disclosure

The Legal Aid Agency (LAA) informed the Charity on 31 October 2024 that as a result of issues picked up in an audit of legal aid implementation in October 2023, due to breaches in the 2018 Standard Civil Contract Standard Terms there was to be a very large deficit to the LAA following all of the necessary recoupment action. This relates to Legal Aid files claimed during the period February 2022 to October 2023 when digital signatures were obtained but in a way that was routinely non-compliant with the strict Legal Aid requirements, and a loss of data due to an IT issue when migrating to a cloud server that affected all files opened between the period January to July 2022 which have been billed. Under the strict terms of the Legal Aid contract £58,968.60 of Legal Aid income during the affected periods is being sought to be recouped by the LAA although this is still being contested by the charity.

The LAA have agreed to minimise the financial burden on the charity by recouping the income from a proportion of future billing. In the year 24/25 £9045.60 was recouped leaving £49,913.90 to be recouped in future years. The charity has considered it prudent to make provision in the accounts for this sum. This has resulted in a material deficit in funds. With the LAA agreeing to recoup the funds from a proportion of future billing the trustees believe the charity can continue as a going concern. Therefore the accounts have been prepared on a going concern basis.

2.3. Incoming Resources

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

Grants and Donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Income from interest

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

2.4. Resources Expended

Expenditure is accrued as soon as a liability is incurred.

Expenditure is categorised between Charity Costs, being costs directly attributable to provision of specific mediation activity, Fundraising and Marketing Costs, and Support Costs. Given the small size and complexity of the charity, Charity Costs are not allocated across income streams. Also, there is no attribution of Support Costs to activities, albeit these directly support the charity's activities.

2.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer Equipment	33% Straight Line

2.6. Cash and Cash Equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks, other short-term highly liquid investments that mature in no more than three months from the date of acquisition and are readily convertible to a known amount of cash with insignificant risk of change in value, and bank overdrafts.

3. Income from Charitable Activities

	2025	2024
	Unrestricted funds £	Unrestricted funds £
Legal Aid Agency Contract	26,258	29,440
Client Fees	97,252	86,022
Other Income	-	921
	123,510	116,383

4. Net Income/(Expenditure)

The net expenditure is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation of tangible fixed assets - owned	-	173

5. Analysis of Expenditure

			2025
	Activities undertaken directly	Support costs (see note 6)	Total
	£	£	£
Raising funds	10,384	-	10,384
Mediation costs	43,244	-	43,244
Mediation Supervision	3,188	-	3,188
Mediation room hire	2,016	-	2,016
General activities	-	54,497	54,497
	58,832	54,497	113,329

			2024
	Activities undertaken directly	Support costs (see note 6)	Total
	£	£	£
Raising funds	9,830	-	9,830
Mediation costs	36,205	-	36,205
Mediation Supervision	2,269	-	2,269
Mediation room hire	2,795	-	2,795
General activities	-	65,800	65,800
	51,099	65,800	116,899

6. Support Costs

	2025 General activities £
Employee costs	42,513
Premises expenses	95
General administration	11,889
	54,497

	2024 General activities £
Employee costs	49,179
Premises expenses	109
General administration	16,339
Depreciation	173
	65,800

7. Independent Examiner's Remuneration

	2025 £	2024 £
Independent examination of the financial statements	1,000	1,000
Other assurance services	-	-
Tax advisory services	-	-
Other financial services	-	-
	1,000	1,000

8. Staff Costs

Staff costs were as follows:

	2025 £	2024 £
Wages and salaries	41,737	43,989
Other pension costs	776	690
	42,513	44,679

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

9. Average Number of Employees

Average number of employees during the year was: 2 (2024: 2)

10. Tangible Assets

	Computer Equipment
	£
Cost	
As at 1 April 2024	1,556
As at 31 March 2025	1,556
Depreciation	
As at 1 April 2024	1,556
As at 31 March 2025	1,556
Net Book Value	
As at 31 March 2025	-
As at 1 April 2024	-

11. Debtors

	2025	2024
	£	£
Due within one year		
Trade debtors	12,543	414

12. Creditors: Amounts Falling Due Within One Year

	2025	2024
	£	£
Other creditors	161	-
Taxation and social security	7,485	6,422
Accruals and deferred income	49,914	-
	57,560	6,422

13. Pension Commitments

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

During the year the charge to the statement of financial activities in respect of defined contribution schemes was £776 (2024: £690).

At the balance sheet date contributions of £161 (2024: £0) were due to the fund and are included in creditors.

14. Movement in Funds

	As at 1 April 2024	Income	Expenditure	As at 31 March 2025
	£	£	£	£
Unrestricted funds				
General:				
General unrestricted fund	15,824	123,510	(163,243)	(23,909)
Total funds	15,824	123,510	(163,243)	(23,909)

	As at 1 April 2023	Income	Expenditure	As at 31 March 2024
	£	£	£	£
Unrestricted funds				
General:				
General unrestricted fund	16,340	116,383	(116,899)	15,824
Total funds	16,340	116,383	(116,899)	15,824

15. Transactions with Trustees
None of the trustees received any remuneration or any other benefits from an employment with the charity or a related entity during the current or previous year.
No trustee expenses have been incurred.

16. Related Party Disclosures
There have been no related party transactions in the reporting period that require disclosure.

17. Company limited by guarantee
The company is limited by guarantee and has no share capital.

Every member of the company undertakes to contribute to the assets of the company, in the event of a winding up, such an amount as may be required not exceeding £10.

Accounts

SURREY FAMILY & MEDIATION SERVICES
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

Charity number: 1091539

SURREY FAMILY & MEDIATION SERVICES
CONTENTS

SURREY FAMILY & MEDIATION SERVICES
LEGAL AND ADMINISTRATIVE INFORMATION

CONSTITUTION

Surrey Family & Mediation Services (SF&MS) is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The Charity number is 1091539. The Company number is 4363273.

DIRECTORS AND TRUSTEES

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The trustees serving during the year and since the year-end were as follows:

Chair:

Mr Francis Preedy - Chair of Trustees

Current trustees:

Mr Francis Preedy
Ms Jane Olsen
Ms Cate Hedges-Grimshaw

Resignations:

Mr David Brooks

SENIOR MANAGEMENT TEAM

Mr Craig Brookes – Director, Professional Practice Consultant, Company Secretary – role eliminated June 2023

Ms Tamsin Remnant – Service Manager, Company Secretary – from July 2023

REGISTERED OFFICE

Room F, Guildford Institute, Ward Street, Guildford, GU1 4LH

INDEPENDENT EXAMINER

Mark Greeve
Accountants247 Limited, The Heath Business and
Technical Park, Block 5, Room 5172, Runcorn
Cheshire, WA7 4QX

BANKERS

Barclays Bank plc, Dorking RH4 1AN

The Board presents the Trustees' Report, incorporating the Directors' Report, and Financial Statements of the Surrey Family & Mediation Services (SF&MS) for the year ended 31 March 2024. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (FRS 102) Second Edition, October 2019. The Report and Statements comply with the Companies Act 2006 and the Charities Act 2011.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Surrey Family & Mediation Services is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association dated 25 November 2013. The liability of the members, who are the Trustees, is limited to £10 in the event of the charity winding up. It is registered as a Charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association the minimum number of Trustees is three and there is no upper limit. Membership is open to any person, corporate body or unincorporated association that is interested in furthering the work of the Charity and is in agreement with the aims and objectives of the Charity. Trustees are required to retire by rotation every three years, and can stand for re-election if they so wish.

Organisation

The Board of Trustees, who administer the charity, meet formally on at least a quarterly basis. A director managed the day-to-day operations of the Charity up to June 2023. Following a restructuring, the role of Director was removed, and the Service Manager now manages the day-to-day operations of the Charity and works with the Board to agree strategy. To facilitate effective operations the Service Manager has delegated authority, within the terms of the delegation approved by the Trustees, for operational matters including finance, employment and practitioner related issues

People Engagement

The charity continues to explore networks across both the public, private and charity sector in order to identify mutually beneficial opportunities.

The people within the organisation are paramount to its success. The Board of Trustees provides support and guidance to the Service Manager in the restructured organization.

Related Parties

SF&MS is an independent organisation. However, it is affiliated to The College of Mediators, a membership, standards and training organisation for mediators. SF&MS pays affiliation fees to The College, which provides support services through a national training programme for family mediators and taking a lead in practice matters through its Professional Practice Committee. The CEO of The College also operates at a national level in promoting the interests of family mediation and also lobbies government departments on behalf of College of Mediators members.

2. OBJECTIVES AND ACTIVITIES (STATEMENT OF COMMON PURPOSE)

The objects of the Charity are:

- To provide assistance to alleviate the hardship and distress caused by the breakup of marriage, civil partnerships and other family relationships, including assisting separating or divorcing couples to resolve disputes around children, property and finance.

- To provide assistance to both parents and children in coming to terms with the changes in their lives, which come about as a result of divorce and separation, including direct consultation with children.

The Charity aims to work with families to resolve issues around separation and divorce, with a particular emphasis on the children of couples going through the process.

The strategies employed by the Charity to achieve its objectives are to:

- Promote Family Mediation through advertising, its website and its leaflets, which are distributed through libraries, courts, Citizens Advice Bureaus (CABs), Relate Offices, General Practitioner surgeries and schools throughout the County each year.
- Promote Family Mediation via Pro Bono sessions provided for CAB clients throughout Surrey.
- Provide free to client mediation for those meeting the financial eligibility criteria of the Legal Aid Agency (LAA).
- Promote links with other professionals involved in the process of separation and divorce, e.g. family law solicitors, magistrates and county courts, schools, family centres, Relate, the Children and Family Court Advisory and Support Service (Cafcass) and other similar services.
- Train mediators and staff to a high standard, enabling the charity to maintain the LAA quality mark for family mediation services.

The two main areas of activity of the Charity continue to be:

- The provision of mediation to couples going through separation and / or divorce and those dissolving civil partnerships, supporting the couple through the process, enabling them to reach decisions that allow both parties to feel that they can sign up to the final agreements.
- Child Inclusive Mediation (CIM), offered to children of couples going through the mediation process, allowing them confidential access to the mediator working with their parents. This gives the children an opportunity for their ‘voice to be heard’ regarding family interaction and future arrangements. The children agree the feedback process with the mediator, and parents can be informed of the outcome of the discussion in a number of ways. This is a very powerful tool enabling the children to feel included in the process.

Child and Education Services

SF&MS works to offer mediation across the generations, including disputes between children and parents, parents and grandparents and other familial relationships.

Information courses and presentations are offered to CAB staff and volunteers to ensure that they are able to inform their clients of the benefits of mediation and regarding the continued availability of legal aid.

Public Benefit.

SF&MS operates exclusively in areas of benefit to the public. We provide the public with access to the most economic, quick and least hostile method by which to obtain professional assistance in formalising a divorce or separation. Mediation has been found on average to lower the amount of conflict between separated parents which has clear and demonstrable benefits for children. Legally aided and subsidised mediation provides access to professional assistance and guidance to the most disadvantaged and economically vulnerable clients in society.

The Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

3. ACHIEVEMENTS AND PERFORMANCE

Service Performance

The Covid 19 pandemic required a transition from an almost exclusively face to face service to an exclusively remote service The service has remained primarily a remote service, based primarily on client preference.

Mediation/ Legal Aid Assistance (LAA)

The number of couples either referred by their solicitor or self-referring to the charity in the year to March 2024 was 386 reflecting a 25% decrease on the previous year (2023: 483).

During the year 411 Mediation Information Assessment Meetings (MIAMs) were conducted from which 100 cases proceeded to mediate. We also closed 116 cases during the financial year that began prior to April 2022. In the year ending March 2024 we conducted 386 MIAMs and 169 cases went to mediation.

The Trustees remain committed to offering mediation free at the point of delivery for those unable to access it in any other way, despite the administrative costs involved.

Concerns remain regarding the legislation implemented in 2013 that sought to encourage couples in dispute to seek mediation rather than go to court. Regrettably direct applications (C100's) to the courts have remained high. However, the current government has stated that they regard mediation as being the most appropriate form of support for separated parents and that the vast majority of cases that are absent of domestic abuse should be dealt with there, rather than court. The family courts have published several judgements in the last two years which make it clear that in financial remedy cases litigants are expected to negotiate openly and in good faith both prior to and during litigation and that failure to do so will begin to attract punitive costs orders. In addition, the government is considering to make mediation compulsory prior to court, rather than just attending a MIAM. It is therefore reasonable to anticipate a rise in mediation referrals as the court system becomes more risky and costly to access. The regulatory body, the Family Mediation Council, have also released new guidance that there is now an expectation that the other party will be invited to attend a MIAM, except in cases of domestic abuse. Clients are expected to provide a sufficient reason if they do not wish the other party to be invited. This is to further encourage clients to communicate together and avoid court proceedings, thus encouraging a rise in mediation.

Of the cases that were closed in this financial year in which both parties attend a Mediation Information Assessment Meeting (MIAM), 71% progressed to full mediation reflecting an increase of 18% (2023: 60%). Of those, 46% achieved success, being defined as clients having reached agreement on child cases or a Memorandum of Understanding (MOU) and Open Financial Statement (OFS) in property and finance or all issues mediation. This is a total of 46 successful outcomes reflecting an absolute decrease of 11% (2023: 57%).

A total of 192 legally aided MIAM meetings were conducted across the year and the service closed 126 mediated cases during the year which were fully or partially funded through legal aid during the financial year.

SF&MS places children at the heart of its service offering. It continues to provide Child Inclusive Mediation free of charge for legal aid cases as a reflection of its commitment. It is a powerful tool to focus the parents on their children's needs which can get lost in the stress of separation.

Grant funding

During the year the service worked hard to identify and secure grants for core funding and for developing additional services. The Charity remains reliant on grant funding for its long term financial sustainability.

4. FINANCIAL REVIEW

The results for the year and financial position of the Charity are shown in the annexed statements**.**

In the year ending 31 March 2024 the charity generated a deficit of £516 (2023: deficit of £36,641). Income from charitable activities was £116,383, an increase over the previous year, when income was £92,570. Total expenditure was £12,312 lower at £116,899 (2023: £129,211). These financial results reduced the total charity funds to £15,824 at 31 March 2024 (31 March 2023: £16340).

With limited expectations of grants being received in the following year and ongoing monthly losses, the Board of Trustees was forced to take action to preserve the Charity's financial sustainability through a reduction of the cost base. In June 2023, the Charity was restructured with the role of Director being eliminated. The resulting ongoing structural cost savings, together with targeted income from Charitable Activities of at least £100,000 for the year ended 31 March 2024 - that is, close to the levels seen in the year ended 31 March 2022 - mean that the expectation is that the Charity will continue to make a modest profit going forward. The Charity has started to rebuild reserves following the restructuring and renewed efforts are also being made to secure new grant funds.

The current reserves policy is to retain sufficient reserves to cover insolvency costs plus 12 weeks of operating costs. At the end of February 2024, this minimum level of reserves was met.

A risk register is regularly reviewed by the Board of Trustees. This covers the areas of Governance/Regulatory, Financial and Operational matters. A RAG approach (red, amber, green) is used against the criteria of 'likelihood' and 'impact' of any individual item, be that a Risk that requires active monitoring or an Issue that requires direct action. Key risks include strong reliance on the Service Manager and the risk of experienced mediators leaving.

5. PLANS FOR THE FUTURE

Service Development

Work on a Preparation for Separation course was unfortunately ended in December 2022, due to lack of interest and a highly competitive market, and prioritising the Charity's other activities. The service is investigating the possibility in the longer term of becoming a separation "hub", combining its service with other services in the community that provide help with parenting skills, money management and other legal and financial matters. In addition, the service is exploring opportunities that provide clients access to solicitors who can draft their financial consent orders, Arbitrators / Arbitration, as well as providing access to neutral legal evaluations of their issues in property and finance cases.

Infrastructure

The Service and its clients have benefitted from changes made during the financial year of 2021/2022, which has provided a simple and secure way for clients to provide and receive information. Mediators and administrators communicate via the secure server and cloud-based system, depleting the need for information to be transferred via email.

Marketing/Fundraising

The service spent the last few years focusing on the utilisation of the website and an effective Google Ads campaign to generate work. This will continue in the coming year, but this will be alongside a renewed focus in creating networks of mutually referring organisations. The service will seek to renew and develop relationships with family solicitors, citizen's advice bureaux and local community hubs, who can refer appropriate cases to the service in return for the same from the service.

Arbitration / hybrid mediation models.

The charity will look to signpost appropriate cases to arbitration and hybrid mediation processes. Changes in access to and cost of the family court and, in some cases, the limitations of mediation mean that separating/ separated families will benefit from a greater range of options that could help resolve their issues.

INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF SURREY FAMILY & MEDIATION SERVICES

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (STATEMENT OF DIRECTORS' RESPONSIBILITIES)

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

Company law requires the charity trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:
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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding the assets of the charity and the group and hence 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.

Accountants 24/7 Ltd. have indicated their willingness to be appointed as Independent Examiners for the forthcoming year.

This Trustees' Report is approved by the trustees on

04 December 2024 and signed on its behalf by:

Francis Preedy
Chair

Francis Preedy

INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF SURREY FAMILY & MEDIATION SERVICES

I report to the charity trustees on my examination of the accounts of Surrey Family & Mediation Services (‘the Company’) for the year ended 31 March 2024

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

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:

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- 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
- 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 (FRS102).

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.

Mark Greeve
Member of Institute of Chartered Accountants
in England and Wales

Mark Greeve

Accountants 247 Limited
The Heath Business and
Technical Park
Block 5 Room 5172
Runcorn
Cheshire
WA7 4QX

Dated: 04 December 2024

Surrey Family & Mediation Services
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2024

	Notes	**Unrestricted Funds £**	**Restricted Funds £**	**Total 2024 £**	**Unrestricted Funds £**	**Restricted Funds £**	**Total 2023 £**
Income from:							
Donations and legacies	2(a)	-	-	-	5,000	-	5,000
Charitable activities	2(b)	116,383	-	116,383	87,570	-	87,570
Other trading activities		-	-	-	-	-	-
Total income		**116,383**	**-**	**116,383**	**92,570**	**-**	**92,570**
Expenditure on:							
Raising Funds and Marketing	3(a)	9,830	-	9,830	8,938	-	8,938
Charitable Activities	3(b)	41,269	-	41,269	32,312	-	32,312
Support Costs	3(c)	65,800	-	65,800	85,016	2,945	87,961
Total expenditure		**116,899**	**-**	**116,899**	**126,266**	**2,925**	**129,211**
Transfer of funds		-	-	-	5,315	(5,315)	
Net movement in funds		**(516)**	**-**	**(516)**	**(28,381)**	**(8,260)**	**(36,641)**
Funds brought forward at 1 April		16,340	-	16,340	44,721	8,260	52,981
Funds carried forward at 31 March		**15,824**	**-**	**15,824**	**16,340**	**-**	**16,340**

All income arises from the continuing activities of the charity. The charity had no recognised gains or losses other than those dealt with in the Statement of Financial Activities. The notes on pages 12 to 20 form part of these accounts

Surrey Family & Mediation Services

BALANCE SHEET
31 March 2024

Fixed assets	**Notes**	**2024 £**	**2023 £**
Tangible fixed assets	5	-	174
Debtors	6	414	-
Cash at bank and in hand		21,832	23,528
Total current assets		**22,246**	**23,528**
Liabilities: amounts falling due within one year			
Creditors	7	(6,422)	(7,362)
Net current assets		15,824	16,166
Liabilities: amounts falling due after one year			
Creditors		-	-
Net assets	**8**	**15,824**	**16,340**
Funds			
Unrestricted reserves		15,824	16,340
Restricted reserves		-	-
Total charity funds	**9**	**15,824**	**16,340**

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The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

Approved by the trustees on 04 December 2024 and signed on its behalf by:

Francis Preedy

Francis Preedy
Chair

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

- The Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- The Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

At the time the accounts were approved, the Trustees have a reasonable expectation that the charity has adequate resources in order to continue for the foreseeable future. Whilst the charity has made operating losses the Charity was restructured in June 2023 with the elimination of the role of director, which has reduced the cost base. With recovery of income levels closer to previous years, this allows the charity to operate at a surplus. The reserves policy is to hold sufficient reserves to cover solvency costs plus 12 weeks operating costs. The charity funds are currently above this level. Accordingly, the going concern basis of accounting has been used to prepare these accounts.

Funds

Unrestricted funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity

Restricted funds are those monies received by the charity which have been given for a particular purpose, for example the Big Lottery Fund Grant.

Income

Recognition of income
These are included in the Statement of Financial Activities (SoFA) when:
- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

Grants and Donations
Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).
In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

Volunteer help
The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Income from interest
This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Expenditure and Liabilities

Expenditure is accrued as soon as a liability is incurred.

Expenditure is categorised between Charity Costs, being costs directly attributable to provision of specific mediation activity, Fundraising and Marketing Costs, and Support Costs. Given the small size and complexity of the charity, Charity Costs are not allocated across income streams. Also, there is no attribution of Support Costs to activities, albeit these directly support the charity's activities.

Assets and Liabilities

Fixed Assets
Only assets obtained under the Awards for All Scheme or of a high value are capitalised. They are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the

cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office fixtures & fittings	25% straight line
Computers	33% straight line

Debtors

Debtors are included at the amount due. Prepayments are valued at the amount prepaid.

Cash at Bank and in hand

Cash at bank and in hand includes cash and instant access bank accounts.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

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

2. INCOME

		Total Funds	
		2024	**2023**
		£	**£**
(a)	**Donations and legacies**		
	Donations and gifts	-	-
	Grants	-	5,000
	Other income from donors	-	-
		5,000	5,000
	Of which: restricted grants	-	-
(b)	**Charitable activities**		
	Legal Aid Agency contract	29,440	21,442
	Client fees	86,022	65,461
	Other Income	921	667
		116,383	87,571

Grants received	2024 £	2023 £
Unrestricted		
Kelly Family Grant	-	5,000
Henry Smith	-	-
Total	**-**	**5,000**
Restricted – Preparation for Separation		
Community Foundation for Surrey	-	-
Total Restricted	**-**	**-**
Total grants received	**-**	**5,000**

3. EXPENDITURE

Expenditure	2024 £	2023 £
Charity costs		
Mediation costs	36,205	28,396
Mediator supervision	2,269	2,078
Mediation room hire	2,795	1,838
	41,269	**32,312**
Fundraising and Marketing	**9,830**	**8,938**
Support costs		
Staff		
Staff costs	49,179	63,780
	49,179	**63,780**
Insurance and fees	1,553	2,104
Travel and accommodation	-	90
Telephone and mobile	485	1,045
	2,038	**3,239**

Administrative costs

Office rent	109	111,476
Accounting costs	3,800	950
IT costs	6,477	14,245
Bank charges	601	659
Other costs	3,423	3,094
Depreciation	173	518
	11,160	**20,942**
Total Support costs	**65,800**	**87,961**
Total expenditure	**108,976**	**129,211**
Attributed to:		
Unrestricted funds	108,976	126,266
Restricted funds	-	2,945

4. STAFF COSTS

	2024 £	2023 £
Staff salaries and social security costs	41,989	63,120
Pension costs (defined contribution pension plan)	690	660
Freelance mediators	36,204	28,396
Other staff costs	4,500	-
	83,383	**92,176**

	2024	2023
Average number of employees during the year:	3	4
Full-time equivalent	2	3
Average number of freelance mediators (all part-time)	5	6
Average number of volunteers (all part-time) excluding trustees	2	0

Staff salaries and social security costs reflect employer support allowance receivable of £5,000, that has reduced payroll costs in the financial results for the financial year to 31 March 2024.

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

Payments, excluding reimbursement of expenses incurred on charitable business, made to trustees who comprise the Key Management Personnel in the year were £NIL (2023: £Nil).

5. FIXED ASSETS

Tangible fixed assets for use by the charity	**Computer Equipment**
	£
Cost or valuation	
At 1 April 2023	1,556
Additions/(Disposals)	-
Write offs	-
At 31 March 2024	1,556
Depreciation	
At 1 April 2023	1,382
Charge for the year	174
Write offs	-
At 31 March 2024	1,556
Net book Value	
At 31 March 2024	-
At 31 March 2023	174

6. DEBTORS

	2024	**2023**
	£	**£**
Trade debtors	414	-
	414	-

7. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	**2023**
	£	**£**
Other taxes & social security costs	6,422	5,362
Accruals and Deferred Income	-	2,000
	7,362	7,362

8. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Assets	22,246	-	22,246	23,702
Liabilities	(6,422)		(6,422)	(7,362)
	15,824	-	15,824	16,340

9. CHANGES IN FUNDS

2024	Bal b/fwd 1 Apr 2023 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2024 £
Funds:					
Unrestricted	16,340	116,383	(116,899)	-	15,824
Restricted	-	-	-	-	-
Total Funds	**16,340**	**116,383**	**(116,899)**	**-**	**15,824**

2023	Bal b/fwd 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2023 £
Funds:					
Unrestricted	44,721	92,570	(126,266)	5,315	16,340
Restricted	8,260	-	(2,945)	(5,315)	-
Total Funds	52,981	92,570	(129,211)	-	16,340

10. CASHFLOW

	2023 £	2022 £
Net income/(expenditure)	(516)	(36,641)
Add back depreciation	174	518
Investment in fixed assets	-	-
(Increase)/decrease in debtors	(414)	9,153
(Decrease)/increase in creditors	(940)	(4,144)
Net increase/(decrease) in cash equivalents	**(1,696)**	**(31,114)**
Opening cash at bank and in hand	23,528	54,642
Closing cash at bank and in hand	**21,832**	**23,528**

11. FEES FOR EXAMINATION OF THE ACCOUNTS

The Independent examiner's fee for examination of the accounts was £1,000.

12. TAXATION

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

13. COMMITMENTS

There were no capital commitments at 31 March 2024 (2023: Nil).

14. TRUSTEES AND RELATED PARTY TRANSACTIONS

No trustee expenses were incurred in 2024 (2023: Nil)

Trustees are considered to be related parties. None of the trustees have received any remuneration or received any other benefits from an employment with Surrey Family & Mediation Services or any other related entity. There have been no related party transactions in the period.

Trustees and individual liability insurance is covered under the Public Liability section of our charity's insurance.

15. DEFINED CONTRIBUTION SCHEME

Surrey Family & Mediation Services operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £690 (2023: £609).

16. POST BALANCE SHEET EVENT - CONTINGENT LIABILITY

The Legal Aid Agency (LAA) informed the Charity on 31 October 2024 that as a result of issues picked up in an audit of legal aid implementation in October 2023, due to breaches in the 2018 Standard Civil Contract Standard Terms there was to be a very large deficit to the LAA following all of the necessary recoupment action. This relates to Legal Aid files claimed during the period February 2022 to October 2023 when digital signatures were obtained but in a way that was routinely non-compliant with the strict Legal Aid requirements, and a loss of data due to an IT issue when migrating to a cloud server that affected all files opened between the period January to July 2022 which have been billed. Under the strict terms of the Legal Aid contract £58,968.60 of Legal Aid income during the affected periods is to be recouped.

The exact financial impact as a result of repayments to Legal Aid Agency (LAA) remains uncertain. We are actively working with the LAA to resolve the known issue and are exploring all avenues to minimize the overall financial burden on the charity. Additionally, we are negotiating payment arrangements where feasible to mitigate the impact on cash flow. We will continue to keep all stakeholders updated as the situation progresses.

SURREY FAMILY & MEDIATION SERVICES

England & Wales - Charity number 1091539

Accounts

SURREY FAMILY & MEDIATION SERVICES
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

Charity number: 1091539

SURREY FAMILY & MEDIATION SERVICES
CONTENTS

SURREY FAMILY & MEDIATION SERVICES
LEGAL AND ADMINISTRATIVE INFORMATION

CONSTITUTION

Surrey Family & Mediation Services (SF&MS) is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The Charity number is 1091539. The Company number is 4363273.

DIRECTORS AND TRUSTEES

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The trustees serving during the year and since the year-end were as follows:

Chair:

Mr Francis Preedy - Chair of Trustees from December 2022
Ms Samantha Singer – Chair of Trustees from January 2022 to December 2022

Current trustees:

Mr Francis Preedy
Mr David Brooks
Ms Jane Olsen
Ms Cate Hedges-Grimshaw – appointed February 2024

Resignations:

Ms Emily Centeno – resigned September 2022
Ms Samantha Singer – resigned January 2023

SENIOR MANAGEMENT TEAM

Mr Craig Brookes – Director, Professional Practice Consultant, Company Secretary – role eliminated June 2023

Ms Tamsin Remnant – Service Manager, Company Secretary – from July 2023

REGISTERED OFFICE

Room F, Guildford Institute, Ward Street, Guildford, GU1 4LH

INDEPENDENT EXAMINER

Mark Greeve
Accountants247 Limited, The Heath Business and
Technical Park, Block 5, Room 5172, Runcorn
Cheshire, WA7 4QX

BANKERS

Barclays Bank plc, Dorking RH4 1AN

The Board presents the Trustees' Report, incorporating the Directors' Report, and Financial Statements of the Surrey Family & Mediation Services (SF&MS) for the year ended 31 March 2023. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (FRS 102) Second Edition, October 2019. The Report and Statements comply with the Companies Act 2006 and the Charities Act 2011.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Surrey Family & Mediation Services is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association dated 25 November 2013. The liability of the members, who are the Trustees, is limited to £10 in the event of the charity winding up. It is registered as a Charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association the minimum number of Trustees is three and there is no upper limit. Membership is open to any person, corporate body or unincorporated association that is interested in furthering the work of the Charity and is in agreement with the aims and objectives of the Charity. Trustees are required to retire by rotation every three years, and can stand for re-election if they so wish.

Organisation

The Board of Trustees, who administer the charity, meet formally on at least a quarterly basis. A director managed the day-to-day operations of the Charity up to June 2024. Following a restructuring, the role of Director was removed, and the Service Manager now manages the day-to-day operations of the Charity and works with the Board to agree strategy. To facilitate effective operations the Service Manager has delegated authority, within the terms of the delegation approved by the Trustees, for operational matters including finance, employment and practitioner related issues

People Engagement

The charity continues to explore networks across both the public, private and charity sector in order to identify mutually beneficial opportunities.

The people within the organisation are paramount to its success. The Board of Trustees provides support and guidance to the Service Manager in the restructured organization.

Related Parties

SF&MS is an independent organisation. However, it is affiliated to The College of Mediators, a membership, standards and training organisation for mediators. SF&MS pays affiliation fees to The College, which provides support services through a national training programme for family mediators and taking a lead in practice matters through its Professional Practice Committee. The CEO of The College also operates at a national level in promoting the interests of family mediation and also lobbies government departments on behalf of College of Mediators members.

2. OBJECTIVES AND ACTIVITIES (STATEMENT OF COMMON PURPOSE)

The objects of the Charity are:

- To provide assistance to alleviate the hardship and distress caused by the breakup of marriage, civil partnerships and other family relationships, including assisting separating or divorcing couples to resolve disputes around children, property and finance.

- To provide assistance to both parents and children in coming to terms with the changes in their lives, which come about as a result of divorce and separation, including direct consultation with children.

The Charity aims to work with families to resolve issues around separation and divorce, with a particular emphasis on the children of couples going through the process.

The strategies employed by the Charity to achieve its objectives are to:

- Promote Family Mediation through advertising, its website and its leaflets, which are distributed through libraries, courts, Citizens Advice Bureaus (CABs), Relate Offices, General Practitioner surgeries and schools throughout the County each year.
- Promote Family Mediation via Pro Bono sessions provided for CAB clients throughout Surrey.
- Provide free to client mediation for those meeting the financial eligibility criteria of the Legal Aid Agency (LAA).
- Promote links with other professionals involved in the process of separation and divorce, e.g. family law solicitors, magistrates and county courts, schools, family centres, Relate, the Children and Family Court Advisory and Support Service (Cafcass) and other similar services.
- Train mediators and staff to a high standard, enabling the charity to maintain the LAA quality mark for family mediation services.

The two main areas of activity of the Charity continue to be:

- The provision of mediation to couples going through separation and / or divorce and those dissolving civil partnerships, supporting the couple through the process, enabling them to reach decisions that allow both parties to feel that they can sign up to the final agreements.
- Child Inclusive Mediation (CIM), offered to children of couples going through the mediation process, allowing them confidential access to the mediator working with their parents. This gives the children an opportunity for their ‘voice to be heard’ regarding family interaction and future arrangements. The children agree the feedback process with the mediator, and parents can be informed of the outcome of the discussion in a number of ways. This is a very powerful tool enabling the children to feel included in the process.

Child and Education Services

SF&MS works to offer mediation across the generations, including disputes between children and parents, parents and grandparents and other familial relationships.

Information courses and presentations are offered to CAB staff and volunteers to ensure that they are able to inform their clients of the benefits of mediation and regarding the continued availability of legal aid.

Public Benefit.

SF&MS operates exclusively in areas of benefit to the public. We provide the public with access to the most economic, quick and least hostile method by which to obtain professional assistance in formalising a divorce or separation. Mediation has been found on average to lower the amount of conflict between separated parents which has clear and demonstrable benefits for children. Legally aided and subsidised mediation provides access to professional assistance and guidance to the most disadvantaged and economically vulnerable clients in society.

The Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

3. ACHIEVEMENTS AND PERFORMANCE

Service Performance

The Covid 19 pandemic required a transition from an almost exclusively face to face service to an exclusively remote service The service has remained primarily a remote service, based primarily on client preference.

Mediation/ Legal Aid Assistance (LAA)

The number of couples either referred by their solicitor or self-referring to the charity in the year to March 2023 was 483 reflecting a 7% decrease on the previous year (2022: 521).

During the year 386 Mediation Information Assessment Meetings (MIAMs) were conducted from which 169 cases proceeded to mediate. We also closed 87 cases during the financial year that began prior to April 2022. In the year ending March 2022 we conducted 326 MIAMs and 111 cases went to mediation.

The Trustees remain committed to offering mediation free at the point of delivery for those unable to access it in any other way, despite the administrative costs involved.

Concerns remain regarding the legislation implemented in 2013 that sought to encourage couples in dispute to seek mediation rather than go to court. Regrettably direct applications (C100's) to the courts have remained high. However, the current government has stated that they regard mediation as being the most appropriate form of support for separated parents and that the vast majority of cases that are absent domestic abuse should be dealt with there, rather than court. The family courts have published several judgements in the last two years which make it clear that in financial remedy cases litigants are expected to negotiate openly and in good faith both prior to and during litigation and that failure to do so will begin to attract punitive costs orders. In addition, the government is planning to make mediation compulsory prior to court, rather than just attending a MIAM. It is therefore reasonable to anticipate a rise in mediation referrals as the court system becomes more risky and costly to access. The regulatory body, the Family Mediation Council, have also released new guidance that there is now an expectation that the other party will be invited to attend a MIAM, except in cases of domestic abuse. Clients are expected to provide a sufficient reason if they do not wish the other party to be invited. This is to further encourage clients to communicate together and avoid court proceedings, thus encouraging a rise in mediation.

Of the cases that were closed in this financial year in which both parties attend a Mediation Information Assessment Meeting (MIAM), 60% progressed to full mediation reflecting an absolute reduction of 18% (2022: 78%). Of those, 57% achieved success, being defined as clients having reached agreement on child cases or a Memorandum of Understanding (MOU) and Open Financial Statement (OFS) in property and finance or all issues mediation. This is a total of 96 successful outcomes reflecting an absolute increase of 9% (2022: 48%).

A total of 210 legally aided MIAM meetings were conducted across the year and the service closed 34 mediated cases during the year which were fully or partially funded through legal aid during the financial year.

SF&MS places children at the heart of its service offering. It continues to provide Child Inclusive Mediation free of charge for legal aid cases as a reflection of its commitment. It is a powerful tool to focus the parents on their children's needs which can get lost in the stress of separation.

Grant funding

During the year the service worked hard to identify and secure grants for core funding and for developing additional services. The Charity remains reliant on grant funding for its long term financial sustainability.

4. FINANCIAL REVIEW

The results for the year and financial position of the Charity are shown in the annexed statements**.**

In the year ending 31 March 2023 the charity generated a deficit of £1,731 (2022: deficit of £1,731). Income from charitable activities was £101,502, an decrease from the previous year, when income was £101,502. Total expenditure was £3,677 higher at £119,233 (2022: £119,233). These financial results reduced the total charity funds to £16,340 at 31 March 2023 (31 March 2022: £52,981).

With limited expectations of grants being received in the following year and ongoing monthly losses, the Board of Trustees was forced to take action to preserve the Charity's financial sustainability through a reduction of the cost base. In June 2023, the Charity was restructured with the role of Director being eliminated. The resulting ongoing structural cost savings, together with targeted income from Charitable Activities of at least £100,000 for the year ended 31 March 2024 - that is, close to the levels seen in the year ended 31 March 2022 - mean that the expectation is that the Charity will continue to make a modest profit going forward. The Charity has started to rebuild reserves following the restructuring and renewed efforts are also being made to secure new grant funds.

The current reserves policy is to retain sufficient reserves to cover insolvency costs plus 12 weeks of operating costs. At the end of February 2024, this minimum level of reserves was met.

A risk register is regularly reviewed by the Board of Trustees. This covers the areas of Governance/Regulatory, Financial and Operational matters. A RAG approach (red, amber, green) is used against the criteria of 'likelihood' and 'impact' of any individual item, be that a Risk that requires active monitoring or an Issue that requires direct action. Key risks include strong reliance on the Service Manager and the risk of experienced mediators leaving.

5. PLANS FOR THE FUTURE

Service Development

Work on a Preparation for Separation course was unfortunately ended in December 2022, due to lack of interest and a highly competitive market, and prioritising the Charity's other activities. The service is investigating the possibility in the longer term of becoming a separation "hub", combining its service with other services in the community that provide help with parenting skills, money management and other legal and financial matters. In addition, the service is exploring opportunities that provide clients access to solicitors who can draft their financial consent orders, Arbitrators / Arbitration, as well as providing access to neutral legal evaluations of their issues in property and finance cases.

Infrastructure

The Service and its clients have benefitted from changes made during the financial year of 2021/2022, which has provided a simple and secure way for clients to provide and receive information. Mediators and administrators communicate via the secure server and cloud-based system, depleting the need for information to be transferred via email.

Marketing/Fundraising

The service spent the last few years focusing on the utilisation of the website and an effective Google Ads campaign to generate work. This will continue in the coming year, but this will be alongside a renewed focus in creating networks of mutually referring organisations. The service will seek to renew and develop relationships with family solicitors, citizen's advice bureaux and local community hubs, who can refer appropriate cases to the service in return for the same from the service.

Arbitration / hybrid mediation models.

The charity will look to signpost appropriate cases to arbitration and hybrid mediation processes. Changes in access to and cost of the family court and, in some cases, the limitations of mediation mean that separating/ separated families will benefit from a greater range of options that could help resolve their issues.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (STATEMENT OF DIRECTORS' RESPONSIBILITIES)

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

Company law requires the charity trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding the assets of the charity and the group and hence 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.

Accountants 24/7 Ltd. have indicated their willingness to be appointed as Independent Examiners for the forthcoming year.

This Trustees' Report is approved by the trustees on

14 March 2024 and signed on its behalf by:

Francis Preedy
Chair

Francis Preedy

David Brooks
Finance Trustee

David Brooks

INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF SURREY FAMILY & MEDIATION SERVICES

I report to the charity trustees on my examination of the accounts of Surrey Family & Mediation Services ('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

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:

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- 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
- 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 (FRS102).

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.

Mark Greeve
Member of Institute of Chartered Accountants in England and Wales

Mark Greeve

Accountants 247 Limited
The Heath Business and
Technical Park
Block 5 Room 5172
Runcorn
Cheshire
WA7 4QX

Dated: 14 March 2024

Surrey Family & Mediation Services

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Income from:							
Donations and legacies	2(a)	5,000	-	5,000	10,000	6,000	16,000
Charitable activities	2(b)	87,570	-	87,570	101,502	-	101,502
Other trading activities		-	-	-	-	-	-
Total income		**92,570**	**-**	**92,570**	**111,502**	**6,000**	**117,502**
Expenditure on:							
Raising Funds and Marketing	3(a)	8,938	-	8,938	7,574	-	7,574
Charitable Activities	3(b)	32,312	-	32,312	37,965	-	37,965
Support Costs	3(c)	85,016	2,945	87,961	69,999	3,695	73,694
Total expenditure		**126,266**	**2,925**	**129,211**	**115,538**	**3,695**	**119,233**
Transfer of funds		5,315	(5,315)				
Net movement in funds		**(28,381)**	**(8,260)**	**(35,641)**	**(4,036)**	**2,305**	**(1,731)**
Funds brought forward at 1 April		44,721	8,260	52,981	48,757	5,955	54,712
Funds carried forward at 31 March		**16,340**	**-**	**16,340**	**44,721**	**8,260**	**52,981**

All income arises from the continuing activities of the charity. The charity had no recognised gains or losses other than those dealt with in the Statement of Financial Activities. The notes on pages 12 to 20 form part of these accounts

Surrey Family & Mediation Services

BALANCE SHEET
31 March 2023

Fixed assets	**Notes**	**2023** £	**2022** £
Tangible fixed assets	5	174	692
Debtors	6	-	9,153
Cash at bank and in hand		23,528	54,642
Total current assets		**23,528**	**63,795**
Liabilities: amounts falling due within one year			
Creditors	7	(7,362)	(11,506)
Net current assets		16,166	52,289
Liabilities: amounts falling due after one year			
Creditors		-	-
Net assets	**8**	**16,340**	**52,981**
Funds			
Unrestricted reserves		16,340	44,721
Restricted reserves		-	8,260
Total charity funds	**9**	**16,340**	**52,981**

/

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

Approved by the trustees on **14 March 2024** and signed on its behalf by:

Francis Preedy

Francis Preedy
Chair

David Brooks

David Brooks
Finance Trustee

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

- The Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- The Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

At the time the accounts were approved, the Trustees have a reasonable expectation that the charity has adequate resources in order to continue for the foreseeable future. Whilst the charity has made operating losses the Charity was restructured in June 2023 with the elimination of the role of director, which has reduced the cost base. With recovery of income levels closer to previous years, this allows the charity to operate at a surplus. The reserves policy is to hold sufficient reserves to cover solvency costs plus 12 weeks operating costs. The charity funds are currently above this level. Accordingly, the going concern basis of accounting has been used to prepare these accounts.

Funds

Unrestricted funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity

Restricted funds are those monies received by the charity which have been given for a particular purpose, for example the Big Lottery Fund Grant.

Income

Recognition of income
These are included in the Statement of Financial Activities (SoFA) when:
- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

Grants and Donations
Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).
In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

Volunteer help
The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Income from interest
This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Expenditure and Liabilities

Expenditure is accrued as soon as a liability is incurred.

Expenditure is categorised between Charity Costs, being costs directly attributable to provision of specific mediation activity, Fundraising and Marketing Costs, and Support Costs. Given the small size and complexity of the charity, Charity Costs are not allocated across income streams. Also, there is no attribution of Support Costs to activities, albeit these directly support the charity's activities.

Assets and Liabilities

Fixed Assets
Only assets obtained under the Awards for All Scheme or of a high value are capitalised. They are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the

cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office fixtures & fittings	25% straight line
Computers	33% straight line

Debtors
Debtors are included at the amount due. Prepayments are valued at the amount prepaid.

Cash at Bank and in hand
Cash at bank and in hand includes cash and instant access bank accounts.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

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

2. INCOME

		Total Funds	
		2023	**2022**
		£	**£**
(a)	**Donations and legacies**		
	Donations and gifts	-	-
	Grants	5,000	16,000
	Other income from donors	-	-
		5,000	16,000
	Of which: restricted grants	-	6,000
(b)	**Charitable activities**		
	Legal Aid Agency contract	21,442	25,990
	Client fees	65,461	75,512
	Other Income	667	-
		87,571	101,502

Grants received	**2023 £**	**2022 £**
Unrestricted		
Kelly Family Grant	5,000	-
Henry Smith	-	10,000
Total	**5,000**	**10,000**
Restricted – Preparation for Separation		
Community Foundation for Surrey	-	6,000
Total Restricted	**-**	**6,000**
Total grants received	**5,000**	**16,000**

3. EXPENDITURE

Expenditure	**2023 £**	**2022 £**
<u>Charity costs</u>		
Mediation costs	28,396	34,346
Mediator supervision	2,078	1,356
Mediation room hire	1,838	2,263
	32,312	**37,965**
<u>Fundraising and Marketing</u>	**8,938**	**7,574**
<u>Support costs</u>		
Staff		
Staff costs	63,780	56,197
Temporary staff / consultancy	-	1,000
	63,780	**57,197**
Other direct costs		
Insurance and fees	2,104	1,584
Travel and accommodation	90	122

Telephone and mobile	1,045	1,218
	3,239	**2,924**
Administrative costs		
Office rent	1,476	5,310
Accounting costs	950	3,000
IT costs	14,245	3,566
Bank charges	659	237
Other costs	3,094	941
Depreciation	518	519
	20,942	**13,573**
Total Support costs	**87,961**	**73,694**
Total expenditure	**129,211**	**119,233**
Attributed to:		
Unrestricted funds	126,266	115,538
Restricted funds	2,945	3,695

4. STAFF COSTS

	2023 £	2022 £
Staff salaries and social security costs	63,120	55,250
Pension costs (defined contribution pension plan)	660	947
Freelance mediators	28,396	34,346
Staff recruitment	-	-
Other staff costs / consultancy	-	1,000
	92,176	**91,543**

	2023	2022
Average number of employees during the year:	4	4
Full-time equivalent	3	3
Average number of freelance mediators (all part-time)	6	5
Average number of volunteers (all part-time) excluding trustees	0	0

Staff salaries and social security costs reflect employer support allowance receivable of £5,000, that has reduced payroll costs in the financial results for the financial year to 31 March 2023.

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

Payments, excluding reimbursement of expenses incurred on charitable business, made to trustees who comprise the Key Management Personnel in the year were £NIL (2022: £Nil).

5. FIXED ASSETS

Tangible fixed assets for use by the charity	**Computer Equipment**
	£
Cost or valuation	
At 1 April 2022	1,556
Additions/(Disposals)	-
Write offs	-
At 31 March 2023	1,556
Depreciation	
At 1 April 2023	864
Charge for the year	518
Write offs	-
At 31 March 2023	1,382
Net book Value	
At 31 March 2023	174
At 31 March 2022	692

6. DEBTORS

	2023	**2022**
	£	**£**
Trade debtors	-	3,968
Other debtors & prepayments	-	3,937
Deposit on lease	-	1,248
	-	9,153

7. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	-	3,317
Other taxes & social security costs	5,362	4,013
Accruals and Deferred Income	2,000	4,176
	7,362	11,506

8. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Assets	23,702	-	23,702	64,487
Liabilities	(7,362)		(7,362)	(11,506)
	8,080	-	16,340	52,981

9. CHANGES IN FUNDS

2023	Bal b/fwd 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2023 £
Funds:					
Unrestricted	44,721	92,570	(126,266)	5,315	16,340
Restricted	8,260	-	(2,945)	(5,315)	-
Total Funds	**52,981**	**92,570**	**(129,211)**	**-**	**16,340**

2021	Bal b/fwd 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2022 £
Funds:					
Unrestricted	48,757	111,502	(115,538)	-	44,721
Restricted	5,955	6,000	(3,695)	-	8,260
Total Funds	54,712	117,502	(119,233)	-	52,981

Of the £8,260 restricted funds as at 31 March 2022, £5,315 related to development of a Preparation for Separation course and £2,945 related to funds earmarked for development of IT infrastructure. The funds related to the development of a Preparation for Separation course were transferred to unrestricted funds during the year to 31 March 2023, and the funds earmarked for development of IT infrastructure were being utilised for IT expenditure during the year to 31 March 2023.

10. CASHFLOW

	2023	2022
	£	£
Net income/(expenditure)	(36,641)	(1,731)
Add back depreciation	518	519
Investment in fixed assets	-	-
(Increase)/decrease in debtors	9,153	(3,358)
(Decrease)/increase in creditors	(4,144)	(6,096)
Net increase/(decrease) in cash equivalents	**(31,114)**	**(10,666)**
Opening cash at bank and in hand	54,642	65,308
Closing cash at bank and in hand	**23,528**	**54,462**

11. FEES FOR EXAMINATION OF THE ACCOUNTS

The Independent examiner's fee for examination of the accounts was £1,000.

12. TAXATION

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

13. COMMITMENTS

There were no capital commitments at 31 March 2023 (2022: Nil).

14. TRUSTEES AND RELATED PARTY TRANSACTIONS

No trustee expenses were incurred in 2023 (2022: Nil)

Trustees are considered to be related parties. None of the trustees have received any remuneration or received any other benefits from an employment with Surrey Family & Mediation Services or any other related entity. There have been no related party transactions in the period.

Trustees and individual liability insurance is covered under the Public Liability section of our charity's insurance.

15. DEFINED CONTRIBUTION SCHEME

Surrey Family & Mediation Services operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £660 (2022: £947).

16. POST BALANCE SHEET EVENT - CONTINGENT LIABILITY

The Legal Aid Agency (LAA) informed the Charity on 11 March 2024 that as a result of issues picked up in an audit of legal aid implementation in October 2023, due to breaches in the 2018 Standard Civil Contract Standard Terms there was extremely likely to be a very large deficit to the LAA following all of the necessary recoupment action. This relates to Legal Aid files claimed during the period February 2022 to October 2023 when digital signatures were obtained but in a way that was routinely non-compliant with the strict Legal Aid requirements, and a loss of data due to an IT issue when migrating to a cloud server that affected all files opened between the period January to July 2022 which have been billed. Under the strict terms of the Legal Aid contract approximately £40,000 of Legal Aid income during the affected periods, could potentially be fully clawed back by the LAA. This would result in the insolvency of the Charity.

SF&MS considers that the way that digital signatures were obtained as part of the COVID transition to remote working whilst being a technical breach, did not change the fundamental delivery of high quality legally-aided mediation to eligible individuals. Additionally, efforts are being made to recover the historic IT records that were not successfully migrated to the cloud based system. As such, the Trustees and Management currently expect that the recouping of income by the LAA can be limited to a small proportion of the total income involved, reflecting the administrative nature of the breaches and ensuring that SF&MS remains solvent and a continued provider of legal aid to our most vulnerable clients.

SURREY FAMILY & MEDIATION SERVICES

England & Wales - Charity number 1091539

Accounts

SURREY FAMILY & MEDIATION SERVICES
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

Charity number: 1091539

SURREY FAMILY & MEDIATION SERVICES
CONTENTS

SURREY FAMILY & MEDIATION SERVICES
LEGAL AND ADMINISTRATIVE INFORMATION

CONSTITUTION

Surrey Family & Mediation Services (SF&MS) is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The Charity number is 1091539. The Company number is 4363273.

DIRECTORS AND TRUSTEES

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The trustees serving during the year and since the year-end were as follows:

Chair:

Mr Francis Preedy - Chair of Trustees from December 2022
Ms Samantha Singer – Chair of Trustees from January 2022 to December 2022
Mr David Brooks – Interim Chair of Trustees from July 2021 to January 2022
Ms Sarah Archibald – Chair of Trustees to June 2021

Current trustees:

Mr Francis Preedy
Mr David Brooks
Ms Jane Olsen

Resignations:

Mr Brian Smith – resigned June 2021
Ms Sarah Archibald – resigned June 2021
Ms Anne Mason Powell – resigned June 2022
Ms Emily Centeno – resigned September 2022
Ms Samantha Singer – resigned January 2023

SENIOR MANAGEMENT TEAM

Mr Craig Brookes – Director, Professional Practice Consultant, Company Secretary

REGISTERED OFFICE

Room F, Guildford Institute, Ward Street, Guildford, GU1 4LH

INDEPENDENT EXAMINER

Mark Greeve
Accountants247 Limited, 4 Whitworth Court,
Daresbury, Warrington, WA7 1WA

BANKERS

Barclays Bank plc, Dorking RH4 1AN

SURREY FAMILY & MEDIATION SERVICES
REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2022

The Board presents the Trustees' Report, incorporating the Directors' Report, and Financial Statements of the Surrey Family & Mediation Services (SF&MS) for the year ended 31 March 2022. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (FRS 102) Second Edition, October 2019. The Report and Statements comply with the Companies Act 2006 and the Charities Act 2011.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Surrey Family & Mediation Services is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association dated 25 November 2013. The liability of the members, who are the Trustees, is limited to £10 in the event of the charity winding up. It is registered as a Charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association the minimum number of Trustees is three and there is no upper limit. Membership is open to any person, corporate body or unincorporated association that is interested in furthering the work of the Charity and is in agreement with the aims and objectives of the Charity. Trustees are required to retire by rotation every three years, and can stand for re-election if they so wish.

Organisation

The Board of Trustees, who administer the charity, meet formally on at least a quarterly basis. A director is appointed to manage the day-to-day operations of the Charity and will work with the Board to agree strategy. To facilitate effective operations the director has delegated authority, within the terms of the delegation approved by the Trustees, for operational matters including finance, employment and practitioner related issues. The director is in addition a Professional Practice Consultant (PPC), who ensures adherence to professional practise standards and supports the mediation practice.

People Engagement

The charity continues to explore networks across both the public, private and charity sector in order to identify mutually beneficial opportunities.

The people within the organisation are paramount to its success and new hires have been made to strengthen the core team and the backup available for the Director. There is a focus on ensuring the Board has the right skillsets.

Related Parties

SF&MS is an independent organisation. However, it is affiliated to The College of Mediators, a membership, standards and training organisation for mediators. SF&MS pays affiliation fees to The College, which provides support services through a national training programme for family mediators and taking a lead in practice matters through its Professional Practice Committee. The CEO of The College also operates at a national level in promoting the interests of family mediation and also lobbies government departments on behalf of College of Mediators members. The director of SF&MS is a member of the South East Mediation Managers regional group.

2. OBJECTIVES AND ACTIVITIES (STATEMENT OF COMMON PURPOSE)

The objects of the Charity are:

- To provide assistance to alleviate the hardship and distress caused by the breakup of marriage, civil partnerships and other family relationships, including assisting separating or divorcing couples to resolve disputes around children, property and finance.

- To provide assistance to both parents and children in coming to terms with the changes in their lives, which come about as a result of divorce and separation, including direct consultation with children.

The Charity aims to work with families to resolve issues around separation and divorce, with a particular emphasis on the children of couples going through the process.

The strategies employed by the Charity to achieve its objectives are to:

- Promote Family Mediation through advertising, its website and its leaflets, which are distributed through libraries, courts, Citizens Advice Bureaus (CABs), Relate Offices, General Practitioner surgeries and schools throughout the County each year.
- Promote Family Mediation via Pro Bono sessions provided for CAB clients throughout Surrey.
- Provide free to client mediation for those meeting the financial eligibility criteria of the Legal Aid Agency (LAA).
- Promote links with other professionals involved in the process of separation and divorce, e.g. family law solicitors, magistrates and county courts, schools, family centres, Relate, the Children and Family Court Advisory and Support Service (Cafcass) and other similar services.
- Train mediators and staff to a high standard, enabling the charity to maintain the LAA quality mark for family mediation services.

The two main areas of activity of the Charity continue to be:

- The provision of mediation to couples going through separation and / or divorce and those dissolving civil partnerships, supporting the couple through the process, enabling them to reach decisions that allow both parties to feel that they can sign up to the final agreements.
- Child Inclusive Mediation (CIM), offered to children of couples going through the mediation process, allowing them confidential access to the mediator working with their parents. This gives the children an opportunity for their ‘voice to be heard’ regarding family interaction and future arrangements. The children agree the feedback process with the mediator, and parents can be informed of the outcome of the discussion in a number of ways. This is a very powerful tool enabling the children to feel included in the process.

Child and Education Services

SF&MS works to offer mediation across the generations, including disputes between children and parents, parents and grandparents and other familial relationships.

Information courses and presentations are offered to CAB staff and volunteers to ensure that they are able to inform their clients of the benefits of mediation and regarding the continued availability of legal aid.

Public Benefit.

SF&MS operates exclusively in areas of benefit to the public. We provide the public with access to the most economic, quick and least hostile method by which to obtain professional assistance in formalising a divorce or separation. Mediation has been found on average to lower the amount of conflict between separated parents which has clear and demonstrable benefits for children. Legally aided and subsidised mediation provides access to professional assistance and guidance to the most disadvantaged and economically vulnerable clients in society.

The Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

3. ACHIEVEMENTS AND PERFORMANCE

Service Performance

The Covid 19 pandemic required a transition from an almost exclusively face to face service to an exclusively remote service in the preceding year. In 2021 / 2022 the service remained primarily a remote service, based primarily on client preference.

Mediation/ Legal Aid Assistance (LAA)

The number of couples either referred by their solicitor or self-referring to the charity in the year to March 2022 was 521 reflecting a 7% increase on the previous year (2021: 488).

During the year 326 Mediation Information Assessment Meetings (MIAMs) were conducted from which 111 cases proceeded to mediate. We also closed 33 cases during the financial year that began prior to April 2021. In the year ending March 2021 we conducted 339 MIAMs and 93 cases went to mediation.

The Trustees remain committed to offering mediation free at the point of delivery for those unable to access it in any other way, despite the administrative costs involved.

Concerns remain regarding the legislation implemented in 2013 that sought to encourage couples in dispute to seek mediation rather than go to court. Regrettably direct applications (C100’s) to the courts have remained high. However, the current government has stated that they regard mediation as being the most appropriate form of support for separated parents and that the vast majority of cases that are absent domestic abuse should be dealt with there, rather than court. The family courts have published several judgements in the last two years which make it clear than in financial remedy cases litigants are expected to negotiate openly and in good faith both prior to and during litigation and that failure to do so will begin to attract punitive costs orders. In addition, the government is planning to make mediation compulsory prior to court, rather than just attending a MIAM. It is therefore reasonable to anticipate a rise in mediation referrals as the court system becomes more risky and costly to access.

Of the cases that were closed in this financial year in which both parties attend a Mediation Information Assessment Meeting (MIAM), 78% progressed to full mediation reflecting a 6% increase (2021: 72%). Of those, 48% achieve success, being defined as clients having reached agreement on child cases or a Memorandum of Understanding (MOU) and Open Financial Statement (OFS) in property and finance or all issues mediation. This is a total of 69 successful outcomes.

161 legally aided MIAM meetings were conducted across the year and the service closed 43 mediated cases during the year which were fully or partially funded through legal aid during the financial year.

SF&MS places children at the heart of its service offering. It continues to provide Child Inclusive Mediation free of charge for legal aid cases as a reflection of its commitment. It is a powerful tool to focus the parents on their children's needs which can get lost in the stress of separation.

Grant funding

During the year the service worked hard to identify and secure grants for core funding and for developing additional services. The Charity remains reliant on grant funding for its long term financial sustainability.

4. FINANCIAL REVIEW

The results for the year and financial position of the Charity are shown in the annexed statements**.**

In the year ending 31 March 2022 the charity generated a deficit of £1,731 (2021: surplus of £34,570). Income from charitable activities was £101,502, an increase over the previous year, when income was £97,622. Total expenditure was £3,677 higher at £119,233 (2021: £115,556). The main factor in the charity's weaker financial result over the previous year, was the receipt of £52,504 of grants in the year to 31 March 2021, compared to £16,000 of grants being received in the current year. Grants received in the year to 31 March 2022 included grants of £6,000 to contribute to developing a preparation for separation course, together with £10,000 of grants as a contribution to core costs.

The current reserves policy is to retain sufficient reserves to cover insolvency costs plus 12 weeks of operating costs. This minimum level of reserves was comfortably met by the end of March 2022.

A risk register is regularly reviewed at Board. This covers the areas of Governance/Regulatory, Financial and Operational matters. A RAG approach (red, amber, green) is used against the criteria of 'likelihood' and 'impact' of any individual item, be that a Risk that requires active monitoring or an Issue that requires direct action. Key risks include strong reliance on the Director and the risk of experienced mediators leaving. These risks have been mitigated by hiring a more senior staff member to support the Director and also looking to expand the number of mediators.

5. PLANS FOR THE FUTURE

Service Development

During 2022 work continued to be done on a Preparation for Separation course, which is in development. In addition, the service is investigating the possibility in the longer term of becoming a separation "hub" and giving clients access to Arbitrators / Arbitration, as well as providing access to neutral legal evaluations of their issues in property and finance cases.

Infrastructure

During the financial year 2021/2022 the charity has upgraded its website functionality, making it much easier for clients to provide information in a secure way and to digitally check and sign documents. In addition, since the financial year end, the service moved from a physical server based system to a cloud based server. This has provided greater data security and protects against hardware failure, whilst at the same time providing a more reliable and accessible data processing capacity. In addition data can be placed directly into the secure server by the mediator or administrator working on the case, meaning that virtually no information has to be sent via email.

Marketing/Fundraising

The service spent the last few years focusing on the utilisation of the website and an effective Google Ads campaign to generate work. This will continue in the coming year, but this will be alongside a renewed focus in creating networks of mutually referring organisations. The service will seek to renew and develop relationships with family solicitors who can refer appropriate cases to the service in return for the same from the service.

Preparation for Separation

The charity plans to offer a short course to people who are separating or who have recently separated. The aim of the course will be to help attendees identify issues they need to deal with and the means by which they can address them. At present such information is not easily accessible. The course will be short and cheap for all users. Grants will be sought to enable free to user provision for the most economically vulnerable. It is envisaged that the course will be in two parts. The first will be information giving, delivered in groups online. There will be little or no interactivity. The second part will be a shorter one to one video conference meeting so the client can ask specific questions without having to discuss sensitive matters with a group of strangers.

Arbitration / hybrid mediation models.

The charity will look to signpost appropriate cases to arbitration and hybrid mediation processes. Changes in access to and cost of the family court and, in some cases, the limitations of mediation mean that separating/ separated families will benefit from a greater range of options that could help resolve their issues.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (STATEMENT OF DIRECTORS' RESPONSIBILITIES)

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

Company law requires the charity trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:
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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding the assets of the charity and the group and hence 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.

Accountants 24/7 Ltd. have indicated their willingness to be appointed as Independent Examiners for the forthcoming year.

This Trustees' Report is approved by the trustees on

24 March 2023 and signed on its behalf by:

Francis Preedy
Chair

David Brooks
Finance Trustee

INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF SURREY FAMILY & MEDIATION SERVICES

I report to the charity trustees on my examination of the accounts of Surrey Family & Mediation Services ('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 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

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:

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- 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
- 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 (FRS102).

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.

Mark Greeve
Member of Institute of Chartered Accountants
in England and Wales

Accountants 247 Limited
4 Whitworth Court
Daresbury
Warrington
Cheshire
WA7 1WA

Dated: 24 March 2023

Surrey Family & Mediation Services

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income from:							
Donations and legacies	2(a)	10,000	6,000	16,000	48,504	4,000	52,504
Charitable activities	2(b)	101,502	-	101,502	97,622	-	97,622
Other trading activities		-	-	-	-	-	-
Investments		-	-	-	-	-	-
Total income		**111,502**	**6,000**	**117,502**	**146,126**	**4,000**	**150,126**
Expenditure on:							
Raising Funds and Marketing	3(a)	7,574	-	7,574	5,785	-	5,785
Charitable Activities	3(b)	37,965	-	37,965	36,962		36,962
Support Costs	3(c)	69,999	3,695	73,694	69,274	3,535	72,809
Total expenditure		**115,538**	**3,695**	**119,233**	**112,021**	**3,535**	**115,556**
Net movement in funds		**(4,036)**	**2,305**	**(1,731)**	**34,105**	**465**	**34,570**
Funds brought forward at 1 April		48,757	5,955	54,712	14,652	5,490	20,142
Funds carried forward at 31 March		**44,721**	**8,260**	**52,981**	**48,757**	**5,955**	**54,712**

All income arises from the continuing activities of the charity. The charity had no recognised gains or losses other than those dealt with in the Statement of Financial Activities.
The notes on pages 12 to 19 form part of these accounts

Surrey Family & Mediation Services

BALANCE SHEET
31 March 2022

Fixed assets	**Notes**	**2022** £	**2021** £
Tangible fixed assets	5	692	1,210
Debtors	6	9,153	5,795
Cash at bank and in hand		54,642	65,308
Current assets		63,795	71,103
Liabilities: amounts falling due within one year			
Creditors	7	(11,506)	(17,601)
Net current assets		52,289	53,502
Liabilities: amounts falling due after one year			
Creditors		-	-
Net assets	8	52,981	54,712
Funds			
Unrestricted reserves		44,721	48,757
Restricted reserves		8,260	5,955
	9	52,981	54,712

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The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

Approved by the trustees on **24 March 2023** and signed on its behalf by:

Francis Preedy
Chair

David Brooks
Finance Trustee

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

- The Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- The Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

At the time the accounts were approved, the Trustees have a reasonable expectation that the charity has adequate resources in order to continue for the foreseeable future. Whilst the charity has made operating losses, prior to grants, substantial grant income was received in the last two years to help meet core costs in the future. New services are planned for which some funding has already been secured and there is a reasonable expectation of further a level of grant funding being received in the future to allow the charity to operate at a surplus. The reserves policy is to hold sufficient reserves to cover solvency costs plus 12 weeks operating costs. The charity funds are currently comfortably above this level. Accordingly, the going concern basis of accounting has been used to prepare these accounts.

Covid 19 Specific effects and response.

As the result of the Covid 19 pandemic, the lockdowns and regulations, the service moved the provision of services to remote video conferencing. Throughout the pandemic and particularly during the first lockdown, the service experienced a dramatic reduction in client referrals and many ongoing cases chose to pause. This caused a very serious reduction in income. However, the charity was able to secure significant grant support from a variety of sources as well as reducing fixed costs. Remote working resulted in each transaction that actually took place producing greater surplus than previously. As a result of these factors the charity is in a secure financial position.

Funds

Unrestricted funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity

Restricted funds are those monies received by the charity which have been given for a particular purpose, for example the Big Lottery Fund Grant.

Income

Recognition of income
These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

Grants and Donations
Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).
In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

Volunteer help
The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Income from interest
This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Expenditure and Liabilities

Expenditure is accrued as soon as a liability is incurred.

Expenditure is categorised between Charity Costs, being costs directly attributable to provision of specific mediation activity, Fundraising and Marketing Costs, and Support Costs. Given the small size and complexity of the charity, Charity Costs are not allocated across income streams. Also, there is no attribution of Support Costs to activities, albeit these directly support the charity's activities. This is a revised presentation introduced in the 2021 accounts and the prior year expenditure has been restated in line with the revised categorisation.

Assets and Liabilities

Fixed Assets
Only assets obtained under the Awards for All Scheme or of a high value are capitalised. They are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the

cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office fixtures & fittings	25% straight line
Computers	33% straight line

Debtors
Debtors are included at the amount due. Prepayments are valued at the amount prepaid.

Cash at Bank and in hand
Cash at bank and in hand includes cash and instant access bank accounts.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

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

2. INCOME

		Total Funds	
		2022	**2021**
		£	**£**
(a)	**Donations and legacies**		
	Donations and gifts	-	-
	Grants	16,000	52,504
	Other income from donors	-	-
		16,000	52,504
	Of which: restricted grants	6,000	4,000
(b)	**Charitable activities**		
	Legal Aid Agency contract	25,990	15,013
	Client fees	75,512	82,609
		101,502	97,622

Grants received	**2022 £**	**2021 £**
Unrestricted		
Surrey County Council Hardship Fund		5,870
Henry Smith	10,000	10,000
Community Foundation for Surrey		12,134
Walton Charity		10,000
Government Small Business Grant		10,000
Tesco Bags for Life		500
Total	**10,000**	**48,504**
Restricted – Preparation for Separation		
Community Foundation for Surrey	6,000	
Mole Valley - Preparation for Separation		4,000
Total Restricted	**6,000**	**4,000**
Total grants received	**16,000**	**52,504**

3. EXPENDITURE

Expenditure	**2022 £**	**2021 £**
Charity costs		
Mediation costs	34,346	34,759
Mediator supervision	1,356	
Mediation room hire	2,263	2,204
	37,965	**36,962**
Fundraising and Marketing	**7,574**	**5,785**
Support costs		
Staff		
Staff costs	56,197	56,006
Temporary staff / consultancy	1,000	
Volunteer expenses		
Recruitment costs		
	57,197	**56,006**
Other direct costs		
Insurance and fees	1,584	1,969
Travel and accommodation	122	39

Telephone and mobile	1,218	1,762
	2,924	**3,770**
Administrative costs		
Office rent	5,310	5,556
Accounting costs	3,000	2,800
IT costs	3,566	3,612
Bank charges	237	417
Other costs	941	302
Depreciation	519	346
	13,573	**13,033**
Total Support costs	**73,694**	**72,809**
Total expenditure	**119,233**	**115,556**
Attributed to:		
Unrestricted funds	115,538	112,021
Restricted funds	3,695	3,535

4. STAFF COSTS

	2022	**2021**
	£	**£**
Staff salaries and social security costs	55,250	55,046
Pension costs (defined contribution pension plan)	947	960
Freelance mediators	34,346	34,759
Staff recruitment	-	-
Other staff costs / consultancy	1,000	-
	91,543	90,765

	2022	**2021**
Average number of employees during the year:	4	3
Full-time equivalent	3	2
Average number of freelance mediators (all part-time)	5	5
Average number of volunteers (all part-time) excluding trustees	0	1

Staff salaries and social security costs reflect employee support allowance receivable of £6,000, that has reduced payroll costs in the financial results for the financial year to 31 March 2022. Of this, £3,000 related to the financial year to 31 March 2022 and £3,000 was retrospectively received in respect of the financial year to 31 March 2021.

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000.

Payments, excluding reimbursement of expenses incurred on charitable business, made to trustees who comprise the Key Management Personnel in the year were £NIL (2021: £Nil).

5. FIXED ASSETS

Tangible fixed assets for use by the charity	Office Fixtures & Fittings	Computers	Total
	£	£	£
Cost or valuation			
At 1 April 2021	-	1,556	1,556
Additions/(Disposals)	-		
Write offs	-	-	-
At 31 March 2022	-	1,556	1,556
Depreciation			
At 1 April 2022		346	346
Charge for the year		518	518
Write offs			
At 31 March 2022	-	864	864
Net book Value			
At 31 March 2021	-	1,210	1,210
At 31 March 2022	-	692	692

6. DEBTORS

	2022	2021
	£	£
Trade debtors	3,968	3,430
Other debtors & prepayments	3,937	1,117
Deposit on lease	1,248	1,248
	9,153	5,795

7. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	3,317	6,245
Other taxes & social security costs	4,013	8,167
Accruals and Deferred Income	4,176	3,189
	11,506	17,601

8. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Assets	55,227	9,260	64,487	72,313
Liabilities	(10,506)	(1,000)	(11,506)	(17,601)
	44,721	8,260	52,981	54,712

9. CHANGES IN FUNDS

2022	Bal b/fwd 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2022 £
Funds:					
Unrestricted	48,757	111,502	(115,538)	-	44,721
Restricted	5,955	6,000	(3,695)	-	8,260
Total Funds	54,712	117,502	(119,233)	-	52,981

2021	Bal b/fwd 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2021 £
Funds:					
Unrestricted	14,652	146,126	(112,021)	-	48,757
Restricted	5,490	4,000	(3,535)	-	5,995
Total Funds	20,142	150,126	(115,556)	-	54,712

Of the £8,260 restricted funds as at 31 March 2022, £5,315 related to development of a Preparation for Separation course and £2,945 related to funds earmarked for development of IT infrastructure.

10. CASHFLOW

	2022
	£
Net movement in Funds	(1,731)
Add back depreciation	519
Investment in fixed assets	-
Increase in net current assets	(9,454)
Decrease in cash at bank in hand	(10,666)
Opening cash at bank and in hand	65,308
Closing cash at bank and in hand	54,642

11. FEES FOR EXAMINATION OF THE ACCOUNTS

The Independent examiner's fee for examination of the accounts was £1,200.

12. TAXATION

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

13. COMMITMENTS

There were no capital commitments at 31 March 2022 (2021: Nil).

14. TRUSTEES AND RELATED PARTY TRANSACTIONS

No trustee expenses were incurred in 2022 (2021: Nil)

Trustees are considered to be related parties. None of the trustees have received any remuneration or received any other benefits from an employment with Surrey Family & Mediation Services or any other related entity. There have been no related party transactions in the period.

Trustees and individual liability insurance is covered under the Public Liability section of our charity's insurance.

15. DEFINED CONTRIBUTION SCHEME

Surrey Family & Mediation Services operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £947 (2021: £960).

Accounts

SURREY FAMILY & MEDIATION SERVICES
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

Charity number: 1091539

SURREY FAMILY & MEDIATION SERVICES
CONTENTS

SURREY FAMILY & MEDIATION SERVICES
LEGAL AND ADMINISTRATIVE INFORMATION

CONSTITUTION

Surrey Family & Mediation Services (SF&MS) is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The Charity number is 1091539. The Company number is 4363273.

DIRECTORS AND TRUSTEES

The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. The trustees serving during the year and since the year-end were as follows:

Chair:
Ms Samantha Singer – Chair of Trustees from January 2022
Mr David Brooks – Interim Chair of Trustees from July 2021 to January 2022
Ms Sarah Archibald – Chair of Trustees to June 2021

Current trustees:
Ms Anne Mason Powell
Mr Francis Preedy
Mr David Brooks – appointed April 2020
Ms Jane Olsen – appointed February 2021
Ms Emily Centeno – appointed June 2021
Ms Samantha Singer – appointed January 2022

Resignations:
Ms Anneke Loubser – resigned February 2020
Mr Brian Smith – resigned June 2021
Ms Sarah Archibald – resigned June 2021

SENIOR MANAGEMENT TEAM

Mr Craig Brookes – Director, Professional Practice Consultant, Company Secretary

REGISTERED OFFICE

Unit 205 Adelphi Court, 1-3 East Street, Epsom, Surrey, KT17 1BB

INDEPENDENT EXAMINER

David C Craft FCA BSc
Charles and Company Accountancy Ltd
2, Castlefield Road, Reigate, Surrey, RH2 0SH

BANKERS

Barclays Bank plc, Dorking RH4 1AN

SURREY FAMILY & MEDIATION SERVICES
REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021

The Board presents the Trustees' Report, incorporating the Directors' Report, and Financial Statements of the Surrey Family & Mediation Services (SF&MS) for the year ended 31 March 2021. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (FRS 102) Second Edition, October 2019. The Report and Statements comply with the Companies Act 2006 and the Charities Act 2011.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Surrey Family & Mediation Services is a company limited by guarantee, having no share capital, governed by its Memorandum and Articles of Association dated 25 November 2013. The liability of the members, who are the Trustees, is limited to £10 in the event of the charity winding up. It is registered as a Charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association the minimum number of Trustees is three and there is no upper limit. Membership is open to any person, corporate body or unincorporated association that is interested in furthering the work of the Charity and is in agreement with the aims and objectives of the Charity. Trustees are required to retire by rotation every three years, and can stand for re-election if they so wish.

Organisation

The Board of Trustees, who administer the charity, meet formally on a quarterly basis. In addition, there are sub-committees on Operations and Finance that review performance at a more detailed level and agree appropriate actions within their terms of reference. A director is appointed to manage the day-to-day operations of the Charity and will work with the Board to agree strategy. To facilitate effective operations the director has delegated authority, within the terms of the delegation approved by the Trustees, for operational matters including finance, employment and practitioner related issues. The director is in addition a Professional Practice Consultant (PPC), who ensures adherence to professional practise standards and supports the mediation practice.

People Engagement

The charity continues to explore networks across both the public, private and charity sector in order to identify mutually beneficial opportunities.

The people within the organisation are paramount to its success and new hires have been made to strengthen the core team and the backup available for the Director. There is a focus on ensuring the Board has the right skillsets. In line with this ambition, a new Chair has been appointed, together with new trustees with HR and Marketing experience.

Related Parties

SF&MS is an independent organisation. However, it is affiliated to The College of Mediators, a membership, standards and training organisation for mediators. SF&MS pays affiliation fees to The College, which provides support services through a national training programme for family mediators and taking a lead in practice matters through its Professional Practice Committee. The CEO of The College also operates at a national level in promoting the interests of family mediation and also lobbies government departments on behalf of College of Mediators members. The director of SF&MS is a member of the South East Mediation Managers regional group.

2. OBJECTIVES AND ACTIVITIES (STATEMENT OF COMMON PURPOSE)

The objects of the Charity are:

- To provide assistance to alleviate the hardship and distress caused by the breakup of marriage, civil partnerships and other family relationships, including assisting separating or divorcing couples to resolve disputes around children, property and finance.

- To provide assistance to both parents and children in coming to terms with the changes in their lives, which come about as a result of divorce and separation, including direct consultation with children.

The Charity aims to work with families to resolve issues around separation and divorce, with a particular emphasis on the children of couples going through the process.

The strategies employed by the Charity to achieve its objectives are to:

- Promote Family Mediation through advertising, its website and its leaflets, which are distributed through libraries, courts, Citizens Advice Bureaus (CABs), Relate Offices, General Practitioner surgeries and schools throughout the County each year.
- Promote Family Mediation via Pro Bono sessions provided for CAB clients throughout Surrey.
- Provide free to client mediation for those meeting the financial eligibility criteria of the Legal Aid Agency (LAA).
- Promote links with other professionals involved in the process of separation and divorce, e.g. family law solicitors, magistrates and county courts, schools, family centres, Relate, the Children and Family Court Advisory and Support Service (Cafcass) and other similar services.
- Prior to the pandemic, to provide services across the County in seven venues, easily accessible to all clients, with a single administration base for initial client contact. Since the onset of Covid 19 to provide the same services via video conference calls in a manner that does not require investment for the client.
- Train mediators and staff to a high standard, enabling the charity to maintain the LAA quality mark for family mediation services.

The two main areas of activity of the Charity continue to be:

- The provision of mediation to couples going through separation and / or divorce and those dissolving civil partnerships, supporting the couple through the process, enabling them to reach decisions that allow both parties to feel that they can sign up to the final agreements.
- Child Inclusive Mediation (CIM), offered to children of couples going through the mediation process, allowing them confidential access to the mediator working with their parents. This gives the children an opportunity for their ‘voice to be heard’ regarding family interaction and future arrangements. The children agree the feedback process with the mediator, and parents can be informed of the outcome of the discussion in a number of ways. This is a very powerful tool enabling the children to feel included in the process.

Child and Education Services

SF&MS works to offer mediation across the generations, including disputes between children and parents, parents and grandparents and other familial relationships.

Information courses and presentations are offered to CAB staff and volunteers to ensure that they are able to inform their clients of the benefits of mediation and regarding the continued availability of legal aid.

Public Benefit.

SF&MS operates exclusively in areas of benefit to the public. We provide the public with access to the most economic, quick and least hostile method by which to obtain professional assistance in formalising a divorce or separation. Mediation has been found on average to lower the amount of conflict between separated parents which has clear and demonstrable benefits for children. Legally aided and subsidised mediation provides access to professional assistance and guidance to the most disadvantaged and economically vulnerable clients in society.

The Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

3. ACHIEVEMENTS AND PERFORMANCE

Service Performance

The financial year 2020 / 2021 saw the transition from an almost exclusively face to face and in person service, to an exclusively remote, video conference based service. However, the service continued to provide free to user support to Citizens Advice Bureaus (CABs) across Surrey by offering free consultations via video and telephone. Regular mediator sessions were offered to CABs who could book clients in for free consultations. Providing this service, in conjunction with continuing to provide heavily subsidised Child Inclusive Mediation (CIM) and legally aided mediation, helped the service secure significant grants from several funding bodies.

During the financial year the service relied heavily on the website to raise awareness of the continued availability of the service during the pandemic. A grant was secured to purchase higher quality laptops and call centre style headsets with microphones so as to make video conferencing as effective as possible.

Mediation/ Legal Aid Assistance (LAA)

The number of couples either referred by their solicitor or self-referring to the charity in the year to March 2021 was 488 reflecting a 21% drop on the previous year (2020: 619). This drop was almost certainly due to Covid 19 as numbers were down across the year, particularly in April and May 2020 as a result of the first national lockdown, during which months new cases dropped to around 25% of normal levels. The fact that we were able to transition rapidly from a face to face service to online provision within approximately a week was beyond expectation. This was crucial for clients, because although numbers dropped substantially, the clients who did come to the service were in need of very urgent assistance.

During the year 132 Mediation Information Assessment Meetings (MIAMs) were conducted from which 93 cases proceeded to mediate. 11 cases that had MIAMs prior to April 1st 2020 also proceeded to mediation within this financial year.

The trustees remain committed to offering mediation free at the point of delivery for those unable to access it in any other way, despite the administrative costs involved.

Concerns remain regarding the legislation implemented in 2013 that sought to encourage couples in dispute to seek mediation rather than go to court. Regrettably direct applications (C100's) to the courts have remained high. However, the current government has stated that they regard mediation as being the most appropriate form of support for separated parents and that the vast majority of cases that are absent domestic abuse should be dealt with there, rather than court. Legislation is planned which will impose costs orders on parents who resort to court without a valid reason. In addition, the family courts have published several judgements in the last 18 months which make it clear than in financial remedy cases litigants are expected to negotiate openly and in good faith both prior to and during litigation and that failure to do so will begin to attract punitive costs orders. It is therefore reasonable to anticipate a rise in mediation referrals as the court system becomes more risky and costly to access.

Of the cases that were closed in this financial year in which both parties attend a Mediation Information Assessment Meeting (MIAM), 72% progressed to full mediation reflecting a 12% decrease (2020: 84%). Of those 48.8% achieve success, being defined as clients having reached agreement on child cases or a Memorandum of Understanding (MOU) and Open Financial Statement (OFS) in property and finance or all issues mediation. This is a total of 47 successful outcomes.

SF&MS places children at the heart of its service offering. It continues to provide CIM free of charge as a reflection of its commitment. It is a powerful tool to focus the parents on their children's needs which can get lost in the stress of separation.

Covid 19

Covid 19 began to be a concern in the UK in February 2020. Once the UK went into full national lockdown in March 2020, all mediations stopped for several weeks. Service management, in conjunction with the South East Mediation Manager Group and national bodies including the FMC and NFM moved rapidly to put systems in place that would enable mediation to take place via video conference. This included legally aided mediation, with the Legal Aid Agency quickly amending their rules and procedures to accommodate remote delivery. Even when these measures were in place, demand for mediation was severely reduced. Workload fell by between 75% and 80% in April and May, before slowly recovering to approximately 60% of pre Covid levels. Work levels fluctuated as restrictions were lifted or imposed but at all times remained at between 50% and 60% of pre pandemic levels. Across the year we closed 104 cases that had proceeded to mediation which was almost identical to the previous year (103). This demonstrates that while the number of referrals coming in reduced significantly due to the pandemic, a much greater percentage went on to actually mediate. It is probable that this was because the pandemic made the issues arising from separation more difficult to resolve without professional assistance.

During the year the service worked hard to identify and secure grants and core funding that was made available to charities providing front line services to the public during the pandemic as well continuing to apply for grant funding that was unconnected to the pandemic response. The service was very successful and multiple grants were received to cover running costs. In addition, the service was very successful in accessing grant funds that were made available to small businesses to keep them afloat during the pandemic, as well as securing some funding to specifically assist clients in dealing with separation issues during Covid. At the same time, the measures put in place to facilitate remote delivery of mediation services meant that we were able to significantly reduce costs of room hire and travel expenses so that every mediation session that was delivered was much more economically viable. This combination of factors has enabled the service to strengthen its financial position as further discussed below.

4. FINANCIAL REVIEW

The results for the year and financial position of the Charity are shown in the annexed statements**.**

In the year ending March 31st 2021 the charity generated a surplus of £34,570 (2020: deficit of £14,649) on unrestricted income and expenditure. Income from charitable activities was £16,925 lower at £97,622, compared to £114,547 in the previous year. Total expenditure was £13,640 lower at £115,556 (2020: £129,196). The main factor in the charity's strengthened financial result was the receipt of £52,504 of grants in the year to 31 March 2021. This included a grant of £4,000 to contribute to developing a preparation for separation course, together with £48,504 grants from a number of sources to support the work of the charity. The grants received are detailed in the financial statements. The generosity of the donors to the charity in providing grants has meant that the reserves of the charity have been rebuilt.

The current reserves policy is to retain sufficient reserves to cover insolvency costs plus 12 weeks of operating costs. This minimum level of reserves was comfortably met by the end of March 2021.

A risk register is reviewed as a standard agenda item at all Board meetings and additionally on a quarterly basis by the Operations Committee. This covers the areas of Governance/Regulatory, Financial and Operational matters. A RAG approach (red, amber, green) is used against the criteria of 'likelihood' and 'impact' of any individual item, be that a Risk that requires active monitoring or an Issue that requires direct action. Key risks include strong reliance on the Director and the risk of experienced mediators leaving. These risks have been mitigated by hiring a more senior staff member to support the Director and also looking to expand the number of mediators.

5. PLANS FOR THE FUTURE

Service Development

Having spent 2020 and 2021 focusing on surviving the challenges presented by Covid 19 and repeated national lockdowns, 2022 presents an opportunity to establish additional services through which we can support families dealing with the consequences of separation.

Infrastructure

The charity will continue to upgrade its infrastructure by investing in the replacement of its core mediation database and updating the website to improve efficiency and make the referral as easy as possible for clients. This will facilitate more collaborative working internally, streamline our processes to increase efficiency and capacity, and most importantly provide a more informative and responsive service to our clients.

The risk register shows that the biggest single risk to the service at the end of the financial year 2020/2021 was the centralisation of knowledge about the running of the service in the director. In response it was decided that a part time deputy service manager should be appointed to work with the director, become familiar with the detailed workings of the service and take on some of the director's tasks. Tamsin Baxter was recruited to the role in March 2020. In the coming year the plan is to reassign certain work from the director and to establish the deputy as the administrative service manager. This will free up some of the director's time which can then be spent expanding and building SFMS and developing new services.

Marketing/Fundraising

Whilst the redeveloped website has proved a key marketing tool, the Charity will continue to build on this by targeted online marketing via Googleads and possible social media campaigns. Existing online support groups for separated parents will also be targeted so as to inform potential clients about the services that we offer. The charity also plans to strengthen links in a more targeted way with referring legal practises.

The appointment of a marketing specialist to the Board has given a new focus and structure to strategic planning for the service and several exciting opportunities have been identified and are being planned. The charity, via the work of the Operations Committee, will decide which opportunities will be pursued, what resources will be allocated and in what order the projects will be implemented. The director will then project manage the implementation and will continue to work with the charity's experienced fundraising specialist, Abigail Stokes to identify and secure grant funding for the new services. Some of the new services will be entirely grant funded and free to the user, others will be self-funding by being paid for services, albeit at a level that makes them accessible.

Preparation for Separation

The charity will offer a short course to people who are separating or who have recently separated. The aim of the course will be to help attendees identify issues they need to deal with and the means by which they can address them. At present such information is not easily accessible. The course will be short and cheap for all users. Grants will be sought to enable free to user provision for the most economically vulnerable.

Separated Parenting Course.

The charity will offer training and education, delivered in small groups, on the specific issues that often make separated parenting difficult, along with the skills and information that can help deal with these. Grant applications will be made that will make attendance free to the user.

Arbitration / hybrid mediation models.

The charity will look to signpost appropriate cases to arbitration and hybrid mediation processes. Changes in access to and cost of the family court and, in some cases, the limitations of mediation mean that separating/ separated families will benefit from a greater range of options that could help resolve their issues.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS (STATEMENT OF DIRECTORS' RESPONSIBILITIES)

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

Company law requires the charity trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:
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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding the assets of the charity and the group and hence 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.

Charles and Company Accountancy Ltd. has indicated their willingness to be appointed as Independent Examiners for the forthcoming year.

This Trustees' Report is approved by the trustees on

30 March 2022 and signed on its behalf by:

Samantha Singer
Chair

David Brooks
Finance Trustee

INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF SURREY FAMILY & MEDIATION SERVICES

I report to the charity trustees on my examination of the accounts of Surrey Family & Mediation Services ('the Company') for the year ended 31 March 2021

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

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:

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- 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
- 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 (FRS102).

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.

David C Craft
Member of Institute of Chartered Accountants
in England and Wales

Charles and Company Accountancy Limited
The Cottage
2 Castlefield Road
Reigate
Surrey
RH2 0SH

Dated: ...--/--/22.......

Surrey Family & Mediation Services

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income from:							
Donations and legacies	2(a)	48,504	4,000	52,504	-	-	-
Charitable activities	2(b)	97,622	-	97,622	114,547	-	114,547
Other trading activities		-	-	-	-	-	-
Investments		-	-	-	-	-	-
Total income		**146,126**	**4,000**	**150,126**	**114,547**	**-**	**114,547**
Expenditure on:							
Raising Funds and Marketing	3(a)	5,785	-	5,785	2,066	-	2,066
Charitable Activities	3(b)	36,962		36,962	49,909	-	49,909
Support Costs	3(c)	69,274	3,535	72,809	77,221	-	77,221
Total expenditure		**112,021**	**3,535**	**115,556**	**129,196**	**-**	**129,196**
Net movement in funds		**34,105**	**465**	**34,570**	**(14,649)**	**-**	**(14,649)**
Funds brought forward at 1 April		14,652	5,490	20,142	29,301	5,490	34,791
Funds carried forward at 31 March		**48,757**	**5,955**	**54,712**	**14,652**	**5,490**	**20,142**

All income arises from the continuing activities of the charity. The charity had no recognised gains or losses other than those dealt with in the Statement of Financial Activities.
The notes on pages 13 to 20 form part of these accounts

Surrey Family & Mediation Services

BALANCE SHEET
31 March 2021

Fixed assets	**Notes**	**2021**	**2020**
		£	**£**
Tangible fixed assets	5	1,210	-
			-
Debtors	6	5,795	8,931
Cash at bank and in hand		65,308	25,410
Current assets		71,103	34,341
Liabilities: amounts falling due within one year			
Creditors	7	(17,601)	(14,199)
Net current assets		53,502	20,142
Liabilities: amounts falling due after one year			
Creditors		-	-
Net assets	8	54,712	20,142
Funds			
Unrestricted reserves		48,757	14,652
Restricted reserves		5,955	5,490
	9	54,712	20,142

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The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

Approved by the trustees on **xx March 2022** and signed on its behalf by:

[Samantha Singer]
Chair

David Brooks
Finance Trustee

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

- The Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014
- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)
- The Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

At the time the accounts were approved, the trustees have a reasonable expectation that the charity has adequate resources in order to continue for the foreseeable future. Whilst the charity has made operating losses, prior to grants, substantial grant income was received to help meet core costs in the 2020/ 2021 financial year and beyond. New services are planned for which some funding has already been secured and there is a reasonable expectation of further a level of grant funding being received in the future to allow the charity to operate at a surplus. The reserves policy is to hold sufficient reserves to cover solvency costs plus 12 weeks operating costs. The charity funds are currently comfortably above this level. Accordingly, the going concern basis of accounting has been used to prepare these accounts.

Covid 19 Specific effects and response.

As the result of the Covid 19 pandemic, the lockdowns and regulations, the service moved the provision of services to remote video conferencing. Throughout the pandemic and particularly during the first lockdown, the service experienced a dramatic reduction in client referrals and many ongoing cases chose to pause. This caused a very serious reduction in income. However, the charity was able to secure significant grant support from a variety of sources as well as reducing fixed costs. Remote working resulted in each transaction that actually took place producing greater surplus than previously. As a result of these factors the charity is in a secure financial position.

Funds

Unrestricted funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity

Restricted funds are those monies received by the charity which have been given for a particular purpose, for example the Big Lottery Fund Grant.

Income

Recognition of income
These are included in the Statement of Financial Activities (SoFA) when:
- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

Grants and Donations
Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).
In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

Volunteer help
The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Income from interest
This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Expenditure and Liabilities

Expenditure is accrued as soon as a liability is incurred.

Expenditure is categorised between Charity Costs, being costs directly attributable to provision of specific mediation activity, Fundraising and Marketing Costs, and Support Costs. Given the small size and complexity of the charity, Charity Costs are not allocated across income streams. Also, there is no attribution of Support Costs to activities, albeit these directly support the charity's activities. This is a revised presentation introduced in the 2021 accounts and the prior year expenditure has been restated in line with the revised categorisation.

Assets and Liabilities

Fixed Assets
Only assets obtained under the Awards for All Scheme or of a high value are capitalised. They are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the

cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office fixtures & fittings	25% straight line
Computers	33% straight line

Debtors
Debtors are included at the amount due. Prepayments are valued at the amount prepaid.

Cash at Bank and in hand
Cash at bank and in hand includes cash and instant access bank accounts.

Creditors and provisions
Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

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

2. INCOME

		Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£
(a)	**Donations and legacies**				
	Donations and gifts	-	-	-	-
	Grants	48,504	4,000	52,504	-
	Other income from donors	-	-	-	-
		48,504	4,000	52,504	-
				-	
(b)	**Charitable activities**				
	Legal Aid Agency contract	15,013	-	15,013	16.902
	Client fees	82,609	-	82,609	97,645
		97,622	-	97,622	114,547

Grants received in 2021	**£**
Unrestricted	
Surrey County Council Hardship Fund	5,870
Henry Smith	10,000
Community Foundation for Surrey	12,134
Walton Charity	10,000
Government Small Business Grant	10,000
Tesco Bags for Life	500
Total	**48,504**
Restricted	
Mole Valley - Preparation for Separation	4,000
Total Restricted	**4,000**
Total grants received	**52,504**

3. EXPENDITURE

Expenditure	**2021**	**2020**
	£	**£**
Charity costs		
Mediation costs	34,759	36,761
Mediator supervision		1,416
Mediation room hire	2,204	11,732
	36,962	**49,909**
Fundraising and Marketing	**5,785**	**2,066**
Support costs		
Staff		
Staff costs	56,006	52,572
Temporary staff		257
Volunteer expenses		143
Recruitment costs		94
	56,006	**53,066**
Other direct costs		
Insurance and fees	1,969	4,705
Travel and accommodation	39	984
Telephone and mobile	1,762	1,485
	3,770	**7,174**

Administrative costs		
Office rent	5,556	6,893
Accounting costs	2,800	3,104
IT costs	3,612	3,645
Bank charges	417	2,290
Other costs	302	1,050
Depreciation	346	0
	13,033	**16,982**
Total Support costs	**72,809**	**77,221**
Total expenditure	**115,556**	**129,196**
Attributed to:		
Unrestricted funds	112,021	129,196
Restricted funds	3,535	0

4. STAFF COSTS

	2021 **£**	**2020** **£**
Staff salaries and social security costs	55,046	51,608
Pension costs (defined contribution pension plan)	960	963
Freelance mediators	34,759	36,761
Staff recruitment	-	94
Other staff costs	-	400
	90,765	89,826

	2021	**2020**
Average number of employees during the year:	3	3
Full-time equivalent	2	2
Average number of freelance mediators (all part-time)	5	5
Average number of volunteers (all part-time) excluding trustees	1	2

The work of the volunteers is essential to supporting the mediators

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000

Payments, excluding reimbursement of expenses incurred on charitable business, made to trustees who comprise the Key Management Personnel in the year were £NIL (2020: £Nil).

5. FIXED ASSETS

Tangible fixed assets for use by the charity	Office Fixtures & Fittings	Computers	Total
	£	£	£
Cost or valuation			
At 1 April 2020	5,429	14,225	19,654
Additions/(Disposals)	-	1,556	1,556
Write offs	(5.429)	(14,225)	(19,654)
At 31 March 2021	-	1,556	1,556
Depreciation			
At 1 April 2020	5,429	14,225	19,654
Charge for the year	-	346	346
Write offs	(5,429)	(14,225)	(19,654)
At 31 March 2021	-	346	346
Net book Value			
At 31 March 2021	-	1,210	1,210
At 31 March 2020	-	-	-

Fully depreciated fixed assets brought forward were fully written off during the year.

6. DEBTORS

	2021	2020
	£	£
Trade debtors	3,430	6,989
Other debtors & prepayments	1,117	694
Deposit on lease	1,248	1,248
	5,795	2,570

7. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	6,245	5,360
Other taxes & social security costs	8,167	6,651
Accruals and Deferred Income	3,189	2,188
	17,601	14,199

8. ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Assets	66,358	5,955	72,313	34,341
Liabilities	(17,601)	-	(17,601)	(14,199)
	48,757	5,955	54,712	20,142

9. CHANGES IN FUNDS

2021	Bal b/fwd 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2021 £
Funds:					
Unrestricted	14,652	146,126	(112,021)	-	48,757
Restricted	5,490	4,000	(3,535)	-	5,995
Total Funds	20,142	150,126	(115,556)	-	54,712

2020	Bal b/fwd 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2020 £
Funds:					
Unrestricted	29,301	114,547	(129,196)	-	14,652
Restricted	5,490	-	-	-	5,490
Total Funds	34,791	114,547	(129,196)	-	20,142

10. CASHFLOW

	2021
	£
Net movement in Funds	35,570
Add back depreciation	346
Investment in fixed assets	(1,556)
Increase in net current assets	6,538
Increase in cash at bank in hand	39,898
Opening cash at bank and in hand	25,410
Closing cash at bank and in hand	65,308

11. FEES FOR EXAMINATION OF THE ACCOUNTS

The Independent examiner's fee for examination of the accounts was £1,000.

12. TAXATION

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

13. COMMITMENTS

There were no capital commitments at 31 March 2021 (2020: Nil)

14. TRUSTEES AND RELATED PARTY TRANSACTIONS

No trustee expenses were incurred in 2021 (2020: Nil)

Trustees are considered to be related parties. None of the trustees have received any remuneration or received any other benefits from an employment with Surrey Family & Mediation Services or any other related entity. There have been no related party transactions in the period.

Trustees and individual liability insurance is covered under the Public Liability section of our charity's insurance.

15. DEFINED CONTRIBUTION SCHEME

Surrey Family & Mediation Services operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represent contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £960 (2020: £963).