

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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

Charity number: 1091539

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## **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.

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

**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.

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

**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.

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

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 1<sup>st</sup> 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

## **SURREY FAMILY & MEDIATION SERVICES**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 MARCH 2021**

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 31<sup>st</sup> 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.



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

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.

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

**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.

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**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2021**

**Surrey Family & Mediation Services**

**STATEMENT OF FINANCIAL ACTIVITIES**

for the year ended 31 March 2021

	<i>Notes</i>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2021 £</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2020 £</b>
<b>Income from:</b>							
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		-	-	-	-	-	-
<b>Total income</b>		<b>146,126</b>	<b>4,000</b>	<b>150,126</b>	<b>114,547</b>	<b>-</b>	<b>114,547</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>112,021</b>	<b>3,535</b>	<b>115,556</b>	<b>129,196</b>	<b>-</b>	<b>129,196</b>
<b>Net movement in funds</b>		<b>34,105</b>	<b>465</b>	<b>34,570</b>	<b>(14,649)</b>	<b>-</b>	<b>(14,649)</b>
Funds brought forward at 1 April		14,652	5,490	20,142	29,301	5,490	34,791
<b>Funds carried forward at 31 March</b>		<b><u>48,757</u></b>	<b><u>5,955</u></b>	<b><u>54,712</u></b>	<b><u>14,652</u></b>	<b><u>5,490</u></b>	<b><u>20,142</u></b>

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**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2021**

**Surrey Family & Mediation Services**

**BALANCE SHEET**

31 March 2021

<b>Fixed assets</b>	<b>Notes</b>	<b>2021 £</b>	<b>2020 £</b>
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
<b>Liabilities: amounts falling due within one year</b>			
Creditors	7	(17,601)	(14,199)
<b>Net current assets</b>		53,502	20,142
		<u>          </u>	<u>          </u>
<b>Liabilities: amounts falling due after one year</b>			
Creditors		-	-
<b>Net assets</b>	8	54,712	20,142
		<u>          </u>	<u>          </u>
<b>Funds</b>			
Unrestricted reserves		48,757	14,652
Restricted reserves		5,955	5,490
	9	<u>54,712</u>	<u>20,142</u>
		<u>          </u>	<u>          </u>

**SURREY FAMILY & MEDIATION SERVICES  
FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2021**

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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**

**SURREY FAMILY & MEDIATION SERVICES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

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**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.

# **SURREY FAMILY & MEDIATION SERVICES**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2021**

### **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



**SURREY FAMILY & MEDIATION SERVICES**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2021**

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**

		<b>Total Funds</b>		
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
(a) <b>Donations and legacies</b>				
Donations and gifts	-	-	-	-
Grants	48,504	4,000	52,504	-
Other income from donors	-	-	-	-
	<u>48,504</u>	<u>4,000</u>	<u>52,504</u>	<u>-</u>
			-	
(b) <b>Charitable activities</b>				
Legal Aid Agency contract	15,013	-	15,013	16,902
Client fees	82,609	-	82,609	97,645
	<u>97,622</u>	<u>-</u>	<u>97,622</u>	<u>114,547</u>

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<b>Grants received in 2021</b>	<b>£</b>
<b>Unrestricted</b>	
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
<b>Total</b>	<b>48,504</b>

<b>Restricted</b>	
Mole Valley - Preparation for Separation	4,000
<b>Total Restricted</b>	<b>4,000</b>

<b>Total grants received</b>	<b>52,504</b>
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**3. EXPENDITURE**

<b>Expenditure</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>

**Charity costs**

Mediation costs	34,759	36,761
Mediator supervision		1,416
Mediation room hire	2,204	11,732
	<b>36,962</b>	<b>49,909</b>

<b><u>Fundraising and Marketing</u></b>	<b>5,785</b>	<b>2,066</b>
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**Support costs**

**Staff**

Staff costs	56,006	52,572
Temporary staff		257
Volunteer expenses		143
Recruitment costs		94
	<b>56,006</b>	<b>53,066</b>

**Other direct costs**

Insurance and fees	1,969	4,705
Travel and accommodation	39	984
Telephone and mobile	1,762	1,485
	<b>3,770</b>	<b>7,174</b>

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**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
	<b>13,033</b>	<b>16,982</b>

**Total Support costs**

<b>72,809</b>	<b>77,221</b>
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**Total expenditure**

<b>115,556</b>	<b>129,196</b>
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Attributed to:

Unrestricted funds	112,021	129,196
Restricted funds	3,535	0

**4. STAFF COSTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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
	<b>90,765</b>	<b>89,826</b>

	<b>2021</b>	<b>2020</b>
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).

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**5. FIXED ASSETS**

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

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

**7. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

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

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**8. ANALYSIS OF NET ASSETS  
BY FUND**

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

**9. CHANGES IN FUNDS**

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

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

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**10. CASHFLOW**

	<b>2021</b>
	<b>£</b>
Net movement in Funds	35,570
Add back depreciation	346
Investment in fixed assets	(1,556)
Increase in net current assets	<u>6,538</u>
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).