

Charity number: 1142334
Company number: 07522878

BERKSHIRE FAMILY MEDIATION
(A company limited by guarantee)

Financial Statements

Year ended 31 March 2022

Restricted

BERKSHIRE FAMILY MEDIATION
A company limited by guarantee

**Annual Report and Financial Statements for the year ended 31 March
2022**

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LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name:	Berkshire Family Mediation
Charity registration number:	1142334
Company registration number:	07522878
Principal & Registered Office:	The Reading Health Centre, 61 Castle Street Reading Berkshire, RG1 7SN
Key management personnel:	
Management Committee:	
Sally Wood	Trustee
Mark Penston	Trustee
Alan Meechan	Trustee
Aideen Mattimore	Director
Secretary:	Raza Rehman (appointed 01.11.2022)
Operations Manager:	Sue Whiteley
Bankers:	Lloyds TSB Plc 1 Market Place Reading Berkshire
Independent Examiner:	Patrick Walsh

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Report of the Management Committee for the year ended 31 March 2022

The Management Committee present their report and the financial statements for the year ended 31 March 2022.

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 9 February 2011, registered as a charity on 9 June 2011. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Objects

The objects of the charity are to provide assistance through mediation for couples going through separation and divorce or couples who are separating and have unresolved matters to be settled. These matters can relate to property and financial issues and to parenting issues such as where children will live and the time they spend with each parent.

Organisation

Berkshire Family Mediation (BFM) has a Management Committee made up of the Trustees and Directors of the company. Additional members, who will not necessarily be Directors, attend Management Committee meetings in an advisory capacity.

It is proposed that the Management Committee will meet quarterly.

The Chairman will be responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Operations Manager has responsibility for the day-to-day management of the charity.

Sally Wood, a local solicitor and specialist Family Practitioner, took over as Chairperson in January 2021. Sally Wood has significant experience in mediation, the Family Court and relevant legal processes, which will assist with furthering the aims of Berkshire Family Mediation.

Activities and Achievements

2021-2022 continued to show a decline in numbers and in particular demand for financial mediation subsided with financial uncertainty caused by the pandemic ongoing. Mediators continued to work to a hybrid meeting model, in line with government advice to work from home when advised to do so. Accordingly, BFM clients could request Zoom or office-based meetings depending on their requirements and circumstances.

In March 2021, the Family Mediation Council secured funding from the Ministry of Justice for a government voucher scheme that offered all families up to a total of £500 towards mediation costs for child-related issues. All BFM's mediators signed up to this scheme and subscription to the scheme contributed towards a stabilisation in the rate of joint mediation meetings.

Compared with the previous year, there was a 16% decrease in legal aid income. An unprecedented number of clients had been furloughed during 20/21 and so became eligible for benefits and consequently legal aid funding. As more returned to work in 2021-2022, BFM's legal aid income adjusted down to levels more in keeping with pre-pandemic conditions. Mediation, Information and Assessment meetings (MIAMS) fell by 16% and some of this may be due to not having

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mediators working at full capacity. Despite this, there was only a decrease of 1% in the number of joint meetings.

Both BFM's Reading and Newbury landlords offered a discount on rent for the period of 20/21 and this was restored for the financial year 21/22.

BFM retains a compliment of four mediators operating from offices in Reading and Newbury. The organisation saw the retirement of one of its mediators, Bernadette Davis, who ceased to take on new work for the charity from April 21. A new mediator, Jill Redshaw, was taken on in June 21 but unfortunately was initially unable to work at full capacity due to unforeseen family circumstances.

The ability to offer meetings via Zoom has allowed the organisation to attract clients from outside of the area, including nationwide.

Financial Review and Policies

The main sources of income during the year were fees from mediators and, where eligibility came into play, via Legal Aid funding.

The main items of expenditure were Office rental space, secure IT systems, telephone, PPC cost & Managers' fees, insurance, and Independent Examiner's Fee.

The trustees and other members of the Management Committee continue to monitor the results and workings of the business model adopted upon moving to Forbury Square in August 2018, which has been transferred across to the new Castle Street office. The business model's aim was to reduce the overheads of personnel from BFM and for BFM to become a service provider to self-employed mediators. The new model has resulted in the contracted Mediators receiving a higher level of income from clients with the Charity only taking fees to cover items of expenditure to cover ongoing costs as well as maintaining a reserve to safeguard the future going concern of the charitable Company and meet some of its charitable aims. This change of income for BFM is reflected in the financial statements with a considerable reduction in income to the charity as expected and planned. The charity, BFM, will maintain a surplus of funds sufficient to meet its obligations as a not-for-profit organisation and continue to deliver a mediation service.

The Management Committee is aware of the Charity Code of Governance and its principles, and how they affect the Charity.

Public Benefit

In planning the activities of the charity, the trustees have given due consideration to Charity Commission published guidance on the operation of the Public Benefit requirement.

The primary aim of family mediation is to help couples involved in the process of separation and divorce, to reach agreements or reduce the area of intensity of conflict between them, especially in disputes concerning children and family property/finance matters.

In the short term, the objective of mediation is to help parents/ex-partners to reach a workable settlement which takes account of the needs of the children and adults involved.

The longer-term objective is to help both participants:

- ✓ to maintain their relationship with their children
- ✓ to achieve a cooperative plan for their children's welfare.

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- ✓ to offer child-inclusive mediation so that the voice of the child is heard
- ✓ to alleviate financial and relationship distress in families by offering an empathetic, solution-focused approach to problem-solving.
- ✓ to settle financial disputes in a way that allows needs to be named, fairness criteria to be shared, options reality-checked, and ultimately allows people to turn a page and move on with their lives.

The service is able to offer appointments in Reading and Newbury to cover the communities of Reading, West Berkshire, Wokingham and Bracknell and has extended its reach into parts of Oxfordshire. In addition, the organisation will continue to offer remote appointments via Zoom thereby extending services to wider parts of the country. Referrals from Court can be dealt with quickly and efficiently. Clients can refer themselves for services. Referrals are also taken from solicitors. Clients outside of this area are welcome if they wish to meet in Reading or Newbury.

The service offers a cheaper and quicker way of resolving disputes and is an alternative to protracted and costly legal proceedings. Since April 2012, when public funding for legal advice in private law cases ended, the provision of non-court dispute resolution services has been vital for families unable to afford legal advice. Legal aid is still available for mediation so, for clients on a low income who qualify for legal aid, the Charity through the legal aid contract it holds can offer mediation free of fees.

Reserves Policy and Going Concern

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested held by the charity should be between six and nine months' normal charity expenditure.

The trustees are committed to the new business model established from 1st September 2018 and will ensure that sufficient funds will be maintained to cover net outgoings, at the current rate, for the foreseeable future, and in particular for a period of at least twelve months from the date the financial statements for the year ended 31 March 2022 and are approved by the directors.

Management Committee Induction and Training

The Management Committee has been chosen from people who have qualifications and experience that will be of assistance in managing and running the charity. Additional training could be available should the Management Committee require it.

Plans for Future Periods

The Management Committee will continue to hold virtual Zoom meetings on a quarterly basis, in order to review monthly trading volumes versus expenditure.

The organisation has been mindful of the downturn in Legal Aid income and in January 2022 it conducted a thorough review of the business plan and business needs. This process identified the need for greater investment in business leadership, strategic decision-making, marketing and succession planning. Proposals were made to redefine roles and responsibilities within the organisation in order to place greater emphasis on developing and protecting the organisation's resilience and to improve efficiency of day-to-day business decision-making.

As part of this review, consideration was given to diversifying the income stream from mediators and a fixed monthly membership fee and a referral fee per private MIAMS were proposed. Up until this point and from September 2018, mediators had been paying for the cost of premises on a pro rata basis according to usage. The unintended consequence of this was that if a mediator left, the remaining

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mediators were liable for their unallocated costs and it created a fear of being 'the last man standing' which was identified as an underlying risk for the organisation. The new proposed income streams were proposed to replace the pro rata rent cost model but be in addition to legal aid income, which would continue as before.

Responsibilities of the Management Committee

The Management Committee is responsible for preparing the management committee's annual 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 Management Committee to prepare financial statements for each financial year which 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 for that period. In preparing those financial statements the Management Committee is required to:

- select suitable accounting policies and apply them consistently.
- observe the method 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 a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Charity operates an online accounting system through 'Xero' which provides Financial Accounting Software and Online Bookkeeping. This system allows accounting integrity with improved reporting functions and is accepted by the Charities Auditors.

In so far as the Management Committee is aware:

- There is no relevant accounting information of which the charitable company's Accountant is unaware; and
- The Management Committee has taken all steps that they ought to have taken to make themselves aware of any relevant accounting information and to establish that the accountant is aware of that information.

The Management Committee is 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 legislations in other jurisdictions.

Tax Status

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The company is a registered charity. It has no liability to corporation tax on any of its sources of income or any chargeable gains realised to date, to the extent that it is applied to its charitable objectives. No tax charges have arisen.

Risk Management

The Management Committee has conducted a review of the major risks to which the charity is exposed as part of the review of the business plan and business model undertaken in January 2022. Risks to which the charity may be exposed are routinely raised and discussed during committee meetings and plans to minimise these risks are recorded in the minutes of those meetings.

A trading report is produced monthly for discussion at monthly team meetings and at quarterly management committee meetings, and a full review of finances is conducted six monthly which offers an opportunity to implement wider changes to increase revenue from mediators if a shortfall is identified.

Independent Examiners

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Management Committee on 21 December 2022 and signed on its behalf by:

.....

Sally Wood

Director

on behalf of the Management Committee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BERKSHIRE FAMILY MEDIATION

I report to the charity's Trustees on the accounts of the company for the year ended 31 March 2022, which are set out on pages 7 to 14.

Responsibilities and basis for 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 Charities Act 2011 ("the Act").

I report in respect of my examination of your charity's accounts as carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all 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 and 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 accordance with Section 130 of the Charities Act; or
2. the accounts do not accord with the accounting records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts

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give a 'true and fair' view which is not a matter considered as part of an independent examination.

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.

Patrick Walsh, FCA

Date:

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Statement of Financial Activities
(Incorporating the Income and Expenditure Account)
For the year ended 31 March 2022

	Notes	Total Unrestricted Funds	Funds
		2022	2021
		£	£
Income			
Activities in furtherance of the charity's objectives			
Donations and Legacies	2	220	
167			
Charitable Activities	3	51,740	62,429
Total income		51,960	
62,596			
Expenditure			
Charitable Expenditure			
Direct Costs	4	53,108	
55,355			
Total expenditure		53,108	
55,355			
Net Income		(1,148)	
7,241			
Fund balances brought forward on 1 April 2021		28,556	
21,315			
Total funds carried forward at 31 March 2022		27,408	
28,556			

The statement of financial activities relates to continuing operations.

The charitable company has no recognised gains or losses other than the net movement in funds for the year.

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Balance Sheet as of 31 March 2022

	Notes	2022 £	Total Funds 2021 £
Fixed assets	5	2,549	
2,548			
Current assets			
Debtors	6	12,121	
13,752			
Cash at Bank		18,933	
17,262			183
Cash in Hand			
183			
		31,237	
31,197			
Creditors amounts			
falling due within 1 year	7	6,378	
5,189			
Net Current assets			24,859
26,008			
Total net assets			27,408
28,556			
Represented by -			
Unrestricted funds			27,408
28,556			

The Management Committee are satisfied that the charitable company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The Management Committee acknowledge their responsibilities for:

- (i) ensuring that the charitable company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its results for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with

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the requirements of the Act relating to financial statements, so far as applicable to the charitable company.

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

These financial statements were approved by the Management Committee on 21 December 2022.

Director

Secretary

Sally Wood

Raza Rehman

The notes on pages 9 to 14 form part of these financial statements

Notes to the Financial Statements
For the year ended 31 March 2022

1 ACCOUNTING POLICIES

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

a) General Information

Berkshire Family Mediation is a registered charity, number 1142334, a charitable company limited by guarantee, number 07522878, incorporated in England and Wales.

The address of the charity's registered office is The Reading Health Centre, 61 Castle Street, Reading, RG1 7SN.

The financial statements are prepared in pounds sterling and are rounded to the nearest pound.

b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

A separate income and expenditure account has not been prepared as the information required by the Companies Act 2006 is given in the Statement of Financial Activities and in the notes of the financial statements.

c) Going Concern

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The financial statements have been prepared on a going concern basis which the Management Committee consider to be appropriate for the following reasons.

The Management Committee has prepared cash flow forecasts which indicate that, taking into account reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due.

Consequently, and after making enquiries, the Management Committee have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Management Committees' Responsibilities.

d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items have been met, it is probable that the income will be received, there is little doubt the income will be received, and the amount can be reliably measured.

Income received in advance or provision of other specified service; it is deferred until the criteria for income recognition are met.

Notes to the Financial Statement

For the year ended 31 March 2022

Income from the Legal Services Commission is subject to retrospective audit and adjustments can be made subsequently.

e) Fund Accounting

Non restricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are non-restricted funds of the Charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the work of the Charity.

f) Expenditure and VAT

Expenditure is included on an accrual's basis. All costs are considered to be direct charitable costs except the Governance costs which relate to the running of the charity.

g) Tangible Fixed Assets

Expenditure on computer equipment and specialist software has been capitalised and shown on the Balance Sheet as a Fixed asset and is being depreciated over 36 months. The capitalisation policy is that only items above £1,000 are capitalised and that other tangible fixed assets are charged to the Statement of Financial Activities in the year in which it is incurred.

h) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

i) Cash at Bank and in hand

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Cash at bank and cash in hand includes cash and any deposit or similar account.

j) Creditors and Provisions

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

k) Financial Instruments

The Charity has only financial assets and financial 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.

l) Pensions

There are no current or contingent liabilities attached to the provision Pensions during this period.

Notes to the Financial Statement
For the year ended 31 March 2022

m) Judgements and Estimates

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no judgement or material estimation uncertainties affecting the reported financial performance in the current or prior year.

2 GRANTS AND DONATIONS RECEIVED

2022
£

2021
£

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Donated Services:

Donations	220	
167		220
167		

3 INCOMES FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Non-Restricted Income:		
Legal Services Commission	41,771	50,389
Income from Mediation Activities		9,970
12,040		
Other Income	-	
-		
	51,740	
62,429		

Notes to the Financial Statements
For the year ended 31 March 2022

4 EXPENDITURES

	2022	2021
	£	£
Rent	10,178	12,713
Mediator's Allowances	22,783	
25,643		
Telephone and Postage	1,072	
463		
Stationery	466	365
Advertising	3,902	4,250
Management and Supervision	10,339	
6,901		
Bank charges	84	82
Insurance and Affiliations	702	802

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Independent Examiner's Fee	750	750
Solicitors and Interpreters Fees	-	
-		
Administration and Sundry Costs	1,591	
2,045		
Depreciation	1,168	1,341
	53,108	
55,355		

5 FIXED ASSETS

		Computer Equipment (£)	Software (£)	Total (£)
Cost	At 1 April 2021	13,508	10,567	24,075
	Additions	1,169	-	1,169
	At 31 March 2022	14,677	10,567	25,243
Depreciation	At 1 April 2021	11,011	10,516	21,527
	Charge for Year	1,134	34	1,167
	At 31 March 2022	12,145	10,550	22,695
Net Book Value	At 1 April 2021	2,497	51	2,548
	At 31 March 2022	2,532	17	2,548

6 DEBTORS

	2022 £	2021 £
Receivables from third parties	902	
717		
Due from Legal Services Commission	7,079	
8,135		
Prepaid Expenses	2,619	2,176
Rent Deposit	1,522	2,724
	12,121	
13,752		

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Notes to the Financial Statements
For the year ended 31 March 2022

7 CREDITORS

	2022	2021
	£	£
Other taxes and social security		981
905		
Creditors and accruals		5,397
4,284		
	6,378	
5,189		

8 RELATED PARTY TRANSACTIONS

No members of the Management Committee were in receipt of a salary during the year ended 31 March 2022. One members of the Management Committee were paid for their services during the current year.

		2022	2021
		£	£
Aideen Mattimore	Fees	11,318	9,160
Richard Palmer	Fees	-	
2,019			

One member of the Management Committee was also charged for usage of premises in accordance with the new agreements that are in place as part of BFM's new operating model.

		2022	2021
		£	£
Aideen Mattimore	Rent	3,795	4,120

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted		Restricted	Total
	£		2022	
£			£	
Fixed assets	2,548	-	2,548	
Current assets	31,237	-	-	31,237
Current liabilities	(6,378)	-	(6,378)	
	27,408	-	27,408	
	Unrestricted		Restricted	Total
	£		2021	
£			£	
Fixed assets	2,548	-	2,548	
Current assets	31,197	-	-	31,197

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Current liabilities	(5,189)	-	(5,189)
	28,556	-	28,556

Notes to the Financial Statements
For the year ended 31 March 2022

10 OPERATING LEASE COMMITMENTS

As of 31 March 2022, The Company has the following future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Less than one year	6,384	
5,736		
Between one and five years		-
-		
More than five years	-	
-		