

REGISTERED COMPANY NUMBER: 09104885 (England and Wales)
REGISTERED CHARITY NUMBER: 1163065

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
CIVIL MEDIATION COUNCIL LIMITED**

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

CIVIL MEDIATION COUNCIL LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Page
Report of the Trustees	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 15

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Charity are to be a neutral and independent body set up for the benefit of the public to:

- promote the resolution of conflicts and disputes by encouraging the use of mediation and other dispute resolution techniques and methods as alternatives to legal action or arbitration. The Charity believes that mediation delivers better quality outcomes than these. Mediation avoids the risk of unwelcome publicity because it is confidential, and aims to provide win/win solutions to problems. It is likely to save time, stress, and avoid the destruction of salvageable relationships; and
- advance the education of the public in matters of mediation and other dispute resolution techniques and methods.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Charity pursues its objectives through the following main activities, having regard to the Charity Commission guidance on public benefit and other matters in deciding what activities the Charity should undertake. 2020 has, of course, been a peculiar year for all, as we cope with the Covid-19 pandemic, but CMC has managed to adapt its processes and its activities to meet the challenge. CMC events continued to be held but in the online format, this included the Annual Conference where mediators are able to gain valuable Continuous Professional Development (CPD) and improve their skills for the benefit of the public. Additionally, the rules for training new mediators were adjusted so that the bulk of the registered mediators' training course could be held online.

Raising awareness of mediation and alternative dispute resolution

The CMC continued to raise its engagement with Government and improve its status as the voice of the mediation profession. In the course of 2020, we continued to take an active part in the work of the Judicial ADR Liaison Committee and build relationships with the mediation lead at the Ministry of Justice (MoJ). We reintroduced a Fixed Fee Mediation scheme to replace the one taken down from the MoJ website. We also contributed to the work of the Administrative Justice Council and fostered relationships with the Business Banking Resolution Service and with LawTech UK which is looking at the development of an online dispute resolution platform for Small and Medium Enterprises (SMEs).

Members of the public can now search the CMC website for mediators who will offer mediation on a fixed fee basis for claims of less than £50,000. It is hoped that the scheme will make mediation more widely available. By the end of 2020 over 150 registered mediators and providers had joined the scheme. This number is steadily growing as new mediators join the CMC, and there were 170 participants by the middle of 2021.

In 2020, the CMC again collaborated with the College of Mediators to promote the National Mediation Awards, which this year continued online, with the aim of celebrating and rewarding best practice across all forms of mediation. There were 100 nominations of such high a standard that the judges decided on 14 winners for the 12 awards in 2020.

The CMC has continued to raise awareness of mediation in the workplace, hosting online events aimed at human resources professionals regarding remote mediation to encourage use of this during the coronavirus pandemic.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

ACHIEVEMENT AND PERFORMANCE

Throughout the year the CMC worked hard to improve the communication and cooperation within the Mediation Sector. Significant discussions took place via the All Mediation Forum, with a range of stakeholders including with partner organisations the College Of Mediators and the Family Mediation Council. These discussions focused on the need for mutual recognition, the development of a common code of practice and common complaints procedures. The aims of this work are to ensure consistency and professionalism across all areas of mediation and thus ensure that the public benefit from professional high quality mediation services.

The maintenance and raising of standards amongst ADR professionals

We do this through our registration and regulation schemes for Members and through provision of Continuous Professional Development opportunities. The Covid crisis meant that we have had to change the way we do this, relaxing some requirements in a proportionate way (for example the rules on observations by trainees), and providing online training opportunities, for example our July webinar on Addressing Conflict in a Remote Environment. In March 2020 we issued guidance to mediators about how to carry out online mediations.

Membership of the CMC grew by a modest 5% in 2020, to 781 members, but we were encouraged by the increase in the proportion of our membership who can demonstrate that they meet the CMC's professional standards and become registered mediators. The number stood at 532 by the end of 2020, an increase of 12%. The Charity provides a portal through its website, which lists those mediators who are CMC registered mediators.

Registered mediators submit themselves to regulation by the CMC. The CMC also sets standards for organisations which provide training for mediators, and again regulates such training providers. The more registered mediators that belong to the CMC the greater the CMC's purchase in improving standards.

In 2020, five formal complaints against registered mediators, registered mediation providers or members were considered and decided. One was upheld, and a press notice to that effect issued. These complaints had been submitted towards the end of the previous year. Only two formal complaints were submitted to the CMC in 2020. Their consideration was delayed, in part due to Covid 19, so none were concluded in year.

We provided CMC members with specific mediation professional development activities by delivering a successful online conference in November 2020. 167 delegates bought tickets to the virtual conference, compared to 125 in 2019. Feedback from delegates was positive and showed that they felt that good quality CPD relevant to all sectors of mediation was provided as well as delegates being very clear about what they learned from each session.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

FINANCIAL REVIEW

The Charity recorded a surplus of £13,352 for the year against a surplus in the previous year of £24,758. The net assets of the Charity were £107,027 at 31st December 2020 compared to £93,675 as at year end of 2019.

The income of the Charity continues to be based upon organisation and individual membership and registration fees and conferences.

The financial policy of the Charity remains to keep expenses to a minimum in order to build a significant capital base and a predictable revenue stream. The Charity continues to rely on the support and voluntary efforts of the Providers, Individual Members, Board members and officers. In addition, the Charity's policy remains that all events and conferences, to the extent possible, should be self-financing with the capital of the Charity standing as a reserve for any shortfalls. Budgets for reimbursement of committee related expenses are also maintained.

A new Finance Director was appointed in 2020 and instituted a number of policy reviews, including the development of a new reserving policy which was adopted formally by the trustees at its Board meeting in October 2020. Instead of a simple policy to maintain unrestricted funds at a level equivalent to between three and six months' expenditure, the new policy is to maintain (i) an irreducible core equivalent to 4 months expenditure and two fixed components as funds for (ii) Reputation Management and (iii) a Strategic Reserve to take advantage of unforeseen opportunities to further the CMC's objectives. Item (i) will only be spent in the event of liquidation of the CMC. Item (ii) is unlikely to be needed but it is prudent to maintain against the principal risk to the CMC. Item (iii) is the most likely to be allocated.

In early 2021 the Charity appointed Clemence Hoar Cummings to assist with the preparation of its Accounts following a competitive tender.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

None of the Members of the Board have any beneficial interest in the company. All of the Members of the Board are members of the company and guarantee to contribute £1 in the event of a winding up.

Articles 25 - 27 of the Articles of Association fix the maximum number of Members of the Board at 18 and provide for the appointment, retirement, disqualification and removal of those Members.

Risk management

The charity trustees have given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks. The Board reviews the major risks facing the charity with the corresponding mitigation actions at least once a year, with regular reviews by a new Finance and Risk Working Group (established in 2021).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09104885 (England and Wales)

Registered Charity number

1163065

Registered office

The International Dispute Resolution Ctr
70 Fleet Street
London
EC4Y 1EU

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees

D S Kahn
R A Clark (appointed 1.5.21)
M L Forbes Pirie (appointed 1.5.21)
D R Foskett
O L H Hallam (appointed 15.6.20)
M Horlock
H Jackson-Stops
P R Kearney
C O Lewis
T J Renouf (appointed 10.7.20)
A A S Rogers
E Sorokina
D Stanton
C M Steinfeld (appointed 15.6.20)
S S Barker (resigned 14.6.20)
T Cadman (resigned 14.6.20)
D M Douglas (appointed 15.6.20) (resigned 23.6.20)
C F Sheridan (resigned 14.6.20)
T B Thomas (resigned 30.4.21)

Company Secretary: Iain Christie until 15 June 2020. Diana Kahn appointed 15 June 2020.

Independent Examiner

Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Civil Mediation Council Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 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, of the charitable company for that period. In preparing those 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Approved by order of the board of trustees on 21 September 2021 and signed on its behalf by:

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

T J Renouf - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CIVIL MEDIATION COUNCIL LIMITED

Independent examiner's report to the trustees of Civil Mediation Council Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

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 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.

D M Belbin
BSc FCA DChA
Clemence Hoar Cummings
Chartered Accountants
Riverside House
1-5 Como Street
Romford
Essex
RM7 7DN

21 September 2021

CIVIL MEDIATION COUNCIL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 Unrestricted fund £	2019 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities	3		
Memberships		108,775	130,939
Investment income	2	139	208
Total		108,914	131,147
 EXPENDITURE ON			
Raising funds		39,954	55,892
Charitable activities	4		
Memberships		55,608	50,497
Total		95,562	106,389
NET INCOME		13,352	24,758
 RECONCILIATION OF FUNDS			
Total funds brought forward		93,675	68,917
TOTAL FUNDS CARRIED FORWARD		107,027	93,675

The notes form part of these financial statements

CIVIL MEDIATION COUNCIL LIMITED (REGISTERED NUMBER: 09104885)

**BALANCE SHEET
31 DECEMBER 2020**

		2020 Unrestricted fund £	2019 Total funds £
CURRENT ASSETS	Notes		
Debtors	10	8,647	14,295
Cash at bank		<u>125,033</u>	<u>113,104</u>
		133,680	127,399
CREDITORS			
Amounts falling due within one year	11	(26,653)	(33,724)
NET CURRENT ASSETS		<u>107,027</u>	<u>93,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		107,027	93,675
NET ASSETS FUNDS		<u>107,027</u>	<u>93,675</u>
Unrestricted funds	12	<u>107,027</u>	<u>93,675</u>
TOTAL FUNDS		<u>107,027</u>	<u>93,675</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

**BALANCE SHEET - continued
31 DECEMBER 2020**

The
financial
statements
have been
prepared
in
accordance
with and
delivered
in
accordance
with the
special
provisions
applicable
to small
charitable
companies
subject to
the small
companies
regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 September 2021 and were signed on its behalf by:

T J Renouf - Trustee

CIVIL MEDIATION COUNCIL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 financial statements have been prepared under the historical cost convention.

Company status

The Company is limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Operating Leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating income and expenditure account on a straight line basis over the lease term.

Debtors

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

Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

CIVIL MEDIATION COUNCIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES - continued

Raising funds

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>139</u>	<u>208</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	Memberships	Total activities
	£	£
Individual membership fees	65,272	66,233
Organisation membership fees	36,231	42,262
Conference fees	<u>7,272</u>	<u>22,444</u>
	<u>108,775</u>	<u>130,939</u>

CIVIL MEDIATION COUNCIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 5) £	Support costs (see note 6) £	Totals £
Memberships	<u>35,177</u>	<u>20,431</u>	<u>55,608</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Secretariat	<u>35,177</u>	<u>32,327</u>

6. SUPPORT COSTS

	Finance £	Information technology £	Other £	Governance costs £	Totals £
Memberships	<u>405</u>	<u>15,593</u>	<u>593</u>	<u>3,840</u>	<u>20,431</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

During the year to 31 December 2020, expenses totalling £496 were reimbursed to Trustees (2019 - NIL)

8. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2020	2019
Secretarial	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Charitable activities	
Memberships	130,939
Investment income	<u>208</u>
Total	<u>131,147</u>
EXPENDITURE ON	
Raising funds	55,892

CIVIL MEDIATION COUNCIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
Charitable activities	
Memberships	50,497
Total	<u>106,389</u>
NET INCOME	<u>24,758</u>

RECONCILIATION OF FUNDS

Total funds brought forward	68,917
TOTAL FUNDS CARRIED FORWARD	<u>93,675</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	8,568	13,350
Prepayments	79	945
	<u>8,647</u>	<u>14,295</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
VAT	101	2,575
Accruals and deferred income	<u>26,552</u>	<u>31,149</u>
	<u>26,653</u>	<u>33,724</u>

12. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	At 31.12.20
	£	£	£
Unrestricted funds			
General fund	93,675	13,352	107,027
TOTAL FUNDS	<u>93,675</u>	<u>13,352</u>	<u>107,027</u>

CIVIL MEDIATION COUNCIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	108,914	(95,562)	13,352
TOTAL FUNDS	<u>108,914</u>	<u>(95,562)</u>	<u>13,352</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	68,917	24,758	93,675
TOTAL FUNDS	<u>68,917</u>	<u>24,758</u>	<u>93,675</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	131,147	(106,389)	24,758
TOTAL FUNDS	<u>131,147</u>	<u>(106,389)</u>	<u>24,758</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	68,917	38,110	107,027
TOTAL FUNDS	<u>68,917</u>	<u>38,110</u>	<u>107,027</u>

CIVIL MEDIATION COUNCIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	240,061	(201,951)	38,110
TOTAL FUNDS	<u>240,061</u>	<u>(201,951)</u>	<u>38,110</u>

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.