

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
CIVIL MEDIATION COUNCIL LIMITED**

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

CIVIL MEDIATION COUNCIL LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2023

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CIVIL MEDIATION COUNCIL LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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. 2023 was another year of significant change for the sector as it continues to grow and develop. The CMC was in a good position and operated well throughout the year and made significant progress in several key areas. Throughout the year the CMC continued to raise awareness of mediation and alternative dispute resolution. It engaged heavily with Government, participating in several APPGs on ADR and cementing its status as the voice of the mediation profession. It continued to take an active part in the work of the Judicial ADR Liaison Committee. The CMC continued to build relationships with the Ministry of Justice (MoJ) and participated fully in its consultation on Automatic Referral to Mediation (ARM) for Small Claims (disputes below £10,000). The CMC has continued to raise awareness of mediation in the workplace, hosting online events. The CMC continued its web and social media presence, with regular posts promoting the use of mediation. The maintenance and raising of standards amongst Mediation professionals is achieved through our registration and regulation schemes for Members and through provision of Continuous Professional Development opportunities.

In 2021, the CMC introduced a new membership structure for individuals, requiring all members who practice mediation in the areas the CMC regulates (civil/commercial and workplace mediation and, together with the College of Mediators, SEND mediation) to demonstrate they meet agreed professional standards. In 2022 this scope was widened to include membership for Peer mediators and Community Mediators. These changes continued to bear fruit in 2023, with rapid growth continuing across all areas. By 31st Dec 2023 individual mediator membership had grown by one third (17.5%) within the previous 12 months. This builds on a 32.8% growth achieved in 2022.

The CMC also sets standards for organisations which provide mediation and for those that provide training for mediators, and again regulates such training providers. In 2023, the CMC's Complaints and Disciplinary committee was fully professionalized, with the contracting of services from highly experienced external individuals and utilization of independent investigators to investigate claims against its members where appropriate to do so. CMC provided its members with specific mediation professional development activities by delivering a successful online conference in November 2023. Nearly 150 delegates bought tickets to the virtual conference, with delegates again welcoming the online nature of the event as easily accessible. They welcomed the range of sessions as thought provoking but thoroughly practical, and as providing a wide variety of disciplines which allowed them to gain a greater understanding of their specialism and enhance their understanding and skills in a new area of mediation.

CIVIL MEDIATION COUNCIL LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL REVIEW

In 2023 the Charity recorded a loss of £64,606 for the year following a loss in the previous year of (£19,213). The net assets of the Charity were £44,418 on 31st December 2023 compared to £109,024 as at year end of 2022. The income of the Charity continues to be based upon organisation and individual membership and registration fees and conferences. The rapid growth in the membership has counter intuitively exacerbated these losses, by moving significant amounts of income into 2024, due to the deferred income accounting model. However, the medium term prospects of the charity remain very positive and the cash position remains strong.

The Charity adopted a number of steps in 2022 to automate the memberships process and ensure that fees are paid more promptly. These changes were not without their challenges and 2023 saw a significant amount of work required to address the problems that these had created. In 2024, a new software system will be introduced to fix these issues. The website which, as well as providing information to both members and the public, currently provides a membership renewal process, will also need additional work in 2024, as we move towards a new software solution. The Charity reviewed membership fees in 2023 and made inflationary rises with implementation deferred until 2024. The website is the Charity's 'shop window' for members and the public and should be kept up to date and fresh. In 2021 a depreciation policy was applied to computer equipment of 33% of costs enabling the Charity to write off the costs of website development over 3 years and allow for renewal after that short period. The Charity has adjusted its CEO support, added a Deputy CEO to strengthen resilience and increased Secretariat Services to further its objectives and support its members. Consequently (as budgeted) the Charity's expenditure exceeded its income in 2023. Given the rapidly rising levels of membership seen again in 2023, plus the implementation of the raise in fees, it is anticipated that income will 'catch up' in 2024/5 and return the charity to a small surplus as seen regularly over recent years.

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. The Charity adopted a Reserving Policy in October 2020 to maintain funds as follows: (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. Despite the deficit incurred, the Charity complied with this policy in 2023 with strong cash reserves through the period. The increase in expenditure means that the core reserve of 4 months expenditure will increase again in 2024 but it is anticipated that sufficient funds will be held to comply with the Reserving Policy throughout the year. The CMC remains in a financially strong position to support its objectives and promote the resolution of conflicts through mediation and other ADR techniques in 2024 and beyond.

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, 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 have 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 the Finance and Risk Working Group (established in 2021).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09104885 (England and Wales)

CIVIL MEDIATION COUNCIL LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

Registered Charity number

1163065

Registered office

100 St. Paul's Churchyard
London
EC4M 8BU

Trustees

T J Renouf
R A Clark
M L Forbes Pirie
D R Foskett
O L H Hallam
M Horlock
H Jackson-Stops
P R Kearney
A A S Rogers
E Sorokina
C M Steinfeld
R Levitt
D Collis (appointed 16/6/2023)
N H Uddin (appointed 6/3/2023)
N Fournier

Independent Examiner

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

Approved by order of the board of trustees on 27/09/24 and signed on its behalf by:



.....
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 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I 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.

Lee Blunden FCCA CTA

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

Date:

CIVIL MEDIATION COUNCIL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

		2023 Unrestricted fund £	2022 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities	3		
Memberships		140,942	142,501
Investment income	2	1,561	189
Total		142,503	142,690
EXPENDITURE ON			
Raising funds		58,416	74,609
Charitable activities	4		
Memberships		148,693	87,294
Total		207,109	161,903
NET INCOME/(EXPENDITURE)		(64,606)	(19,213)
RECONCILIATION OF FUNDS			
Total funds brought forward		109,024	128,237
TOTAL FUNDS CARRIED FORWARD		44,418	109,024

The notes form part of these financial statements

CIVIL MEDIATION COUNCIL LIMITED

**BALANCE SHEET
31 DECEMBER 2023**

		2023 Unrestricted fund £	2022 Total funds £
FIXED ASSETS	Notes		
Tangible assets	10	10,638	4,863
CURRENT ASSETS			
Debtors	11	20,928	28,801
Cash at bank		134,608	140,993
		155,536	169,794
CREDITORS			
Amounts falling due within one year	12	(121,756)	(65,633)
NET CURRENT ASSETS		33,780	104,161
TOTAL ASSETS LESS CURRENT LIABILITIES		44,418	109,024
NET ASSETS		44,418	109,024
FUNDS	13		
Unrestricted funds		44,418	109,024
TOTAL FUNDS		44,418	109,024

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2023 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.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 27/09/24 and were signed on its behalf by:



.....
T J Renouf - Trustee

CIVIL MEDIATION COUNCIL LIMITED

The notes form part of these financial statements

CIVIL MEDIATION COUNCIL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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.

Membership income

Income from memberships is recognised equally over the twelve months following the invoice date. Any income which relates to the period after the year end date is deferred as necessary.

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.

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 2023**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

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

	2023	2022
	£	£
Deposit account interest	<u>1,561</u>	<u>189</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	Memberships	Total activities
	£	£
Membership fees	138,096	123,824
Conference fees	2,846	18,677
	<u>140,942</u>	<u>142,501</u>

CIVIL MEDIATION COUNCIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. EXPENDITURE ON RAISING FUNDS

	Direct Costs (see note 5) £	Support costs (see note 6) £	Totals £
Memberships	81,793	66,900	148,693

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Secretariat	61,759	46,175
Bad debts	8,535	2,128
Complaints & disciplinary committee	11,499	1,880
	81,793	50,183

6. SUPPORT COSTS

	Finance £	Operational costs £	Other £	Governance costs £	Totals £
Memberships	5,090	54,320	2,850	4,640	66,900

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Depreciation - owned assets	4,225	3,950

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2023 nor for the year ended 31 December 2022.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM Charitable activities	
Memberships	142,501
Investment income	189
Total	142,690
EXPENDITURE ON	
Raising funds	74,609

CIVIL MEDIATION COUNCIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued		Unrestricted fund £
Charitable activities		
Memberships		87,294
Total		<u>161,903</u>
NET INCOME/(EXPENDITURE)		(19,213)
RECONCILIATION OF FUNDS		
Total funds brought forward		128,237
TOTAL FUNDS CARRIED FORWARD		<u><u>109,024</u></u>
10. TANGIBLE FIXED ASSETS		Computer equipment £
COST		
At 1 January 2023		11,969
Additions		10,000
At 31 December 2023		21,969
DEPRECIATION		
At 1 January 2023		7,106
Charge for year		4,225
At 31 December 2023		11,331
NET BOOK VALUE		
At 31 December 2023		10,638
At 31 December 2022		<u>4,863</u>
11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2023	2022
	£	£
Trade debtors	20,631	24,522
Other debtors	-	4,154
Prepayments	297	125
	<u>20,928</u>	<u>28,801</u>

CIVIL MEDIATION COUNCIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	13,521	3,099
VAT	13,548	8,831
Accruals and deferred income	94,687	53,703
	<u>121,756</u>	<u>65,633</u>

13. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	109,024	(64,606)	44,418
TOTAL FUNDS	<u>109,024</u>	<u>(64,606)</u>	<u>44,418</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	142,503	(207,109)	(64,606)
TOTAL FUNDS	<u>142,503</u>	<u>(207,109)</u>	<u>(64,606)</u>

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	128,237	(19,213)	109,024
TOTAL FUNDS	<u>128,237</u>	<u>(19,213)</u>	<u>109,024</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	142,690	(161,903)	(19,213)
TOTAL FUNDS	<u>142,690</u>	<u>(161,903)</u>	<u>(19,213)</u>

CIVIL MEDIATION COUNCIL LIMITED
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023, nor for the year ending 31 December 2022.

CIVIL MEDIATION COUNCIL LIMITED
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Investment income		
Deposit account interest	1,561	189
Charitable activities		
Membership fees	138,096	123,824
Conference fees	2,846	18,677
	140,942	142,501
Total incoming resources	142,503	142,690
EXPENDITURE		
Raising donations and legacies		
Staging fundraising events	-	16,193
Fundraising agents	58,416	58,416
	58,416	74,609
Charitable activities		
Secretariat	61,759	46,175
Bad debts	8,535	2,128
Complaints & disciplinary committee	11,499	1,880
	81,793	50,183
Support costs		
Finance		
Telephone	865	1,024
Depreciation of tangible fixed assets	4,225	3,950
	5,090	4,974
Operational costs		
Advertising	23,055	19,001
Consulting	17,450	-
IT costs	6,503	1,749
Committee expenses	2,524	1,566
Sundries	2,513	520
Office expenditure	2,275	5,246
	54,320	28,082
Other		
Bank interest	2,850	1,820
Governance costs		
Accountancy fees	4,640	2,235
Total resources expended	207,109	161,903
Net expenditure	(64,606)	(19,213)

This page does not form part of the statutory financial statements