

COMPANY NUMBER: 3008942

CHARITY REGISTERED NUMBER: 1067128

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

DIRECTORS' AND TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

KEMPTON EMSDEN & CO.
CHARTERED ACCOUNTANTS
34 NAPIER ROAD
BROMLEY
KENT
BR2 9JA

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SOUTH EAST LONDON FAMILY MEDIATION BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

Company Number: 3008942

Registered Charity Number: 1067128

Directors: Mr Stephen Hodges
Mr Julian Gibson
Mr Michael Carpenter

Secretary: Mr David Ely J.P MBA Banking

Registered Office: The Stables,
1 North Street,
Bromley, Kent
BR1 1SD

Accountants: Kempton Emsden & Co.
Chartered Accountants
34 Napier Road
Bromley
Kent
BR2 9JA

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

FOR THE YEAR ENDED 31 MARCH 2019

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SOUTH EAST LONDON FAMILY MEDIATION BUREAU

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

Structure, Governance and Management

Governing document

The organisation is a charitable company, limited by guarantee, and is governed by its Memorandum and Articles of Association dated 30th November 1994.

The company has to comply with the Companies Act 2006 and related SORP.

Organisation and Management

The day to day management of the South East London Family Mediation Bureau is the responsibility of the Service Manager.

The South East London Family Mediation Bureau has three Trustees (one of which is the Chair) and a Company Secretary.

An Executive Committee consists of the three Trustees, Company Secretary, Service Manager and other individuals experienced in family dispute matters and local authority work. The Executive meets at least four times a year including the Annual General Meeting, usually held in October. The Chair of the Bureau is Chair of the Executive Committee.

The Finance and General Purposes Committee is made up of at least three members of the Executive Committee, including the Chair, Company Secretary and the Service Manager. It is chaired by a trustee who is not chair of the Executive Committee. It meets 4-6 times a year, ordinarily two weeks before the Executive Committee. It works closely with the Service Manager to oversee the administration and finances of the bureau. It makes recommendations to the Executive Committee.

The bureau is fortunate to have His Honour Judge Atkins, from the Croydon Family Court, as its President. He presides over the Annual General Meeting and is kept aware of bureau activities by receiving minutes of all meetings and regular volume and financial summaries.

Minutes of all meetings are formally recorded and made available to all committee members.

Risk Policy

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen those risks.

Objectives and Activities

The company was established firstly, to provide a mediation service to separated parents who are in dispute over contact and residence arrangements for their children and secondly, to facilitate the settlement of differences arising from family breakdown in relation to financial and property matters and the like.

Achievements and Performance

During the course of the financial year ending 31st March 2019 South East London Family Mediation Bureau undertook each month an average of 77 Mediation Information and Assessment Meetings (MIAMs) and 39 Mediation Sessions made up of 14 Property and Finance, 17 All Issues and 8 Child Issues. This was a similar mediation session volume to the previous year. However, the number of MIAMs undertaken was up from 66 to 77, a 16% increase. Unfortunately the conversion rate from MIAMs to mediations has not increased in line with

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

expectations. This must improve. Average total monthly income, including VAT, arising from Family Mediation Services has risen from £15,000 last year to £15,300 including an average of £2,100, including VAT, from legal aid work.

The Service Manager, Andrew Sims, continues to look at other income streams to further insulate the bureau from changes in the market and continues to review further opportunities on our core Family Mediation business. In the last financial year a number of projects were undertaken to increase the financial strength of the bureau:

- Standardisation and reduction of mediation fees;
- Out of hours moved from premium to standard priced service;
- Non-traditional family mediation, other than separating and divorcing couples, involving relationship and communication breakdown within families;
- Awarded the Mediator Quality Mark (MQM);
- Obtained new three year Legal Aid contract starting September 2018;
- Improved monthly client statistics including source of referral;
- Expanded operating hours and improve appointment booking system;
- Further modernisation of website which includes ability to pay on line;
- Established links with a number of local solicitor firms to improve referrals;
- Improved presence on social media channels including Facebook and Twitter;
- Re-launched the mediator placement scheme;
- Detailed review of day to day administration operations;
- Restructure of working hours in the fourth quarter reflecting concern re lower than anticipated mediations. This involved reducing the service manager to two and a half days a week (from 3) and office manager to four days a week (from 5). The total impact of this was a reduction in full year fully loaded costs of £8,000.
- The cleaning contract was terminated to lower costs by £1,000 p.a. net

Considerable effort continues on the management of the bureau with particular attention to staffing. The bureau uses the services of nine independent session mediators to undertake mediation activities.

The Conflict Resolution Service (formerly known as Independent Report Writing) on behalf of one London Borough has been terminated. The bureau has undertaken this work for three decades. This work was entirely separate from the family mediation activity and has an entirely different group of 8 session report writers. Whilst we were discussing a Service Level Agreement with them they decided to award the business to another organisation. We have been unable to get a satisfactory explanation even after six months of discussion. They are at liberty to choose their service provider but we were grossly disappointed with the decision. This typically has contributed £5,000 pa net income to the bureau over the last 10 years.

Financial Review

Income of £152,736 and expenses of £163,796 led to a deficit of £11,060; the directors consider the deficit to be disappointing. Approximately half of this arises from the loss of the Conflict Resolution Service.

Over the last six financial years we have moved from an operating loss of £39,695 (2014), surplus £5,835 (2015), surplus £14,999 (2016), loss £5,503 (2017), surplus £6,519 (2018) and a loss of £11,060 for 2019.

Our negative financial year end positions were £29,019 (2014), £23,256 (2015), £8,257 (2016), £13,760 (2017), £7241 (2018) and it now stands at £18,301. Our original plan was to eliminate the loss position over three years finishing March 2017. This has taken much longer than anticipated but we expect this will take at least 2 more financial years to resolve. Directors Loans continue at £8,000. Directors have agreed to extend the interest free repayment period for a further two years.

We do not hold reserves but any excess funds are kept on deposit with our bank.

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Plans for Next Year

The Service Manager has the following plans for the coming financial year:

- Grow family mediation income to average of £17,000 per month;
- Ensure we meet requirements for a new three year Legal Aid contract;
- Expand further the operating hours and locations;
- Re-launch the mediator placement scheme;
- Explore other non traditional, family mediation opportunities.

The Trustees are grateful to the mediators for their unceasing loyalty, the administration team for their tireless efforts and the Executive Committee for guidance and support throughout the year. We know there will be further challenges in the years ahead and we are confident that the combined efforts of all involved will see us continue to grow and prosper.

Over the first five months of the 2019/20 financial year we have seen a 50% increase in Legal Aid business. Including private mediations, mediator training and legal aid we are seeing average monthly income of over £17,000 in the current year 2019/20. We find this encouraging and we look to the future with a degree of confidence.

Trustees' responsibilities in relation to the financial statements

The directors are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

This report was approved by the board of directors and trustees on 10th October 2019 and signed on its behalf.


.....
DAVID ELY - Trustee.

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF SOUTH EAST LONDON FAMILY MEDIATION BUREAU

FOR THE YEAR ENDED 31 MARCH 2019

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2019 which are set out on pages 4 to 12

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company'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 that in any material respect:

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 (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.

.....
Kempton Emsden & Co.
Chartered Accountants
34 Napier Road
Bromley
Kent
BR2 9JA

Dated: 2019

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2019

	Unrestricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:			
Donation	-	-	20
Charitable activities	152,734	152,734	193,216
Investments	2	2	1
Total income and endowments	152,736	152,736	193,237
Expenditure on:			
Charitable activities	47,420	47,420	82,959
Other	116,376	116,376	103,759
Total resources expended	163,796	163,796	186,718
Net movement in funds	(11,060)	(11,060)	6,519
Total funds brought forward	£ (7,241)	£ (7,241)	(13,760)
Total funds carried forward	£(18,301)	£(18,301)	£ (7,241)

All income and expenditure derive from continuing activities.

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

BALANCE SHEET

AT 31 MARCH 2019

	Note	2019	2018
		£	£
Tangible fixed assets			
Tangible assets	7	2,029	2,188
Current assets			
Debtors	8	10,378	8,702
Bank accounts		6,922	17,358
Cash accounts		437	337
		<u>17,737</u>	<u>26,397</u>
Creditors			
Amounts falling due within one year	9	<u>38,067</u>	<u>35,826</u>
Net current liabilities		<u>(20,330)</u>	<u>(9,429)</u>
Total assets less current liabilities		<u>(18,301)</u>	<u>(7,241)</u>
Net liabilities		<u>£(18,301)</u>	<u>£ (7,241)</u>
Capital funds			
Unrestricted funds		<u>(18,301)</u>	<u>(7,241)</u>
Total funds		<u>£(18,301)</u>	<u>£ (7,241)</u>

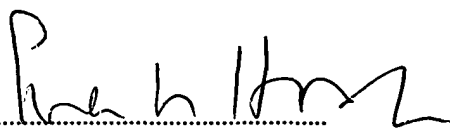
For the year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities:

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;

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

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime within Part 15 of the Companies Act 2006). Approved by the trustees on 10th October 2019 and signed on their behalf.



S. HODGES - Director

The annexed notes form part of these financial statements.

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 (FRS102) issued on 16 July 2014 (as updated through Bulletin 1 published on 2 February 2016), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention (modified to include certain items at fair value.) The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years unless otherwise stated.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Turnover

Turnover represents grants and fees receivable by the Company in the course of its work.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	- 33% per annum reducing balance
Office equipment	- 20% per annum reducing balance

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees for particular purposes.

Leasing

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Grants received

Legal aid grants are recognised at fair value and as income when the company has complied with the conditions attaching to them. Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Debtors

Known bad debts are written off and provision is made for any debtors considered to be doubtful.

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

2. Income

	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations and legacies			
Donation	-	-	20
	-	-	20
Charitable activities			
Legal Aid Agency grant	21,389	21,389	21,240
Independent persons receipts	-	-	41,953
AIM receipts - private	34,010	34,010	33,545
Mediation information/assessment meeting	50,013	50,013	47,873
Child issues mediation clients	12,830	12,830	12,042
Property and finance receipts	27,097	27,097	27,963
Mediator apprentice training	-	-	3,600
Court forms receipts	6,870	6,870	4,925
Mediation experience receipts	525	525	-
Sundry income	-	-	75
	<u>152,734</u>	<u>152,734</u>	<u>193,216</u>
Investment income			
Bank interest receivable	2	2	1
	<u>2</u>	<u>2</u>	<u>1</u>

3. Expenditure on charitable activities

	2019 £	2019 £	2018 £
Independent person reports	-		37,307
AIM mediation fees and expenses	22,129		21,563
MIAM assessment claims	25,250		23,410
Child issues	-		511
Other mediation costs	41		168
	<u>47,420</u>	<u>47,420</u>	<u>82,959</u>

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

4. Other costs

	2019	2019	2018
	£	£	£
North Street expenses	22,021		19,689
Book-keeping services	2,415		2,646
Training costs	110		-
Insurance	1,076		967
Computer maintenance	5,258		7,650
Subscriptions	3,232		3,200
Publicity	232		315
Bank charges	2,031		1,781
Sundry expenses	645		417
Staff salaries	73,059		62,843
Employer's NIC	2,398		892
Employer's pension contributions	2,179		1,585
Depreciation - owned assets	745		824
Accountancy	975		950
		116,376	103,759

5. Deficit before tax

	2019	2018
	£	£
This is stated after charging:		
Accountancy	975	950
Depreciation of owned assets	745	824
Pension costs	2,179	1,585

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

6. Staff costs

The average number of persons employed by the company, during the year was as follows:

	2019	2018
Administration	<u>4</u>	<u>4</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	73,059	62,843
Social security	2,398	892
Other pension costs	2,179	1,585
	<u>£77,636</u>	<u>£65,320</u>

7. Tangible fixed assets

	Fixtures and Fittings £
Cost:	
At 1 April 2018	9,872
Additions	587
At 31 March 2019	<u>10,459</u>
Depreciation:	
At 1 April 2018	7,684
Charge for the year	746
At 31 March 2019	<u>8,430</u>
Net book value:	
At 31 March 2019	<u>£ 2,029</u>
At 31 March 2018	<u>£ 2,188</u>

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

8. Debtors and prepayments

Amounts falling due within one year:

	2019	2018
	£	£
Other debtors	3,885	3,588
Prepayments	6,493	3,674
Accrued income	-	1,440
	<u>£10,378</u>	<u>£ 8,702</u>

9. Creditors

Amounts falling due within one year:-

	2019	2018
	£	£
Sundry creditors	25,635	23,961
VAT liability	7,848	7,535
PAYE and NIC	1,206	1,378
Accruals and deferred income	3,378	2,952
	<u>£38,067</u>	<u>£35,826</u>

10. Related party transactions

Other creditors include loans from the directors totalling £8,000 (2018 £10,000). The directors do not receive remuneration, benefits or expenses from the charity.

11. Financial commitments

The charity had total commitments at the Balance Sheet date of £43,750 (2018 £58,750)

SOUTH EAST LONDON FAMILY MEDIATION BUREAU

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Turnover		
Donation	-	20
Legal Aid Agency grant	21,389	21,240
Independent persons receipts	-	41,953
AIM receipts - private	34,010	33,545
Mediation information/assessment meeting	50,013	47,873
Child issues mediation clients	12,830	12,042
Property and finance receipts	27,097	27,963
Mediator apprentice training	-	3,600
Court forms receipts	6,870	4,925
Mediation experience receipts	525	-
Sundry income	-	75
Bank interest receivable	2	1
	<hr/>	<hr/>
	152,736	193,237
 Resources Expended		
Staff costs	77,636	65,320
Independent person reports	-	37,307
AIM mediation fees and expenses	22,129	21,563
MIAM assessment claims	25,250	23,410
Child issues	-	511
Other mediation costs	41	168
North Street expenses	22,021	19,689
Book-keeping services	2,415	2,646
Training costs	110	-
Insurance	1,076	967
Computer maintenance	5,258	7,650
Subscriptions	3,232	3,200
Publicity	232	315
Bank charges	2,031	1,781
Sundry expenses	645	417
Accountancy charges	975	950
Depreciation	745	824
	<hr/>	<hr/>
	(163,796)	(186,718)
 Net expenditure over income for the year	 £ (11,060)	 £ 6,519