
CENTRE FOR EFFECTIVE DISPUTE RESOLUTION LIMITED

(A charitable company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Registered Company Number: 2422813

Registered Charity Number: 1060369



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Reference and Administrative Details

DIRECTORS and TRUSTEES:

Joanna Page	Acting Chair
Sheila Bates	
Joanna Day	
Catherine Dixon	(resigned 30 March 2020)
Tracey Fox	
Neil Goodrum	
Margaret Heffernan	(resigned 31 December 2020)
Alan Jacobs	
Dr Karl Mackie CBE	
Alexandra Marks CBE	(resigned 1 November 2019)
Adrian Mecz	
Rick Tazzini	
Wolf von Kumberg	
David Wilson	

SECRETARY: Graham Massie FCA

SENIOR EXECUTIVES: James South Managing Director
Eileen Carroll QC (Hon)
Andrzej Grossman
Dr Karl Mackie CBE
Marinus Maris
Graham Massie FCA
Lauren McGuirl
John Munton
Andy Rogers
Susanne Schuler

REGISTERED OFFICE: International Dispute Resolution Centre,
70 Fleet Street, London EC4Y 1EU

COMPANY NUMBER: 2422813

CHARITY NUMBER: 1060369

BANKERS: Barclays Bank PLC, Atlas House, 1-7 King Street, London, EC2V 8AU
HSBC Bank PLC, 60 Queen Victoria Street London EC4N 4TR

AUDITORS: Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road,
London EC1M 7AD

Aims and Objectives

Centre for Effective Dispute Resolution (“CEDR”) is a UK registered charity that is committed to improving the way organisations prevent, manage and resolve conflict deadlock.

The objects for which the company is established are to promote, for the benefit of the public in the United Kingdom, Europe and throughout the World, the use of conciliation, mediation, adjudication and other methods and procedures for resolving disputes between individuals and/or organisations where this will avoid or reduce the need for, and thereby relieve the social and economic costs of, litigation and equivalent procedures (“Alternative Dispute Resolution” or “ADR”).

The strategies we employ to achieve CEDR’s objectives are:

1. providing a distinct and independent voice which offers innovative and creative practical leadership in the field of conflict management in relation particularly to justice systems and to organisations;
2. providing an information and advisory service to our members, experts and legal representatives in the field, and others;
3. operating as an independent third party at all dispute levels from global conflict, major business transactions and organisational politics, through to court-annexed schemes and cases of individual consumer complaint and disagreement;
4. running conflict training programmes and consultancy projects to teach participants to use mediation skills, effective communication and conflict management techniques in their working and personal lives.

As a social enterprise, our dispute resolution, training and consultancy services are integral to our overall mission. These activities are conducted through a wholly owned subsidiary, CEDR Services Limited. All of the taxable profits of the subsidiary are donated by way of Gift Aid to CEDR in order to provide funding for our charitable work alongside subscriptions from our members.

How our activities deliver public benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission’s guidance on public benefit, including the guidance on public benefit and fee charging. In setting the level of fees, charges and concessions, the organisation gives careful consideration to the accessibility of its services to those on low incomes.

We are mindful of the need to deliver services direct to the public, and we therefore continue to expand our range of lower value schemes in targeted sectors. Our low-cost, quality-controlled mediation service continues to be well received, the majority of our consumer services are free of charge to complainants, and we offer financial support for our training by way of targeted bursaries - successful applicants need to clearly demonstrate that those working and living around them will benefit from their new skills.

Achievements and Performance

Better conflicts, better outcomes, better world

CEDR is an independent non-profit organisation and a registered charity with a vision that better conflicts result in better outcomes leading to a better world. Our mission is to provide society with skills and solutions for effective dialogue and to bring about sustainable change. All our work is underpinned by our values of Humanity, Independence, Tenacity and Transformation.

CEDR were the original disruptors before disruptors had their name, being the leading campaigner for the development of alternative methods of resolving disputes both in the UK and internationally. We have been instrumental in assisting organisations and government to develop their own conflict management and dispute resolution strategies; and we have lobbied vigorously to raise the awareness of mediation and related skills training. We continue to honour that legacy, charting our own path as the modern face of mediation and conflict resolution.

CEDR regularly partners with national and multi-national organisations to develop a better understanding of the value of communication and collaboration skills in and out of the workplace, as well as dispute resolution capabilities. We inspire people to look differently at conflict, reframing it as an opportunity to achieve better outcomes and build a better society. We approach people as people and demonstrate this in everything we do.

Leadership in dispute resolution

Mediation delivers value by facilitating negotiated resolutions whilst avoiding wasted management time, damaged relationships, lost productivity and legal fees. It is an established feature in the conflict landscape, with its use increasingly mandated by commercial contracts, corporate policy and procedural rules; and CEDR continues to maintain a position of leadership in what is now a very competitive marketplace.

For higher value and more complex disputes, we aim to offer a group of the most experienced and high-quality practitioners through our Chambers model, as well as expertise in facilitating process design and management of complex multi-party cases, whilst for smaller disputes, we offer a high-quality service comprising a carefully-selected and quality-controlled panel backed up by efficient administration.

Alongside steady growth in both ad hoc mediation referrals and organised schemes, key achievements in the year have included our re-appointment as approved provider of mediation services to NHS Resolution. Often the value of achieving closure in what are very personal disputes cannot be measured in monetary terms, but we receive regular testimonials from claimants of their appreciation of an empathetic process that brings resolution without the need for lengthy, and potentially distressing, court cases.

Along with our scheme for the Central London County Court, the NHS Resolution service was the first on which we have deployed our new online case management system that streamlines the process of booking one of our mediators. This system will be rolled out to other schemes in the coming year.

Achievements and Performance

Delivery of consumer adjudication services

CEDR runs over 100 consumer dispute schemes for major organisations and industries, and around 30,000 individual consumers used our services this year, generally with impartial adjudication leading to a decision which can be enforceable against a business if the consumer chooses to accept it.

Our most active schemes remain:

- the Communications and Internet Services Adjudication Scheme (CISAS) for customer complaints about telecommunication and internet services
- the CEDR Aviation Service for passenger complaints about airlines and airports
- the Water Redress Scheme (WATRS) for customers of water and sewerage providers – this contract was renewed this year
- the Postal Redress Service (POSTRS) for users of postal services
- the Independent Sector Complaints Adjudication Service (ISCAS) for patient complaints in the private healthcare sector
- independent adjudication services for member firms of the Royal Institution of Chartered Surveyors (RICS).

We also fulfil an independent role in reviewing complaints handling by large organisations with a view to identifying lessons as to how consumer concerns may be better handled in future. For many years we have provided the Independent Complaints Adjudication Service for Ofsted (ICASO), where we assist with the resolution of complaints arising out of its inspections of educational and other childcare settings. We also provide Independent Reviewer services for the Solicitors' Regulation Authority and for Homes England.

Towards the end of the year, it was announced that CEDR has been appointed to support the new Business Banking Resolution Service (BBRS) that is being set up to resolve disputes between eligible small and medium sized businesses and seven of the major lending banks. This includes historical complaints which could go back to 2001. This contract has now been awarded and the new service launched on 15 February 2021.

Consumer schemes such as these save consumers the time and trouble of pursuing their case through the courts. We set them up to be easily accessible, with a clear and straightforward process and a tight timetable that generally leads to consumers receiving written reasoned decisions within six weeks of their application to us. In the majority of instances there is no charge to the consumer for making use of our services.

In addition to enabling consumers achieve resolutions in complaints which may not otherwise have been practicable for them to pursue, we provide valuable independent feedback to subscriber organisations as to how they might improve their customer experience.

Achievements and Performance

Delivery of training and consultancy services

CEDR's experience as practicing mediators remains central to our overall training proposition, and we continue to work hard to ensure that our Mediator Skills Training and Accreditation retains its world-leading position. We are, however, gradually implementing a strategy of diversification for growth, initially by developing international work and increasingly delivering training and coaching to enable employees and managers to hold difficult conversations in order to prevent, manage and resolve conflict when it occurs. We are also seeking to broaden our services beyond single stand-alone training courses and towards larger-scale and longer-term consultancy-type client engagements:

- CEDR Accreditation remains a globally recognised qualification of excellence in mediator training; and over 400 delegates received full training as mediators in the year, with 90% successfully achieving CEDR Accreditation. In addition to the UK, courses were run in Ireland, France, Switzerland, Russia, Hong Kong, Kazakhstan, Japan and the United States.
- Our negotiation and conflict management specialists offer a range of consultancy, coaching and training to support individuals have effective communication and manage conflict at all levels. This year we worked with a number of international non-governmental organisations as well as leading businesses; this included training in crisis management skills and advanced programmes for private client advisers working in high-net-worth conflict situations.
- Our international development consultants continue to support the take-up of mediation in new jurisdictions by delivering training and building the institutional capacity of local ADR centres. These projects are designed to promote and facilitate the use of commercial mediation to resolve business disputes, thereby reducing the negative effects of litigation, and promoting economic development. The majority of our development work this year was in Barbados, Georgia and Moldova.

Innovation, policy and campaigning

At the heart of CEDR's work is its Foundation activity. This refers to our range of activities, funded by surpluses from our services and from membership subscriptions, which focus on thought leadership and innovation. We undertake innovative research into understanding conflict in all forms and methods of resolving it; we convene special working groups on key conflict issues; we create events and publications to raise awareness of better conflict management approaches; and we look for opportunities to encourage positive change in systemic professional and business conflict practices.

Continuing Foundation projects this year included further work on *Improving Diversity in Commercial Mediation*, a multi-year project designed to address the imbalances of gender, race and age within the commercial mediation field. We continued our long-standing organisation and sponsorship of the National Negotiation Competition for Law Students; we supported

Achievements and Performance

international mediation and negotiation competition for law students in Paris, Tokyo and Chicago; and we ran a further round of The CEDR New Dialogues programme designed to provide young and emerging leaders in business, the community and the voluntary sector with advanced training and support in the essential skills required to facilitate dialogue effectively and to manage contentious conversations.

We also launched a new *Business and Human Rights Mediation* initiative this year, working with a number of stakeholders including leading law firms, companies and NGOs to establish a mediation facility to support the effective resolution of disputes in the business and human rights arena. Access to remedy for business and human rights impacts is a key concern for affected stakeholders. It is also a key risk for businesses, investors and other corporate stakeholders and can lead to significant financial, reputational and legal consequences.

In addition, CEDR continues to work on its own and with others to promote more effective dispute resolution and collaboration. Our website, which has been significantly refreshed during the year, provides an up-to-date information resource on the latest ADR-related judgments in the Courts and on best practice and other topical issues, and CEDR's Model ADR Clauses for Commercial Contracts, which are updated annually, are freely available through our website, with over 20,000 downloads every year.

Our senior executives sit on the boards of the UK's Civil Mediation Council and the International Mediation Institute and we continue to work closely with our US counterpart, The International Institute for Conflict Prevention and Resolution (CPR). One of our main initiatives with CPR this year was the organisation of their European Conference.

Operations

The significant increase in our staff numbers since late 2018, a trend which we expect to continue, has prompted further investment in our core infrastructure. As well as taking on two additional senior executives in 2019, Marinus Maris as Director of Sales & Marketing and Lauren McGuirl to lead our Commercial Disputes Services, we have invested further in staff learning and development. We continue to upgrade our technology, including this year launching a new online platform for commercial disputes, to go alongside our online platforms for consumer services. We have developed a new website and are working on a learning platform to support further expansion of our online training delivery capabilities.

Former chairs

CEDR was saddened by the death of two of our former chairs over the past year. Sir Alex Jarratt was a key figure in CEDR's founding and early development, serving as chair between 1989 and 2000, whilst Dr Elizabeth Vallance was chair between 2011 and 2017. Both were dedicated to their role and we offer our sincerest sympathies to their families.

Plans for 2020/21 and beyond

Because of the timing of the covid-19 pandemic, the impact on the 2019/20 annual report and financial statements has been minimal. However, the pandemic has had a significant impact during 2020/2021, particularly in terms of the nature and focus of our work.

The CEDR executive team decided to close our office in mid-March, about a week before the nationwide lock-down, and since that time our staff have been working exclusively from home. For some this has not been easy, but overall we have been pleasantly surprised by the speed of the transition which has had a minimal impact on efficiency and productivity. This is testament not only to the resilience of our staff but also to the impressive efforts of our I.T. and support team. Home working for the long term will not be suitable for everyone but, with further technology upgrades, we now see this as a viable element of our future working arrangements.

The pandemic had an immediate impact on our commercial disputes and training operations, both services having been traditionally delivered on an in-person basis. Within the first month of lockdown, our commercial services team successfully pivoted to delivering online mediations, achieving 40% of our normal case volume in April 2020, a proportion which has risen steadily thereafter as both mediators and lawyers have become more comfortable with the approach. A similar picture emerged in our training operations where we rapidly reoriented our material for online delivery such that, by June, we were able to successfully deliver our scheduled Mediation Skills Training course entirely online. Not only did this course go well but the new approach has opened up new opportunities for overseas courses where the costs of travel might previously have been prohibitive.

Being largely based on documentation reviews, our consumer services have been able to maintain their high standards throughout the shift from office working. To date, case volumes in the majority of our individual schemes are unaffected although our aviation service has seen, and will continue to experience, a significant downturn as a consequence of the global reduction in air travel.

Alongside this re-positioning of our business operations, the team has continued to work on new developments. Extensive preparatory work is underway in anticipation of the launch of the BBRS; and we have also developed new services to assist internet platform providers comply with the new European Union Regulation 2019/1150 on promoting fairness and transparency for businesses and traders who use online intermediation service providers to reach their customers. Both Amazon and Google are already subscribers.

We have also launched The Pandemic Business Dispute Resolution Service in collaboration with the Chartered Institute of Arbitrators to support businesses facing disputes (or potential disputes) resulting from the pandemic; this offers a low-cost, constructive path to resolution that prioritises speed, affordability and effectiveness.

Overall, therefore, our financial position continues to be sound. Similarly, the majority of our Foundation work has been able to continue largely unaffected, although we are anticipating that some of our in-person activities such as The National Negotiation Competition and New Dialogues Programme will shift to online delivery.

Review of Financial Performance

These financial statements report that total income rose by 3.5% to £8,279,000 (2019: £7,997,000) with growth evenly spread across our three main service areas. Total expenditure, which rose by 6.2% to £7,979,000 (2019: £7,510,000), included the impact of a rent review and our taking on additional office space; and the overall reported surplus of £300,000 (2019: £499,000) was in line with our expectations. Overall, the consolidated balance sheet position continues to be healthy, including cash and bank balances of £1,695,000 (2019: £1,615,000).

Towards the end of the financial year, the Covid-19 pandemic started to have an impact on our activities with the postponement of a small number of international training and consultancy assignments and our decision to close our offices in mid-March and shift all staff to home working. However, these financial statements have not been materially affected by these developments.

Reserves policy

The surplus for the year has increased our total reserves to £2,019,000 (2019: £1,719,000) of which our free reserves are £1,589,000 (2019: £1,405,000).

In their consideration of what would be the appropriate level of reserves to be held by the company, the directors have set a policy which requires (a) that reserves be maintained at a level which ensures that core activities could continue during a period of unforeseen difficulty; and (b) that a proportion of reserves be maintained in a readily realisable form.

The directors have considered the organisation's commitments, planned activity levels and the risks associated with each stream of income and expenditure being different from that budgeted, and have concluded that the target should be set at a level which equates to a free reserves figure of approximately £1,900,000, such amount to be held largely in bank and cash deposits or other readily realisable assets.

The directors intend to focus on gradually moving towards their target by generating financial surpluses through prudent financial management in future years.

Structure, Governance and Management

The company was incorporated by guarantee on 14 September 1989. It has no share capital and is a registered charity. The liability of each member of the company in the event of its winding up is limited to £1 per member. At 31 March 2020 the company had 20 members.

The governing document is the Memorandum and Articles of Association of the company, and members of the Board of Trustees are the directors of the company.

Trustees

In accordance with the Articles of Association directors are elected by the members in General Meeting; in addition, the directors may co-opt additional Board members either to fill vacancies or to add to their numbers.

When seeking new members, the directors try to attract members with relevant skills and experience whilst ensuring that there is appropriate diversity amongst their number in terms both of professional background and representation from each of the various stakeholder groups with which CEDR engages (these include mediators, the legal profession, business and the public sector). Because of their professional background, new trustees generally already have a working knowledge or experience of the ADR field, but they all undertake an induction process based largely on briefings by briefings by senior executives; additional training is available where appropriate.

The directors of the company who served during the year and as at 31 March 2020 are listed on page 1 above. The Board currently consists of 12 directors, all of whom, with the exception of Dr Karl Mackie CBE, are non-executive and receive no remuneration for their services as directors.

During the year ended 31 March 2020, the Board met on a quarterly basis to review appropriate strategic, operational, and financial matters. The Board has established Audit, Nominations and Remuneration Committees. The members of these committees are non-executive directors of the company.

The Board ensures that it complies with the principles and recommendations set out in the updated Charity Governance Code which it regards as setting a benchmark for the high standards of governance that it intends to maintain within CEDR.

Management

The Board supervises the executive management of CEDR, whilst day-to-day management of the company's affairs is conducted by the Senior Executives of the company, who are listed on page 1 above.

Remuneration policy

CEDR is committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain the right skills to have the greatest impact in delivering our objectives.

Structure, Governance and Management

CEDR is ambitious for our field and aims at leadership in the sector. We believe in recruiting high-calibre people to represent our interests and to deliver the highest quality professional services and thought leadership on which our reputation is built. We also believe in rewarding staff fairly for the jobs that they do and fostering a positive working environment, and we believe our salaries and our terms and conditions reflect this.

People are employed at CEDR on the basis of the specific skills that they bring to their particular role. For us to run successfully, a large range of skills and disciplines are required, and we need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain them in a competitive market where, particularly in relation to our service delivery, their skills are readily transferable to other organisations, particularly in the commercial sector. CEDR firmly believes in trying to retain staff for the long term, developing them and benefiting from their growing knowledge and expertise. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. Our staff pay scales are set with this in mind taking into account factors including inflation and CEDR's financial position. Further details of employee remuneration are set out in notes 6 and 7 to the financial statements.

Remuneration for the senior executive team are set and reviewed annually by the Remuneration Committee, a sub-committee of the Board. CEDR's unique position means that the senior management team require a breadth and depth of professional expertise that requires drawing from the best senior-level and practitioner talent in a competitive market. They need to be able to command the respect of our stakeholders and clients through their experience and their credibility. At the same time, we seek to keep salary costs under control.

All other staff salaries are set by the senior management team within the context of the overall policy approved by the Remuneration Committee. Salaries are arranged in organisation-wide pay bands, using comparisons with organisations of our size in London.

Each year the senior executives participate in performance appraisal as part of the same feedback and appraisal scheme operated for all CEDR staff. This includes seeking detailed feedback from trustees, colleagues and external contacts.

Structure, Governance and Management

Risk management

The directors have a risk management strategy that comprises:

- an annual review of the risks that the company may face;
- the establishment of systems and procedures to manage those risks; and
- the implementation of procedures designed to minimise any potential impact on the company should any of those risks materialise.

This work has identified that financial sustainability is the major financial risk for the company. The major proportion of its revenues is derived by way of fees for service provision earned by its trading subsidiary, CEDR Services Limited. These are largely dependent upon the continued engagement, reputation and performance of its key professional staff as well as on overall market demand for dispute resolution and training services.

Management of this trading risk is an integral part of the Board's oversight of CEDR's affairs. The activities of the company are reviewed by the directors following their consideration of a rolling strategic perspective. The business plan is updated annually by the senior executives and is presented for review by the Board at its March meeting each year along with the risk register. The directors monitor progress against the objectives set out in the plan at each Board meeting, by reference to monthly management accounts and reports from the senior executives on specific operational matters. This includes regular consideration of staff development and retention issues.

Attention has also been focussed on non-financial risks arising from loss of our communications and I.T. facilities as a result of catastrophic disaster, terrorist incident or other infrastructure failure. Loss of such facilities could cause a serious interruption of the company's trading operations, and the senior executives have, therefore, developed comprehensive contingency procedures that would enable an orderly and swift return to operations in the event of a disaster.

Investment powers

Under the Memorandum and Articles of Association, the company has the power to invest funds by any lawful means except permanent trading activities undertaken otherwise than in direct furtherance of the objects of the company.

Directors' and trustees' responsibilities

The directors and trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and law applicable to charities in England and Wales requires the directors and trustees to prepare financial statements for each financial year which give a true and fair view of

Structure, Governance and Management

the state of affairs of the group and company and of the group's incoming resources and application of resources, including its income and expenditure, for that period.

In preparing those financial statements, the directors and trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors and trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors and trustees are aware there is no relevant audit information of which the company's auditors are unaware; and the directors and trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small company provisions

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

On behalf of the Board



Joanna Page - Director and Trustee

25 March 2021

Independent Auditors' Report to the Members of Centre for Effective Dispute Resolution Limited

Opinion

We have audited the financial statements of Centre for Effective Dispute Resolution ('the company') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditors' Report to the Members of Centre for Effective Dispute Resolution Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Independent Auditors' Report to the Members of Centre for Effective Dispute Resolution Limited

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 11 and 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

Independent Auditors' Report to the Members of Centre for Effective Dispute Resolution Limited

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MOORE KINGSTON SMITH LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor

Date: 26 March 2021
Devonshire House
60 Goswell Road
London EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of s.1212 of the Companies Act 2006

Consolidated Statement of Financial Activities
(including an Income and Expenditure Account)

	Notes	2020 £'000	2019 £'000
INCOME			
<i>Income from charitable activities</i>			
Dispute resolution services		2,022	1,962
Consumer adjudication services		4,442	4,268
Conflict training and consultancy		1,722	1,662
Membership subscriptions and events		86	100
<i>Income from investments</i>		7	5
TOTAL INCOME	3	<u>8,279</u>	<u>7,997</u>
EXPENDITURE			
<i>Expenditure on charitable activities</i>			
Dispute resolution services		2,073	1,888
Consumer adjudication services		3,516	3,321
Conflict training and consultancy		1,642	1,591
Innovation, policy and campaigning		748	710
TOTAL EXPENDITURE	4	<u>7,979</u>	<u>7,510</u>
NET GAINS/ (LOSSES) ON INVESTMENTS		-	12
NET INCOME / (EXPENDITURE)	5	<u>300</u>	<u>499</u>
AND NET MOVEMENT IN FUNDS			
Total unrestricted funds at 31 March 2019		1,719	1,220
TOTAL FUNDS AT 31 MARCH 2020	15	<u>2,019</u>	<u>1,719</u>

All amounts above are derived from continuing operations and relate to unrestricted funds.
There were no other recognised gains or losses.

The attached notes 1 to 20 form part of these financial statements.

Consolidated and Parent Balance Sheets

(Registered Company Number: 2422813)

	Notes	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
FIXED ASSETS					
Goodwill	8	39	62	-	-
Other intangible assets	8	281	109	281	109
		<u>320</u>	<u>171</u>	<u>281</u>	<u>109</u>
Tangible assets	9	110	143	110	143
Investments	10	120	120	120	120
		<u>550</u>	<u>434</u>	<u>511</u>	<u>372</u>
CURRENT ASSETS					
Debtors	11	1,836	1,819	617	128
Cash at bank and in hand		1,695	1,615	195	304
		<u>3,531</u>	<u>3,434</u>	<u>812</u>	<u>432</u>
LIABILITIES:					
Creditors: amounts falling due within one year	12	2,062	2,149	292	230
NET CURRENT ASSETS (LIABILITIES)		<u>1,469</u>	<u>1,285</u>	<u>520</u>	<u>202</u>
NET ASSETS		<u>2,019</u>	<u>1,719</u>	<u>1,031</u>	<u>574</u>
FUNDS OF THE CHARITY					
Revaluation reserve		92	92	92	92
Unrestricted funds		1,927	1,627	939	482
TOTAL FUNDS	15	<u>2,019</u>	<u>1,719</u>	<u>1,031</u>	<u>574</u>

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

These financial statements were approved by the directors and trustees on 25 March 2021 and are signed on their behalf by Joanna Page.



The attached notes 1 to 20 form part of these financial statements.

Consolidated Cash Flow Statement

	2020 £'000	2019 £'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in funds	300	499
Adjustments for:		
Amortisation charges	84	66
Depreciation charges	56	57
Gains on investments	-	(12)
Dividends and interest from investments	(7)	(5)
Decrease / (increase) in debtors	(17)	549
Increase in creditors	(87)	215
Net cash flows from operating activities	<u>329</u>	<u>1,369</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends and interest from investments	7	5
Purchase of software and website development	(233)	(58)
Purchase of leasehold improvements	-	(28)
Purchase of office equipment and furniture	(23)	(70)
Net cash used in investing activities	<u>(249)</u>	<u>(151)</u>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	80	1,218
Cash and cash equivalents at 1 April 2019	1,615	397
CASH AND CASH EQUIVALENTS AT 31 MARCH 2020	<u>1,695</u>	<u>1,615</u>

The attached notes 1 to 20 form part of these financial statements.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

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

(a) *Basis of preparation of accounts*

The financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102") and the new Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities: Statement of Recommended Practice". The charitable company constitutes a public benefit entity as defined by FRS102.

The financial statements have been prepared on the historical cost convention, modified by the recognition of certain investments measured at fair value.

The company has relied on the provisions of section 394 Companies Act 2006, as a charity, in adapting the statutory formats for the preparation of these financial statements so that they reflect the special nature of its activities.

(b) *Group financial statements*

The consolidated financial statements incorporate the accounts of the charity and its non-charitable trading subsidiary CEDR Services Limited. The results of the trading subsidiary have been incorporated on a line by line basis. The results of subsidiaries acquired are consolidated for the periods from or the date on which control passed. Transactions and balances between the entities are eliminated on consolidation.

A separate statement of financial activities for the charity itself is not presented as the charity has taken advantage of the exemptions offered by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The parent company surplus amounted to £457,000 (2019: £273,000).

(c) *Going concern*

The financial statements have been prepared on the going concern basis. The directors have considered the impact of the Covid-19 pandemic which emerged towards the end of the financial year, and have concluded that, whilst there has been some disruption as activities have moved online, this does not affect the charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

(d) *Income*

Fees from dispute resolution, consumer adjudication and training services are included in income, net of value added tax, in the period in which the relevant services are rendered. Amounts invoiced and/or received for events occurring after the year-end are excluded. Membership subscription income, if received before the balance sheet date, is recognised evenly over the period to which it relates. Interest is included in income when receivable.

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (continued)

(e) *Expenditure*

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

Direct costs are allocated on an actual basis to the key strategic areas of activity. Staff salaries, overheads and other support costs are allocated between expense headings on the basis of time spent.

Support costs include the costs of governance arrangements that relate to the general running of the charity. These activities provide the governance infrastructure that allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity.

(f) *Goodwill*

Goodwill arising on consolidation represents the difference between the fair value of consideration given and the fair value of net assets acquired. The goodwill arising on the acquisition of subsidiary undertakings is amortised on a straight-line basis over its estimated useful life, which the directors have anticipated as being 10 years.

(g) *Other intangible assets*

Depreciation is provided on computer software and web-site development costs at a rate of 20% per annum on a straight-line basis calculated to write off the cost of these assets over their estimated useful lives after being brought into use.

(h) *Tangible fixed assets*

All individual fixed assets costing £500 or more are capitalised at cost.

Depreciation is provided on office equipment and furniture at a rate of 20% per annum on a straight-line basis calculated to write off the cost of these assets over their estimated useful lives. Depreciation is provided on leasehold improvements on a straight-line basis calculated to write off the cost of these assets over the remaining term of the lease.

(i) *Investments*

Programme-related investments, being investments made directly in pursuit of the organisation's charitable purposes, are included in the balance sheet at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities.

Investments in subsidiaries are stated at cost less provision for any impairment.

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (continued)

(j) *Debtors*

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

(k) *Cash and cash equivalents*

Cash at bank and cash in hand include cash and short-term liquid investments with original maturities of three months or less.

(l) *Creditors and provisions*

Creditors and provisions are recognised where the company 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. Creditors and provisions are recognised at their settlement amount after allowing for any trade discounts due.

(m) *Financial instruments*

The company only has financial assets and financial liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(n) *Pensions*

The company operates a defined contribution scheme. Contributions are charged as expenditure as they become payable in accordance with the rules of the scheme.

(o) *Operating leases*

Rentals payable under operating leases are charged in the statement of financial activities on a straight-line basis over the lease term.

(p) *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at rates of exchange ruling at the date of the transaction. All exchange differences are taken to the statement of financial activities.

(q) *Fund accounting*

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the company.

Notes to the Financial Statements (continued)

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

The annual depreciation charge for leasehold improvements, office equipment and furniture is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the leasehold improvements, office equipment and furniture; accounting policy 1(h) for the useful economic lives for each class of asset; and accounting policy 1(i) for the valuation of programme-related investments.

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. See note 8 for the carrying amount of the intangible assets and accounting policies 1(f) and 1(g) for the useful economic lives for each class of asset.

3. TOTAL INCOME

The total incoming resources and net income are attributable to the principal activity of the charity and its subsidiaries carried out mainly in the United Kingdom. During the year 14% (2019: 14%) of the total incoming resources related to overseas activities.

Notes to the Financial Statements (continued)

4. TOTAL EXPENDITURE

(a) Analysis of expenditure on charitable activities

	Direct costs £'000	Staff costs £'000	Support costs £'000	Total 2020 £'000
Dispute resolution services	1,068	714	291	2,073
Consumer adjudication services	1,366	1,425	725	3,516
Conflict training and consultancy	745	688	209	1,642
Innovation, policy & campaigning	33	576	139	748
	<u>3,212</u>	<u>3,403</u>	<u>1,364</u>	<u>7,979</u>
	Direct costs £'000	Staff costs £'000	Support costs £'000	Total 2019 £'000
Dispute resolution services	1,043	529	316	1,888
Consumer adjudication services	1,359	1,421	541	3,321
Conflict training and consultancy	780	580	231	1,591
Innovation, policy & campaigning	16	542	152	710
	<u>3,198</u>	<u>3,072</u>	<u>1,240</u>	<u>7,510</u>

(b) Analysis of support costs

	Dispute £'000	Consum. £'000	Train. £'000	Innov. £'000	Total 2020 £'000
Staff-related	140	173	75	46	434
Marketing	15	60	14	13	102
Communications	22	90	21	20	153
Premises	69	283	67	63	482
Financial	28	28	16	(18)	54
Depreciation/amortisation	17	91	16	15	139
	<u>291</u>	<u>725</u>	<u>209</u>	<u>139</u>	<u>1,364</u>

Notes to the Financial Statements (continued)

(b) Analysis of support costs (continued)

	Dispute	Consum.	Train.	Innov.	Total 2019
	£'000	£'000	£'000	£'000	£'000
Staff-related	169	166	91	47	473
Marketing	19	52	20	20	111
Communications	26	73	28	28	155
Premises	52	143	55	55	305
Financial	33	37	19	(16)	73
Depreciation/amortisation	17	70	18	18	123
	<u>316</u>	<u>541</u>	<u>231</u>	<u>152</u>	<u>1,240</u>

(c) Analysis of governance costs (included within support costs)

	2020 £'000	2019 £'000
Audit fees	21	19
Apportionment of staff-related support costs	52	50
	<u>73</u>	<u>69</u>

5. NET INCOME / (EXPENDITURE)

	2020 £'000	2019 £'000
Net (expenditure) income for the year is stated after charging:		
Amortisation of intangible fixed assets	84	66
Depreciation on tangible fixed assets	56	57
Operating lease rentals	333	172
Auditors' remuneration - audit	21	19
and after crediting:		
Investment income (dividend from IDRC – note 10(a))	7	5
Foreign exchange gains	24	23

Notes to the Financial Statements (continued)

6. STAFF NUMBERS AND COSTS

The average number of employees, including directors, employed by the company during the year was 65 (2019: 63). Their aggregate payroll costs were as follows:

	2018 £'000	2019 £'000
Wages and salaries	2,815	2,521
Social security costs	308	281
Pension costs	181	167
Termination benefits	13	11
Other employee benefits	86	92
	<u>3,403</u>	<u>3,072</u>

The number of employees, including directors, whose emoluments, excluding pension contributions, exceeded £60,000 were as set out in the table below. Each of these employees has retirement benefits accruing under a money purchase scheme. Pension contributions in relation to these eleven employees totalled £92,729 (2018: ten employees £88,102).

	2020 Number	2019 Number
£ 60,001 - £ 70,000	2	3
£ 70,001 - £ 80,000	1	-
£ 80,001 - £ 90,000	1	1
£ 90,001 - £100,000	-	1
£100,001 - £110,000	2	-
£110,001 - £120,000	-	1
£130,001 - £140,000	-	2
£140,001 - £150,000	1	-
£150,001 - £160,000	2	1
£230,001 - £240,000	1	1
£270,001 - £280,000	1	-

The key management personnel of the company are the Senior Executives named on page 1. The aggregate payroll cost in relation to these individuals was £1,272,021 (2018: £1,367,017).

7. REMUNERATION OF DIRECTORS

Dr Karl Mackie CBE, Founder President, was the only director to be remunerated by the company. He received £152,528 (2019: £164,538) including benefits in kind. The company paid pension contributions totalling £nil (2019: £nil) on his behalf. Details of other transactions with directors are set out in note 19.

Notes to the Financial Statements (continued)

8. INTANGIBLE ASSETS

<i>Group</i>	Goodwill	Software & website	Total
	£'000	£'000	£'000
COST			
At 1 April 2019	233	229	462
Additions	-	233	233
At 31 March 2020	<u>233</u>	<u>462</u>	<u>695</u>
DEPRECIATION			
At 1 April 2019	171	120	291
Charge for year	<u>23</u>	<u>61</u>	<u>84</u>
At 31 March 2020	<u>194</u>	<u>181</u>	<u>375</u>
NET BOOK VALUE			
At 31 March 2020	<u>39</u>	<u>281</u>	<u>320</u>
At 31 March 2019	<u>62</u>	<u>109</u>	<u>171</u>
<i>Company</i>		Software & website £'000	
COST			
At 1 April 2019		229	
Additions		<u>233</u>	
At 31 March 2020		<u>462</u>	
DEPRECIATION			
At 1 April 2019		120	
Charge for year		<u>61</u>	
At 31 March 2020		<u>181</u>	
NET BOOK VALUE			
At 31 March 2020		<u>281</u>	
At 31 March 2019		<u>109</u>	

Notes to the Financial Statements (continued)

9. TANGIBLE FIXED ASSETS

Group and Company

	Leasehold improvements £'000	Office equipt. & furniture £'000	Total £'000
COST			
At 1 April 2019	28	364	392
Additions	-	23	23
Disposals	-	-	-
At 31 March 2020	<u>28</u>	<u>387</u>	<u>415</u>
DEPRECIATION			
At 1 April 2019	2	247	249
Charge for year	10	46	56
Disposals	-	-	-
At 31 March 2020	<u>12</u>	<u>293</u>	<u>305</u>
NET BOOK VALUE			
At 31 March 2020	<u>16</u>	<u>94</u>	<u>110</u>
At 31 March 2019	<u>26</u>	<u>117</u>	<u>143</u>

All tangible fixed assets are used in furtherance of the charity's objectives.

10. INVESTMENTS

(a) Social investments (Group and Company)

	2020 £'000	2019 £'000
FAIR VALUE		
At 1 April 2019	120	108
Net fair value gains or losses	-	12
At 31 March 2020	<u>120</u>	<u>120</u>

On 9 June 2005, the company subscribed for 12,000 £1 ordinary shares in International Dispute Resolution Centre Limited (IDRC) at a cost of £28,080. This represents a holding of approximately 1.5% of the issued share capital of IDRC, which is an unlisted company. The principal activity of IDRC is the provision of hearing rooms and support services for dispute resolution, and the company's main premises are located within IDRC's main building. The directors regard this as a programme-related investment.

The directors have determined the fair value of this investment by reference to recent transactions between shareholders of IDRC.

Notes to the Financial Statements (continued)

10. INVESTMENTS (continued)

(b) *Subsidiary undertakings (Company)*

The company had six wholly-owned subsidiary undertakings at 31 March 2020.

Name	Net assets (liabilities) at 31 March 2020
Owned directly by the company	
CEDR Services Limited (company no: 3271988)	£948,716
CEDR Solve Limited* (company no: 4216681)	£1
Centre for Dispute Resolution Limited* (company no: 4200149)	£2
Mediate Direct Limited* (company no: 4102158)	£1
Owned by CEDR Services Limited	
IDRS Limited* (company no: 5945499)	£27,415
Centre for Effective Dispute Resolution Europe Limited* (incorporated in the Republic of Ireland)	€100

The subsidiaries marked *, which are held for the purpose of protecting certain business names, did not trade in the year ended 31 March 2020. The registered office of each of UK subsidiary is 70 Fleet Street, London EC4Y 1EU.

CEDR Services Limited provides dispute resolution, training and consultancy services, and pays all of its profits to the company by way of Gift Aid. The company owns the entire share capital of 2 ordinary shares of £1 each. The directors regard this as a programme-related investment. The summary financial performance of CEDR Services Limited is:

	2020 £'000	2019 £'000
Turnover	8,191	7,901
Total expenses	(7,242)	(6,817)
Profit for the year	<u>949</u>	<u>1,034</u>

At a Board meeting held after the year end, the directors of CEDR Services Limited proposed that the year's profit on ordinary activities before taxation should be transferred to the company. This donation has not been provided for as an asset in the financial statements of the company.

Notes to the Financial Statements (continued)

11. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	1,274	1,320	-	-
Less: provisions	(40)	(40)	-	-
Due from subsidiary undertaking	-	-	528	84
Prepayments	147	104	89	44
Accrued income	444	427	-	-
Other debtors	11	8	-	-
	<u>1,836</u>	<u>1,819</u>	<u>617</u>	<u>128</u>

12. CREDITORS: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	756	1,002	169	122
Social security and other taxes	311	376	-	-
Accruals	429	318	93	70
Deferred income (note 13)	566	453	30	38
	<u>2,062</u>	<u>2,149</u>	<u>292</u>	<u>230</u>

13. DEFERRED INCOME

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Balance at 1 April 2019	453	444	38	42
Amount released to incoming resources	(453)	(444)	(38)	(42)
Amount deferred in the year	566	453	30	38
	<u>566</u>	<u>453</u>	<u>30</u>	<u>38</u>
Balance at 31 March 2020	<u>566</u>	<u>453</u>	<u>30</u>	<u>38</u>

Deferred income comprises amounts invoiced and/or received in advance of services to be provided after the year-end.

Notes to the Financial Statements (continued)

14. PENSIONS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable charged to the Consolidated Statement of Financial Activities amounted to £181,000 (2019: £167,000) with £27,000 (2019: £42,000) payable at the balance sheet date.

15. RECONCILIATION OF MOVEMENTS IN RETAINED RESERVES

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Funds at 1 April 2019	1,719	1,220	574	301
Net income / (expenditure) for the financial year	300	499	457	273
Funds at 31 March 2020	<u>2,019</u>	<u>1,719</u>	<u>1,031</u>	<u>574</u>

16. FINANCIAL INSTRUMENTS

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,689	1,715	528	84
Cash and cash equivalents	<u>1,695</u>	<u>1,615</u>	<u>195</u>	<u>304</u>
	<u>3,384</u>	<u>3,330</u>	<u>723</u>	<u>388</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>1,185</u>	<u>1,320</u>	<u>262</u>	<u>192</u>

Notes to the Financial Statements (continued)

17. FINANCIAL COMMITMENTS

The company occupies leasehold premises at The International Dispute Resolution Centre, London EC4 under an arrangement which runs until 28 September 2023 subject to a landlord's break option in 2021. In addition, the company has taken on a three-year operating lease commitment for the provision of data processing services until 14 February 2023.

The total future minimum commitments payable under these leases, assuming the break option is not exercised, are:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Due within one year	362	313	287	313
Between two and five years	844	1,097	769	1,097
	<u>1,206</u>	<u>1,410</u>	<u>1,056</u>	<u>1,410</u>

Since the year end, the company has received confirmation that the landlord intends to exercise its break option on our lease, so the company will be re-locating no later than September 2021 and expects to take on a new fifteen-year lease commitment as well as incur significant capital expenditure on new premises.

18. INDEMNITY INSURANCE

During the year, the company purchased and maintained professional indemnity insurances at a total cost of £19,393 (2019: £10,482).

During the year, the company purchased and maintained liability insurance at a cost of £1,918 (2019: £1,785) for its directors and officers as permitted by section 234 of the Companies Act 2006.

Notes to the Financial Statements (continued)

19. TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

Under its Memorandum of Association, the company is permitted to pay reasonable and proper remuneration to directors for professional Alternative Dispute Resolution services supplied by them provided that only a minority of directors benefit from such arrangements. During the year payments of fees in respect of dispute resolution and training services were made by the company's commercial subsidiary, CEDR Services Limited, to the following directors or entities in which they are owners or partners:

Sheila Bates	£25,937
Tracey Fox	£44,662
Neil Goodrum	£65,886
Alan Jacobs	£127,434
Adrian Mecz	£3,075
Wolf von Kumberg	£6,700

The company has also taken advantage of the exemption not to disclose any transactions or balances with wholly owned subsidiaries that have been eliminated on consolidation.

20. CHARITABLE STATUS

The company is a registered charity under the Charities Act 2011 and as such is potentially exempt from direct tax on its income and gains to the extent that such income and gains are applied for charitable purposes.

The company's trading subsidiary, CEDR Services Limited, passes profits on which tax would be payable to the charity under a gift aid arrangement. Accordingly, there is no corporation tax charge in these financial statements.