

INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF SURREY FAMILY & MEDIATION SERVICES

I report to the charity trustees on my examination of the accounts of Surrey Family & Mediation Services ('the Company') for the year ended 31 March 2020

Responsibilities and basis of report

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

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

Independent examiner's statement

I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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:

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- 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
- 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.

Tracey Sales FCCA

Charles and Company Accountancy Limited
The Cottage
2 Castlefield Road
Reigate
Surrey
RH2 0SH

Dated: ...--/--/21.....

Surrey Family & Mediation Services
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Income from:							
Donations and legacies	2(a)	-	-	-	657	7,740	8,397
Charitable activities	2(b)	114,547	-	114,547	131,523	-	131,523
Other trading activities	2(c)	-	-	-	-	-	-
Investments	2(d)	-	-	-	-	-	-
Total income		<u>114,547</u>	<u>-</u>	<u>114,547</u>	<u>132,180</u>	<u>7,740</u>	<u>139,920</u>
Expenditure on:							
Raising Funds	3(a)	-	-	-	94	-	94
Charitable Activities	3(b)	125,892	-	125,892	136,057	2,250	138,307
Other	3(c)	3,304	-	3,304	3,106	-	3,106
Total expenditure		<u>129,196</u>	<u>-</u>	<u>129,196</u>	<u>139,257</u>	<u>2,250</u>	<u>141,507</u>
Net movement in funds		<u>(14,649)</u>	<u>-</u>	<u>(14,649)</u>	<u>(7,077)</u>	<u>5,490</u>	<u>(1,587)</u>
Funds brought forward at 1 April 2019		34,791	-	34,791	36,378	-	36,378
Funds carried forward at 31 March 2020		<u><u>20,142</u></u>	<u><u>-</u></u>	<u><u>20,142</u></u>	<u><u>29,301</u></u>	<u><u>5,490</u></u>	<u><u>34,791</u></u>

All income arises from the continuing activities of the charity. The charity had no recognised gains or losses other than those dealt with in the Statement of Financial Activities. The notes on pages 15 to 22 form part of these accounts.

Surrey Family & Mediation Services

BALANCE SHEET

31 March 2020

Fixed assets	Notes	2020 £	2019 £
Tangible fixed assets	5	-	-
		-	-
		-	-
Current assets			
Debtors	6	8,931	2,570
Cash at bank and in hand		25,410	47,628
		34,341	50,198
Liabilities: amounts falling due within one year			
Creditors	7	(14,199)	(15,407)
Net current assets		20,142	34,791
Liabilities: amounts falling due after one year			
Creditors		-	-
Net assets	8	20,142	34,791
Funds			
Unrestricted reserves		14,652	29,301
Restricted reserves		5,490	5,490
	9	20,142	34,791

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS 102 SORP.

Approved by the trustees on **31 March 2021** and signed on its behalf by:

Sarah Archibald
Chairman

Surrey Family & Mediation Services

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. Accounting Policies

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

Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with:

The Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014

The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) The Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

At the time the accounts were approved, the trustees have a reasonable expectation that the charity has adequate resources in order to continue for the foreseeable future. Although there have been consistent operating losses across the period, there has been an increase and stabilisation of workload since the end of this financial year due to the recent and ongoing advertising, significant reductions in fixed costs and planned changes in working practices that increase the profitability of each transaction. In addition we achieved substantial grant income to help meet core costs in the 2020/ 2021 financial year and beyond. New services are planned for which some funding has already been secured and there is a reasonable expectation of further significant funding being secured. Therefore the going concern basis of accounting has been used to prepare these accounts.

Covid 19 Specific effects and response.

As the result of the Covid 19 pandemic, the lockdowns and regulations, the service moved the provision of services to remote video conferencing. Throughout the pandemic and particularly during the first lockdown, the service experienced a dramatic reduction in client referrals and many ongoing cases chose to pause. This caused a very serious reduction in income. However, the charity was able to secure significant grant support from a variety of sources as well as reducing fixed costs. Remote working resulted in each transaction that actually took place producing greater surplus than previously. As a result of these factors the charity is in a secure financial position.

Reserves Policy

The reserves policy is to hold sufficient reserves to cover solvency costs plus 12 weeks operating costs.

Funds

Unrestricted funds represent the funds of the charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity

Surrey Family & Mediation Services

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. Accounting policies (continued)

Restricted funds are those monies received by the charity which have been given for a particular purpose, for example the Big Lottery Fund Grant.

Income

Recognition of income

These are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- it is more likely than not that the trustees will receive the resources;
- the monetary value can be measured with sufficient reliability.

Grants and Donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP)

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Income from interest

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

Expenditure and Liabilities

Expenditure is accrued as soon as a liability is incurred.

The costs of raising funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Assets and Liabilities

Fixed Assets

Only assets obtained under the Awards for All Scheme or of a high value are capitalised. They are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Improvement to leasehold property	34% straight line
Office fixtures & fittings	25% straight line
Computers	33% straight line

Surrey Family & Mediation Services

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1 Accounting policies (continued)

Debtors

Debtors are included at the amount due. Prepayments are valued at the amount prepaid.

Cash at Bank and in hand

Cash at bank and in hand includes cash and instant access bank accounts.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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.

Financial instruments

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

2	Income	Total Funds			
		Unrestricted Funds	Restricted Funds	2020	2019
		£	£	£	£
(a)	Donations and legacies				
	Donations and gifts	-	-	-	657
	Grants	-	-	-	7,740
	Other income from donors	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>8,397</u>
(b)	Charitable activities				
	Legal Aid Agency contract	16,902	-	16,902	13,405
	Client fees	97,645	-	97,645	118,118
	Grants	-	-	-	-
	Other income	-	-	-	-
		<u>114,547</u>	<u>-</u>	<u>114,547</u>	<u>131,523</u>
(c)	Other trading activities				
	Seminar & training fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(d)	Investments				
	Interest	-	-	-	-
	Total income	<u>114,547</u>	<u>-</u>	<u>114,547</u>	<u>139,920</u>

All 2019 income was in respect of unrestricted funds other than the grant income of £7,740 which was Restricted fund income.

Surrey Family & Mediation Services

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

3	Expenditure	Basis of Allocation	Unrestricted Funds £	Restricted Funds £	Total Funds	
					2020 £	2019 £
(a)	Raising Funds					
	Support costs allocated to activities:					
	Staff costs	Direct	-	-	-	-
	Staff pension	Direct	-	-	-	-
	Fundraising	Direct	-	-	-	94
			<u>-</u>	<u>-</u>	<u>-</u>	<u>94</u>
(b)	Charitable activities					
	Costs directly allocated to activities:					
	Mediation expenses		46,946	-	46,946	61,260
	Mediator supervision		1,416	-	1,416	1,650
	Mediator recruitment & training		-	-	-	-
	Mediator travel		1,711	-	1,711	2,995
	Volunteer expenses		143	-	143	464
	Affiliation fees & Public Liability Insurance		4,505	-	4,505	4,702
	Marketing		2,066	-	2,066	-
			<u>56,787</u>	<u>-</u>	<u>56,787</u>	<u>71,071</u>
	Support costs allocated to activities:					
	Premises rent	Usage	6,893	-	6,893	2,293
	Office costs (not rent)	Direct	2,364	-	2,364	2,195
	Staff costs	Direct	51,865	-	51,865	54,309
	Staff recruitment & training	Direct	94	-	94	-
	Staff travel	Direct	992	-	992	435
	Staff pension	Direct	963	-	963	374
	IT	Direct	3,644	-	3,644	4,973
	Legal & professional (inc accounting)	Direct	-	-	-	1,000
	Depreciation	Usage	-	-	-	-
	Bank charges	Direct	2,290	-	2,290	1,657
			<u>125,892</u>	<u>-</u>	<u>125,892</u>	<u>138,307</u>
(c)	Other expenditure					
	Costs directly allocated:					
	Trustee indemnity insurance		187	-	187	62
	Independent examiners fee		1,000	-	1,000	800
	Companies House fees		13	-	13	13
			<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>875</u>
	Support costs allocated:					
	Bookkeeping	Direct	2,104	-	2,104	2,231
	AGM Communications	Direct	-	-	-	-
			<u>3,304</u>	<u>-</u>	<u>3,304</u>	<u>3,106</u>
	Total Expenditure		<u>129,196</u>	<u>-</u>	<u>129,196</u>	<u>141,507</u>

Surrey Family & Mediation Services

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

4	Staff costs	2020 £	2019 £
	Staff salaries	48,064	50,739
	Social security costs (NI)	3,621	3,570
	Pension costs (defined contribution pension plan)	963	374
	Freelance mediators	38,177	50,431
	Freelance counsellors	-	-
	Sussex contract costs	-	-
	Staff training	-	-
	Staff recruitment	94	-
	Other staff costs	1,135	900
		<u>92,054</u>	<u>106,014</u>

	2020	2019
Average number of employees during the year:	3	3
Full-time equivalent	2	2
Average number of freelance mediators (all part-time)	5	5
Average number of volunteers (all part-time) excluding trustees	2	2

The work of the volunteers is essential to supporting the mediators

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000

Payments, excluding reimbursement of expenses incurred on charitable business, made to trustees who comprise the Key Management Personnel in the year were £NIL (2019: £Nil).

Surrey Family & Mediation Services
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

5 Tangible fixed assets for use by the charity

	Office Fixtures & Fittings £	Computers £	Total £
Cost or valuation			
At 1 April 2019	5,429	14,225	19,654
Additions/(Disposals)	-	-	-
At 31 March 2020	5,429	14,225	19,654
Depreciation			
At 1 April 2019	5,429	14,225	19,654
Charge for the year	-	-	-
At 31 March 2020	5,429	14,225	19,654
Net book Value			
At 31 March 2020	-	-	-
At 31 March 2019	-	-	-

6 Debtors

	2020 £	2019 £
Trade debtors	6,989	1,717
Other debtors & prepayments	694	853
Deposit on lease	1,248	-
	8,931	2,570

7 Liabilities: amounts falling due within one year

	2020 £	2019 £
Trade creditors	5,360	6,019
Other taxes & social security costs	6,651	7,206
Accruals and Deferred Income	2,188	2,182
	14,199	15,407

Surrey Family & Mediation Services

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

8 Analysis of net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds	
	£	£	2020 £	2019 £
Current assets	28,851	5,490	34,341	50,198
Current liabilities	(14,199)	-	(14,199)	(15,407)
	<u>14,652</u>	<u>5,490</u>	<u>20,142</u>	<u>34,791</u>

9 Analysis of fund movements

2020	Bal b/fwd 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2020 £
Reserves:					
Unrestricted - General	29,301	114,547	(129,196)	-	14,652
Restricted	5,490	-	-	-	5,490
	<u>34,791</u>	<u>114,547</u>	<u>(129,196)</u>	<u>-</u>	<u>20,142</u>
2019	Bal b/fwd 1 Apr 2018 £	Income £	Expenditure £	Transfers £	Bal c/fwd 31 Mar 2019 £
Reserves:					
Unrestricted - General	36,378	132,180	(139,257)	-	29,301
Restricted	-	7,740	(2,250)	-	5,490
	<u>36,378</u>	<u>139,920</u>	<u>(141,507)</u>	<u>-</u>	<u>34,791</u>

10 Fees for examination of the accounts

The Independent examiner's fee for examination of the accounts was £1,000 (2019: £1,000)

11 Taxation

The charity is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objects.

Surrey Family & Mediation Services

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

12 **Commitments**

There were no capital commitments at 31 March 2020 (2019: Nil)

13 **Trustees and Related Party Transactions**

No trustee expenses were incurred in 2020 (2019: Nil)

Trustees are considered to be related parties. None of the trustees have received any remuneration or received any other benefits from an employment with Surrey Family & Mediation Services or any other related entity. There have been no related party transactions in the period.

Trustees and individual liability insurance is covered under the Public Liability section of our charity's insurance.

14 **Defined contribution scheme**

Surrey Family & Mediation Services operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost and charge represents contributions payable by the charity to the fund or to separate schemes in which employees are members and amounted to £963 (2019: £374).