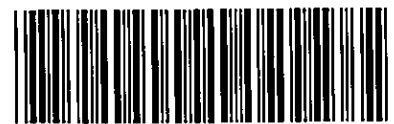


4932618

MEDIATION HEREFORDSHIRE

31st DECEMBER 2007

MONDAY



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MEDIATION HEREFORDSHIRE

Legal and administrative information

Charity number	1100970
Company Number	4932618
Directors	John Howarth (Chair) Barbara Ferris (Vice Chair) Sheila Archer Helen Beach Elizabeth Bradley Carol Soble Sabrina Chan(Treasurer) Helen Tank
Company Secretary	Tim Bray
Registered Office	2nd Floor Berrows Business Centre Bath Street Hereford HR1 2HE
Accountants	Beth Norris FCCA 9 Church Crescent Pembroke Leominster HR6 9HH
Bankers	Lloyds TSB Hereford and Nationwide Building Society 10-11 Commercial Street Hereford HR1 2DB

MEDIATION HEREFORDSHIRE

Trustees' report for the year ended 31st December 2007

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, present their annual report and the financial statements for the year ending 31st December 2007. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in February 2005 in preparing the annual report and financial statements of the charity

Structure Governance and Management

The charity is constituted as a company limited by guarantee, and is therefore governed by the memorandum and articles of association

The Directors are recruited regularly from professionals working in related fields or from past users who have an interest in the work. We advertise through Voluntary Action to recruit anyone interested in working as a Director. Potential Directors are asked to provide a brief CV and to give the names of two people willing to act as referees on their behalf. They are then invited to a Directors' meeting. Once appointed they receive a Director's pack and introduced to the service by the Service Manager and a nominated Director. Directors are kept informed of training opportunities throughout the year by the company secretary.

The Directors meet regularly during the year, day to day running of the charity is delegated to the paid staff.

The policy of the charity is to follow the Code of Practice for Family Mediators adopted by National Family Mediation, of which the charity is a member.

The Directors actively review the major risk which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The Directors have also examined other operational and business risks faced by the Charity and confirm that they have established systems to mitigate the significant risks.

Objectives and Activities

The charity's objects and its principal activity continues to be that of preserving and protecting the mental and physical health of adults and children by services directed towards mediation for people involved in dispute, the break up of marriage or inter-personal conflict.

The following objectives were set for 2007

These included:

- To consolidate the organisational changes put in place in 2006
- To secure long term funding for 'Children in Divorce'
- To run a pilot tenant dispute mediation service for Worcester Housing Association

Achievements and Performance

The organisation now has a clearly defined management and supervision structure which all staff are clear about

A major 5 year grant from the Lottery was secured in June 2007, for the Child Counselling service

The pilot tenant dispute mediation service took place but was regarded as requiring more resources to run than we had available, so will not be continuing in 2008

The new website was launched in December 2007

A student placement for counsellors was established, in partnership with Herefordshire College of Technology.

Future Developments

Objectives for 2008 include

- To increase referrals to the mediation service, thereby increasing our income, and ensuring we maximise the opportunities arising from the LSC Contract which came into being in October 2007
- To increase our private referrals to mediation
- To achieve accredited status from the British Association for Counselling and Psychotherapy for our Counselling services.
- To create outreach bases for our counselling services across the county, working in partnership with the emerging network of children's centres
- To amalgamate 'Children in Divorce' with 'Family Matters' into one 'Children and Family Counselling Service'

Financial review

It is the policy of the charity to have at least 3 months running costs in reserves.

The principal funding source continues to be the Legal Services Commission. Full details of funders can be found on page 9 of the financial statements. This also identifies the income and costs associated with the Child Counselling work separately from other mediation work.

Directors and Trustees

All Directors of the company are also Trustees of the charity and there are no other Trustees. The movement in Trustees is shown in the Legal & Administrative information

Statement of Trustees' responsibilities

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to

- a) select suitable accounting policies and apply them consistently
- b) make judgements and estimates that are reasonable and prudent
- c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements
- d) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

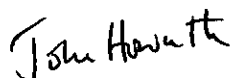
The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Rules

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies with the additional information required by the aforementioned SORP

Approval

This report was approved by the board on 26th August 2008 and signed on their behalf

A handwritten signature in black ink, appearing to read 'John Howarth', written in a cursive style.

John Howarth
Chair of Directors

Beth Norris

CHARTERED CERTIFIED ACCOUNTANT
& REGISTERED AUDITOR

BETH NORRIS F C C A

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Pembroke
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Tel & Fax. (01544) 388051
E-mail
bethnorriscfa@tiscali.co.uk

ACCOUNTANTS REPORT TO THE MEMBERS OF MEDIATION HEREFORDSHIRE

I report on the accounts for the year ending 31st December 2007 set out on pages 6 to 10.

Respective responsibilities of directors and reporting accountant

As described on page 3 the directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion

Basis of opinion

My work was conducted in accordance with the Statements of Standards for Reporting Accountants, and so my procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purpose of this report. These procedures provide only the assurances expressed in my opinion.

Opinion

In my opinion

- a) The accounts are in agreement with the accounting records kept by the company under S221 of the Companies Act 1985
- b) Having regard to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, with the exception of the matter described above, and
 - ii) the company satisfied conditions for exemption from an audit of the accounts for the year specified in S249A(4) of the Act and did not, at any time within the year, fall within any of the categories of companies not entitled to exemption specified in section 249B(1)

Beth Norris

Reporting Accountant

29.8.08

MEDIATION HEREFORDSHIRE

Statement of Financial Activities for the year ending 31st December 2007

	Unrestricted	Restricted	2007 Total	2006 Total
Income & Expenditure				
Incoming resources				
From generated funds				
Voluntary income	241	-	241	277
Investment income	4,293	-	4,293	7,399
Charitable Activities	65,912	114,100	180,012	158,612
Other income	810	-	810	250
	-----	-----	-----	-----
Total Incoming Resources	71,256	114,100	185,356	166,538
	-----	-----	-----	-----
Resources Expended				
Charitable Activities	70,651	120,823	191,474	154,241
Governance	1,023	1,388	2,411	826
	-----	-----	-----	-----
Total Resources Expended Note 10	71,674	122,211	193,885	155,067
	-----	-----	-----	-----
Net Incoming Resources Note (a)	(418)	15,624	15,206	11,471
Transfers	-	-	-	-
Balance b/f	Note(b) 81,677	23,735	81,677	93,941
	-----	-----	-----	-----
Funds Balance c/f 31.12.07	81,259	15,624	96,883	105,412
	=====	=====	=====	=====

Note (a) This figure does not include the £23,735 restricted funds under spend brought forward from 2006

Note (b) This figure includes the £23,735 restricted funds under spend brought forward from 2006.

Included in Incoming Resources is £72,831 from The Big Lottery and £15,252 carried forward in grants in advance

The notes on pages 8-10 form part of these financial statements

MEDIATION HEREFORDSHIRE

Balance Sheet as at 31st December 2007

		2007	2007	2006
FIXED ASSETS	Note 3			
Tangible Fixed Assets				
Restricted funds			1,879	-
Unrestricted funds			1,625	-
			<u>3,504</u>	<u>-</u>
CURRENT ASSETS				
Debtors & Prepayments	Note 5	5,609		10,003
Bank and Cash		108,979		120,765
		<u>114,588</u>		<u>130,768</u>
CREDITORS due within one year				
Creditors and Accruals	Note 6	21,209		25,356
		<u>21,209</u>		
NET CURRENT ASSETS			93,379	
NET ASSETS			<u>96,883</u>	<u>105,412</u>
FUNDS				
Restricted	Note 4		15,624	23,735
Unrestricted				
Unrestricted			51,259	51,677
Designated			30,000	30,000
TOTAL FUNDS			<u>96,883</u>	<u>105,412</u>

The accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 applicable to small companies were approved by the board on 26th August 2008 and signed on its behalf.

For the year ending 31st December 2007 the company was entitled to exemption under section 249A(2) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249B(2). The Directors acknowledge their responsibility for

- i) ensuring the company keeps accounting records which comply with section 221, and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial period, and of its profit and loss for the financial period in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

John Howarth

John Howarth
Chair of Directors

The notes on pages 8 – 10 form part of these financial statements.

MEDIATION HEREFORDSHIRE

Notes to the accounts for the year ending 31st December 2007

1. Accounting policies

Basis of preparation of accounts

The financial statements are prepared under historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in February 2005.

Tangible fixed assets for use by the charity and depreciation

Tangible fixed assets for use by the charity are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the costs of the assets, less their estimated residual value, over the expected useful lives. The assets are being written off on a straight line basis at the rate of 25% per annum.

Incoming resources

Income and donations are included in incoming resources when they are receivable, except where the donors specify that they must be used in future accounting periods or donor conditions have not been fulfilled, then the income is deferred.

Resources expended

Resources expended are included in the Statements of Financial Activities on an accruals basis, exclusive of any VAT.

Expenditure, which is directly attributable to specific activities, has been included in these cost categories. Where costs are attributable to more than one activity they have been apportioned across the cost categories on a basis consistent with the use of these resources.

2. Staff Costs

	2007	2006
Wages & Salaries	144,161	113,634
Social Security costs	11,525	8,850
	-----	-----
	155,686	122,484
	=====	=====

The average number of employees during the period was 13, many on flexible hours contract. No employee earned more than £60,000, pro rata, in the period.

MEDIATION HEREFORDSHIRE

Notes to the accounts for the year ending 31st December 2007

3. Fixed Assets

	Furniture & equipment
Cost	
1.1.07	11,912
Additions	4,631

Cost 31 12 07	16,543

Depreciation	
1.1 07	11,912
Charge for year	1,127

Depreciation 31 12 07	13,039

Net Book Value 31 12 07	3,504
Net Book Value 31 12 06	-
	=====

4. Restricted Funds

	Bal b/f	Incoming Resources	Outgoing Resources	Bal c/f	NBV assets
Cafcass		2,139	2,400	4,539	-
The Big Lottery	6,127	49,503	49,963	5,667	130
Child Counselling					
The Big Lottery	-	23,328	20,972	2,356	-
Bulmers	1	3,000	3,001	-	-
Eveson Trust	4,365	10,000	8,081	6,284	432
PCT	4,510	6,825	11,335	-	-
Local Network Fund	899	-	899	-	-
H C Children's Fund	-	17,440	17,356	84	84
Home School Liaison					
LEA	2,018	-	2,018	-	-
Primary Care Trust	2,827	-	2,827	-	-
Hereford City Council	849	-	849	-	-
Wiggins Special Metals	-	1,604	371	1,233	1,233
	-----	-----	-----	-----	-----
	23,735	114,100	122,211	15,624	1,879
	=====	=====	=====	=====	=====

Purpose of Restricted Funds

Cafcass - To provide mediation for court referrals

The Big Lottery - Provision of mediation and counselling services to families and for child counselling

Bulmers, Eveson Trust, PCT, Local Network Fund, Herefordshire Council Children's Fund and

Local Education Authority and PCT - provision of mediation work between schools and families.

Hereford City Council - payment for costs relating to publicity and information

Wiggins Special Metals- server for computer system and labour costs for networking

MEDIATION HEREFORDSHIRE

Notes to the accounts for the year ending 31st December 2007

5. Debtors

	2007	2006
Grants receivable	2,315	6,300
Prepayment of rent	3,294	3,703
	-----	-----
	5,609	10,003
	=====	=====

6. Creditors

	2007	2006
Accruals	4,380	4,740
VAT	1,537	2,224
LSC claw back	-	6,016
Big Lottery - in advance	15,292	12,376
	-----	-----
	21,209	25,356
	=====	=====

Prior year adjustment - £12,376 was received from Big Lottery funding in December 2006, which was for the period January to March 2007 and should have been shown as a grant in advance. The 2006 figures have been adjusted to reflect this.

7. Share capital

This is a company limited by guarantee and does not have a share capital. Consequently no reconciliation of shareholders funds, as required by FRS13 is possible. Similarly, the split of shareholders funds between equity and non equity shareholders, as required by FRS4, is not possible.

8. Members responsibilities

Every member of the company undertakes to contribute to the assets of the company on the event of it being wound up during the time that he or she is a member or within one year afterwards for a payment of debts and liabilities of the company contracted before he or she ceases to be a member, and of the costs, charges and expense of winding up the same and for the adjustment of the rights of contributors amongst themselves, such as may be required not exceeding, in the case of any member, the sum of £1.

9. Designated Fund

This is a fund which has £30,000 set aside for use in the event of the charity having to wind up.

10. Income and Expenditure by Activity

	Income	Direct Costs	Support Costs	Support costs	Total
			Staff costs	Office costs	
Mediation general	75,260	73,501	872	906	75,279
Child Counselling	60,593	58,702	1,809	1,498	62,009
Home School Liaison	-	4,845	-	-	4,845
Family Matters	49,503	44,173	4,129	1,039	49,341
	-----				-----
	185,356				191,474
Governance					2,411
	-----				-----
	185,356				193,885
	=====				=====