

REGISTERED COMPANY NUMBER: 03944452 (England and Wales)
REGISTERED CHARITY NUMBER: 1081090

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2009
FOR
HAMPSHIRE FAMILY MEDIATION LIMITED**

HAMPSHIRE FAMILY MEDIATION LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2009**

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HAMPSHIRE FAMILY MEDIATION LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31st March 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03944452 (England and Wales)

Registered Charity number

1081090

Registered office

58 Northern Road
Cosham
Portsmouth
Hampshire
PO6 3DT

Trustees

J A Anderson

P V Cope

M C Craft

P D Jolly

J T Masters

R M Shawcross

- resigned 21.7.2008

S K Smith

N Marston

- appointed 21.7.2008

Company Secretary

A Campbell

Auditors

Morris Crocker

Chartered Accountants

Registered Auditors

Station House

North Street

Havant

Hampshire

PO9 1QU

Bankers

Lloyds TSB

36 Market Street

Eastleigh

SO50 9YT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is governed by its Memorandum and Articles of Association, adopted and registered at Companies House on 10th March 2000.

HAMPSHIRE FAMILY MEDIATION LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and Appointment of New Trustees

Trustees are appointed when a vacancy arises or when the need for an additional trustee is identified by the current serving Trustees. The Board has confirmed its intention to add to its number, and would ideally like to add both a treasurer and a representative from the Isle of Wight. Efforts to secure the services of additional directors/ trustees continue. During the year His Honour Judge Shawcross resigned from his role as President of the charity following his retirement from the judiciary in July 2008. His Honour Judge Nicholas Marston has succeeded him in this role, and he was formally appointed to the Board at its meeting on 21st July 2008.

Appointments to the Trustee Board are made following application and interview. Anyone interested in joining the Board will be invited for an informal discussion with the Chief Executive and then the Chair before attending a committee meeting as an observer. If they continue to be interested in joining the Board they will be asked to submit a CV, and to attend an interview with the Chair, Chief Executive and one other trustee, who will assess their suitability to join the Board. Newly appointed trustees are provided with an induction appropriate to their skills and experience. This is provided by the Chief Executive, supported by the existing Trustees.

Organisational Structure

Hampshire Family Mediation (HFM) is affiliated to National Family Mediation (registered charity number 1074796). National Family Mediation provides information, resources and campaigning on behalf of mediation services throughout the UK. It also plans to appoint a Regional Development Manager post, some of whose work will include Hampshire to promote mediation among non-legal professionals. An affiliation fee is payable annually.

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Management

The Trustees approve the business plan and budget annually.

Day to day management of the charity is delegated to the Chief Executive, whose responsibility it is to implement the decisions of the trustees in accordance with approved policies and procedures. He manages all major aspects of the organisation's day-to-day business, including its contract with the Legal Services Commission (LSC). He also works closely with the Professional Practice Consultant in managing the mediators' work.

There are no related parties or subsidiary organisations of the charity.

The Trustees consider the major risks to which the organisation is exposed as part of their consideration of the business plan annually, and have adopted procedures to minimise the risks to the charity and its work.

Chief Executive

Andrew Campbell

Professional Practice Consultants

Hedley Redhead (to September 2008)

Margaret Pendlebury (from September 2008)

Kay Day (Deputy from September 2008)

OBJECTIVES AND ACTIVITIES

The objectives of the organisation are the alleviation of hardship and distress caused by the breakup of marriage and family, and preservation and protection of the physical and mental health of adults and children involved in the breakup of marriage and family by providing a mediation service. Having considered the Charity Commission's guidance the trustees are satisfied that the objects of the charity deliver significant benefit to those whom it serves and that the charity's clients are by reason of their situation in circumstances of significant need.

HAMPSHIRE FAMILY MEDIATION LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

OBJECTIVES AND ACTIVITIES

Throughout the year the charity has continued to provide a mediation service to couples and families who are experiencing breakup of the marriage and family relationship. This service is offered at the charity's main office in Cosham and at other venues throughout Hampshire and the Isle of Wight.

Mediation services are provided by trained and registered mediators who contract their services to Hampshire Family Mediation. All administration of the service is carried out by the staff of Hampshire Family Mediation at its offices in Cosham, Portsmouth.

Professional supervision of the mediators is provided by the Professional Practice Consultant (PPC) who supplies these services, under contract, on behalf of Hampshire Family Mediation. Mediators engaged by HFM are provided with individual monthly supervision sessions, a monthly group meeting, training news and updates, and have the PPC available to them for consultation whenever required. Mediators are also required to undertake a minimum of 10 hours training per year to ensure that they keep abreast of developments in mediation and associated legal matters.

In responding to various external pressures, and in considering its future plans, HFM continues to keep under review the locations from which it offers mediation. As well as continuing in its existing venues HFM has initiated outreach services in Andover and Gosport for a limited time each week by working closely with the Citizens Advice Bureau offices in these areas. Already one of the largest not-for-profit family mediation services in the country, HFM is committed to making mediation accessible to the greatest number of people, and will continue to search for new venues where it can have an effective presence. Mediation is currently offered in Portsmouth, Southampton, Winchester and Basingstoke, and in Newport and Ryde on the Isle of Wight.

During the year the neighbouring Mediation Salisbury and District Service ceased operation and following submission of an expression of interest to the Legal Services Commission HFM was authorised to offer publicly funded mediation in the Salisbury area. It engages its current mediators to provide the service in this area, and anticipates expanding availability there in the coming year.

During the year the charity dealt with 1,583 enquiries (2008: 1,601) that resulted in 1,401 initial meetings (2008: 1,268), of which 427 proceeded to mediation (2008: 487). The total number of mediation sessions held during the year was 2,340 (2008: 2,401), and 434 cases were closed (2008: 537). In 24% of cases in the current year neither party was eligible for public funding, compared to 30% in the previous year. The number of cases during the year where one client is eligible for public funding has fallen from 45% last year (50% in 2005-06) to 42% this year. Some of the prior year's figures have been re-stated.

HFM continues to deliver for its clients a high rate of success. A written record of the agreements - full or partial - reached in mediation was produced in 53% (2008: 58%) of cases during the year, with a further 20% (2008: 17%) reaching agreement that was not recorded formally in writing, giving an overall success rate of 73% (2008: 75%). Although the number of enquiries was lower than the previous year the number of intakes meetings was slightly higher, and this is likely to lead to an increase in the number of mediation cases in the coming year, that HFM is well-placed to resource.

LSC - Contract 2010 and Beyond

In October 2007 the Legal Services Commission (LSC) introduced a new contract, the 'Unified Contract', for all family mediation providers that equalised payment among all family mediation providers regardless of their size and status. This contract is due to expire in March 2010, and during the year the LSC carried out a consultation exercise, including running a number of workshops, prior to introducing a new contract in April 2010. The new contract will be subject to EU procurement rules, but early indications are that family mediation providers who have an existing contract will be able to continue to deliver publicly funded mediation so long as they continue to meet the LSC Mediation Quality Mark.

Staffing

The administration of the Charity is carried out by three full-time Client Coordinators operating from its office in Cosham. A Finance Administrator works 10 hours per week to assist with book-keeping and reporting to the Legal Services Commission.

In addition to these staff the Charity employs a Chief Executive, who at the end of the year has been served with notice of a change to his post from full-time to part-time hours.

HAMPSHIRE FAMILY MEDIATION LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

OBJECTIVES AND ACTIVITIES

Public Benefit Test

The Charity Commission introduced the Public Benefit test as part of the Charities Act 2006. From 1 April 2008 all charities are required to demonstrate that the services they provide deliver a public benefit that is not restricted only to those able to pay for such benefits.

In setting out our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on fee charging.

The objects of the charity identify the way in which it assists those who are in a category of need that although often temporary is nonetheless pervasive. Family mediation - in conjunction with appropriate legal advice - offers a quicker, cheaper and more effective route to resolving many marital/family disputes (See National Audit Office report: "Legal aid and mediation for people involved in family breakdown", March 2007). HFM provides its services free of charge to those deemed to be eligible for public funding (Legal Aid). Additionally, for those who fall outside the public funding criteria it levies its charges on a sliding scale, based on the client's income, to promote the benefit and take-up of mediation among as great a number as possible. By using mediation to resolve issues following separation or divorce HFM's clients are reducing the impact of separation on their children. They learn to respect one another and how to relate outside the context of their former relationship. With the assistance of a mediator they aim to avoid the adversarial court system and provide for their children and themselves the optimum available situation for their physical, mental and economic wellbeing and development.

No one is excluded from accessing HFM's services, and recording reporting of the demographics clients is an ongoing activity. Translation services are provided free of charge for those who need them, and services are made available in accessible premises when required. Clients with mental health needs can be accompanied to their appointments by a key worker or support worker, subject to the consent of the other party.

Marketing, Promotion and Partnership

Most marketing this year has principally been in the form of building relationships and partnerships with solicitors and other key agencies such as the Citizens Advice Bureau and Relate. Visits to family law solicitors and attendance at the family law team meeting of solicitors in the area have been an effective way to raise the profile of mediation and enhance HFM's reputation.

A number of joint presentations with a solicitor who practises collaborative law were well received in the north of the county. At the instigation of the Ministry of Justice Briefings to court admin staff were delivered in Bournemouth, Southampton and Portsmouth.

Pay per click advertising on Google has continued throughout the year and represents good value for money in increasing awareness of HFM's work. In addition poster adverts were placed at one of the main train terminus stations in the area to raise the awareness of mediation as an option for divorcing/ separating couples.

Child Consultation, BBC Children in Need Grant

During this year the charity continued to promote the use of child consultation during mediation to its clients. With the consent of both parents the mediator invites the child/ children to a meeting on their own so that the parents can take account of the views of the child/ children when making a decision about their future. Children are free to attend or not and have the choice about what to communicate to their parents following the meeting with the mediator. Only mediators who have completed specific training for this purpose are able to undertake child consultations. This is proving to be an increasingly popular choice with parents, and helps them to produce their parenting plan with a greater degree of confidence.

The charity was awarded a grant from BBC Children in Need to establish the child consultation work as part of its service. Uptake was slower than expected and approximately half of the grant was returned to Children in Need. The project was extended for six-months and in that time the charity was able to spend the balance of funds that it had retained. As a result of the project parents attending mediation are now routinely offered the option of child consultation.

HAMPSHIRE FAMILY MEDIATION LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

OBJECTIVES AND ACTIVITIES

Citizens Advice Hampshire

HFM became an official partner of the Citizens Advice Hampshire application to the Big Lottery Fund for a county-wide referral agency. HFM's LSC Mediation Quality Mark reassured the Big Lottery Fund that suitable partners with appropriate expertise had been identified. The bid was successful, and planning is underway to recruit a manager for the project. The project launch is expected in December 2009. Links with the constituent members of Citizens Advice Hampshire - the 19 independent bureaux throughout the county - have been strengthened as a result, and presentations have been made to a number of advisors during the year.

Fees October 2008

At their meeting in September 2008 the Trustees reviewed the fees charged to clients who were not eligible for public funding, as in some circumstances the income received did not cover HFM's costs in providing the service. The fees were restructured but continued to be charged on a sliding scale based on the client's income. In addition a capped fee, the maximum an individual client would have to pay, was introduced for all paying clients. There was no evidence during the year to indicate that the fee revision had had an adverse effect on the number of paying clients using HFM's services.

Review January 2009

In January 2009 the Board took further measures to improve its financial position, following receipt of the December 2008 management accounts. Fees for casework paid to mediators under the terms of their self-employed contract were reduced. This change would come into effect for all new work undertaken by the mediators from February 2009. At the same time the Chief Executive's working hours were reduced to three days per week, to be implemented from April 2009 in line with his contractual position. These measures, together with the fees revision, were seen as necessary to sustain HFM in the short and medium term.

The Trustees have also begun to consider ways in which to strengthen HFM for the longer term future. It anticipates some benefit from the promotion work to be undertaken by the NFM regional development officer, although Hampshire will be only one of the areas covered by the post.

HAMPSHIRE FAMILY MEDIATION LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2009

FINANCIAL REVIEW

Reserves Policy

The Trustees/ Directors set the reserves policy of the charity when considering the business plan each year. It is considered appropriate to achieve an amount equivalent to three months operating expenditure as an unrestricted reserve; progress towards this figure is ongoing. Based on turnover of approximately £400,000 the target level of unrestricted reserves is £100,000. Current unrestricted reserves of £29,347 are well below this level. It is planned to increase the level of unrestricted reserves in coming years through generating a modest surplus from charitable activities, and to continue to identify sources of charitable support

Financial Performance

During the year the charitable activities resulted in a deficit in unrestricted funds of £37,101 (2008: £31,584 deficit). At the end of the year the charity had total funds of £30,787 (2008: £71,808), of which £1,440 (2008: £5,360) are restricted funds from the BBC Children in Need grant. The Legal Services Commission (LSC) is shown as a creditor of £13,804 (2008: 18,810) but as this figure is within 10% of the annual sum paid to the charity the LSC has indicated that it will take no steps to recover any of these monies. At least some of this figure will be accounted for by ongoing work that has yet to be claimed from the LSC.

Approximately 76% of income during the year was generated from a contract with the LSC. Services providing mediation under this contract are required to comply with the Quality Mark Standard for Mediation as defined by the LSC. The current contract, known as the Unified Contract, came into force on 1st October 2007 and will run until March 2010. The remainder of the organisation's income comes from client fees and grants. Fees for clients who were not eligible for public funding were reviewed during the year, but continue to represent a considerably cheaper alternative to disputed court proceedings for separating couples.

The charity plans to continue to offer family mediation services, and is considering expanding into other areas of mediation, consistent with prudent employment of resources, as well as looking at the geographical coverage of its existing service. The charity recognises that it faces ongoing competition from solicitor mediators and other mediation providers in its area, account of which needs to be taken in drafting plans for growth.

The trustees have agreed a budget for the following financial year that seeks to achieve a break-even position, with a financial strategy to return the charity to surplus thereafter.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Hampshire Family Mediation Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

HAMPSHIRE FAMILY MEDIATION LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2009**

AUDITORS

The auditors, Morris Crocker, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD :

M C Craft - Trustee

19th November 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAMPSHIRE FAMILY MEDIATION LIMITED

We have audited the financial statements of Hampshire Family Mediation Limited for the year ended 31st March 2009 on pages ten to seventeen. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page six.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Report of the Trustees is consistent with the financial statements.

We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAMPSHIRE FAMILY MEDIATION LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31st March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Morris Crocker
Chartered Accountants
Registered Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

19th November 2009

HAMPSHIRE FAMILY MEDIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2009

	Notes	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	4,937	-	4,937	5,476
Incoming resources from charitable activities					
Charitable income	3	347,534	(3,003)	344,531	404,877
Total incoming resources		<u>352,471</u>	<u>(3,003)</u>	<u>349,468</u>	<u>410,353</u>
RESOURCES EXPENDED					
Charitable activities					
Mediation services	4	388,022	917	388,939	435,027
Governance costs	7	1,550	-	1,550	1,550
Total resources expended		<u>389,572</u>	<u>917</u>	<u>390,489</u>	<u>436,577</u>
NET INCOMING/(OUTGOING) RESOURCES					
		(37,101)	(3,920)	(41,021)	(26,224)
RECONCILIATION OF FUNDS					
Total funds brought forward		66,448	5,360	71,808	98,032
TOTAL FUNDS CARRIED FORWARD		<u><u>29,347</u></u>	<u><u>1,440</u></u>	<u><u>30,787</u></u>	<u><u>71,808</u></u>

The notes form part of these financial statements

HAMPSHIRE FAMILY MEDIATION LIMITED

**BALANCE SHEET
AT 31ST MARCH 2009**

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	11	3,538	7,222
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	2,955	3,382
Cash at bank and in hand		77,303	119,139
		80,258	122,521
CREDITORS			
Amounts falling due within one year	13	(53,009)	(57,935)
NET CURRENT ASSETS		27,249	64,586
TOTAL ASSETS LESS CURRENT LIABILITIES		30,787	71,808
NET ASSETS		30,787	71,808
FUNDS	16		
Unrestricted funds		29,347	66,448
Restricted funds		1,440	5,360
TOTAL FUNDS		30,787	71,808

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 19th November 2009 and were signed on its behalf by:

M C Craft -Trustee

The notes form part of these financial statements

HAMPSHIRE FAMILY MEDIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2009

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Charitable activities

Charitable activities include direct expenditure related to mediation fees.

Governance costs

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs

Support costs include central functions. These are administrative expenses that relate directly to direct charitable expenditure.

Tangible fixed assets

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

Furniture and equipment	-25% on cost
Property Improvements	-20% on cost

Additions costing above £100 are capitalised.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. INVESTMENT INCOME

	2009	2008
	£	£
Bank interest received	4,937	5,476

HAMPSHIRE FAMILY MEDIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2009**

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2009	2008
Activity	£	£
Grants	262,747	303,353
Fees receivable	80,909	99,945
PPM projects and misc. income	875	1,179
PAYE online filing incentive	-	400
	<u>344,531</u>	<u>404,877</u>

Grants received, included in the above, are as follows:

	2009	2008
	£	£
Legal Services Commission Contract	265,750	293,776
Local authority grant	-	2,777
Children in need	(3,003)	6,800
	<u>262,747</u>	<u>303,353</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 5)	Support costs (See note 6)	Totals
	£	£	£
Mediation services	<u>194,024</u>	<u>194,915</u>	<u>388,939</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2009	2008
	£	£
Mediator fees	178,234	200,637
PPC Costs	14,774	23,811
PPM Project expenditure	1,016	1,029
	<u>194,024</u>	<u>225,477</u>

6. SUPPORT COSTS

	Management and administration	Premises	Totals
	£	£	£
Mediation services	<u>148,809</u>	<u>46,106</u>	<u>194,915</u>

Support costs, included in the above, are as follows:

HAMPSHIRE FAMILY MEDIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2009**

6. SUPPORT COSTS - continued

	2009 Mediation services £	2008 Total activities £
Salaries	108,703	119,455
Social security	10,202	11,308
Equipment hire	1,156	1,091
Travel expenses	488	1,376
NFM affiliation fees	3,667	3,667
Training costs	1,041	2,698
Repairs and renewals	1,069	443
Accountancy and bookkeeping	1,645	1,777
Marketing and Advertising	1,943	4,563
Sundries	1,398	1,703
Legal and professional	2	50
Other	17,495	17,490
Rent and room hire	38,795	37,566
Rates and water	1,070	946
Insurance	766	563
Light and heat	1,699	1,389
Cleaning	3,776	3,465
	<u>194,915</u>	<u>209,550</u>

7. GOVERNANCE COSTS

	2009 £	2008 £
Auditors' remuneration	<u>1,550</u>	<u>1,550</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2009 £	2008 £
Auditors' remuneration	1,550	1,550
Depreciation - owned assets	4,046	4,706
Hire of plant and machinery	1,156	1,091
Operating lease: Land and Building	15,000	15,000
Operating lease: Office equipment	949	1,091
Auditors remuneration: Non audit fees	<u>1,100</u>	<u>1,130</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2009 nor for the year ended 31st March 2008.

Trustees' Expenses

Trustees were reimbursed Nil (2008: £Nil) for travel, recruitment and training expenses.

HAMPSHIRE FAMILY MEDIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2009**

10. STAFF COSTS

	2009 £	2008 £
Wages and salaries	108,703	119,455
Social security costs	10,202	11,308
	<u>118,905</u>	<u>130,763</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Administrative staff	5	6
	<u>5</u>	<u>6</u>

No employee had remuneration exceeding £60,000 (2008: £nil).

Mediators are self employed and work part time for the charity. Mediators costs in the year amounted to £193,008 (2008: £224,448).

There are currently 10 (2008: 10) contracted in a part time capacity by the charity which gives an equivalent of 4 full time positions (2008: 4).

11. TANGIBLE FIXED ASSETS

	Furniture and equipment £	Property Improvements £	Totals £
COST			
At 1st April 2008	24,185	3,000	27,185
Additions	362	-	362
	<u>24,547</u>	<u>3,000</u>	<u>27,547</u>
At 31st March 2009	24,547	3,000	27,547
	<u>24,547</u>	<u>3,000</u>	<u>27,547</u>
DEPRECIATION			
At 1st April 2008	18,163	1,800	19,963
Charge for year	3,446	600	4,046
	<u>21,609</u>	<u>2,400</u>	<u>24,009</u>
At 31st March 2009	21,609	2,400	24,009
	<u>21,609</u>	<u>2,400</u>	<u>24,009</u>
NET BOOK VALUE			
At 31st March 2009	2,938	600	3,538
	<u>2,938</u>	<u>600</u>	<u>3,538</u>
At 31st March 2008	6,022	1,200	7,222
	<u>6,022</u>	<u>1,200</u>	<u>7,222</u>

All of the above assets are used for the direct furtherance of the charity's objectives.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Prepayments and accrued income	2,500	2,927
Rental deposit held	455	455
	<u>2,955</u>	<u>3,382</u>

HAMPSHIRE FAMILY MEDIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2009**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	16,125	15,654
Social security and other taxes	14,579	19,566
Accruals	3,798	3,905
LSC Income owed	13,804	18,810
Children in Need	4,703	-
	<u>53,009</u>	<u>57,935</u>

14. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2009 £	2008 £
Expiring:		
Within one year	-	628
Between one and five years	15,000	15,000
	<u>15,000</u>	<u>15,628</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Fixed assets	3,538	-	3,538	7,222
Current assets	74,115	6,143	80,258	122,521
Current liabilities	(48,306)	(4,703)	(53,009)	(57,935)
	<u>29,347</u>	<u>1,440</u>	<u>30,787</u>	<u>71,808</u>

16. MOVEMENT IN FUNDS

	At 1.4.08 £	Net movement in funds £	At 31.3.09 £
Unrestricted funds			
General fund	66,448	(37,101)	29,347
Restricted funds			
Children in Need fund	5,360	(3,920)	1,440
TOTAL FUNDS	<u>71,808</u>	<u>(41,021)</u>	<u>30,787</u>

HAMPSHIRE FAMILY MEDIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2009

16. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	352,471	(389,572)	(37,101)
Restricted funds			
Children in Need fund	(3,003)	(917)	(3,920)
TOTAL FUNDS	<u>349,468</u>	<u>(390,489)</u>	<u>(41,021)</u>

17. CONTINGENT LIABILITIES

The charity has no contingent liabilities at 31 March 2009 or at 31 March 2008

18. MEMBERS' LIABILITY

The company is limited by guarantee. On dissolution of the company, each member is liable to pay up to £1.