

Treasurer's report and audited accounts **2016**

Resolution¹ Treasurer's Report

for the year ended 31 December 2016

Registered number: 05234230

INTRODUCTION

This report supports the audited Accounts of Resolution for the 12 month period to 31 December 2016 and provides more commentary on the statements contained in them. The Accounts conform to statutory requirements and this report is intended to provide further interpretation and explanation.

This should be read in conjunction with the forthcoming Annual Report, which provides a full overview of the activity undertaken by the organisation on behalf of its members.

2016 HIGHLIGHTS

- Subscription fee rates were maintained at their 2015 levels, with total subscription income falling by 3.2% in 2016.
- Membership levels at the end of 2016 stood at 5,897 (4,982 Full & 915 Associate), of which 1,671 were DR members. This is largely comparable with 2015's figures of 6,036 (5,197 Full & 839 Associate), of which 1,759 were DR members. Given the continued challenging environment for our members, this represents a good outcome for the year, and is in line with our predicted membership levels.
- In addition, members paying by Direct Debit continue to increase, with 1,672 paying through this method in 2016, compared to 1,408 in 2015.
- Total income (including subscriptions) decreased by some £302k (13%), largely attributable to the planned conclusion, during 2015, of the DWP-funded Family Matters project.
- Income from seminars rose by 7%, continuing the trend of previous years despite the challenging and competitive training market.
- Mediation and collaborative law training income is down 33% on 2015, reflecting the current uncertainty within the mediation sector and the fact that a degree of saturation may have been reached after high levels of DR training numbers when MIAMs were first introduced.
- Whilst our interest income and investment income remained at similar levels year on year, our investment portfolio increased in value by £53k during the year.
- Expenditure decreased by 8%, with a reduction due to the successful culmination of the Family Matters project in 2015 partly offset by inflationary increases within our cost base as a whole.
- Resolution is reporting a deficit in 2016 of £163.1k (8.6% of turnover), which is chiefly due to planned expenditure to reflect strategic objectives agreed by the Board (investing our reserves in specific projects around membership, training and learning, and our website, in response to the needs of our members), totalling some £58k. Within this outcome, our operating deficit was some £27k lower than budgeted, reflecting careful cost control.

BALANCE SHEET

The balance sheet shows a snapshot of Resolution's finances at the year end.

Fixed assets

Additions this year primarily related to replacement of and additional computer equipment at both offices.

Investments

Rathbone Investment Management Limited are managing £444k of funds, which are held in a mixture of gilts and equities.

¹ Resolution is the trading name of Solicitors Family Law Association, which is a company limited by guarantee.

Resolution¹ Treasurer's Report

for the year ended 31 December 2016

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The investments are shown at market value. We made a full-year trading profit of £52.8k (-£0.1k in 2015). The income from these investments was slightly higher this year, at £10.5k (£10.4k in 2015).

Other debtors

This comprises sundry debtors, including monies not yet received for seminars from regions. This generally stays at a low level, with the regions keeping 100% of their profits.

The final monies due with respect to the Family Matters project, totalling £26.9k, were settled in early 2016.

Prepayments

This comprises monies expended in the year relating to services and benefits that will arise after the year end.

Bank balances

Cash is always held in interest-bearing accounts and Treasury reserves.

Creditors

Trade creditors of £69.8k relate to supplier balances at the year end, arising from our ongoing business, together with our project expenditure. Other creditors of £53.9k relate primarily to commissions due, together with customer deposits for courses being held in 2017. The accruals and deferred income of £454.2k relates to £277.3 of subscription revenue for 2017 received in advance of 1 January, together with costs incurred in 2016 but not invoiced to us by the year end and prudent provisions for other costs that may arise, attributable to 2016 and earlier.

Reserves

As at 31 December 2016 £360,898 (27%) of our total reserves had been earmarked for project expenditure over the next two to three years. These projects are intended to develop new training and learning opportunities for our members; increase our profile with the public, professionals and policymakers; build on and strengthen our membership; overhaul our website; and to develop new services in line with membership feedback and the changing external environment.

INCOME AND EXPENDITURE

Income

Income is made up as follows:

- **Subscriptions** – In 2016 subscription fee rates were maintained at their 2015 levels, with total subscription income decreasing by 3.2%.
- **Interest** – This refers to monies earned on our cash balances.
- **Investment income** – Earned on our investments and dependent on the performance of the stock market.
- **Seminars** – This records the income from the following 86 seminars:
 - 7 central seminars (1 on skills and support, 5 on black letter law, and 1 national conference).
 - 7 Code in Practice courses.
 - 72 regional seminars run by 21 regions.

A number of the regions continue to use surplus funds to make donations to local contact centres, children's charities and law student prizes. In 2016, we estimate that over £20k was donated to charities and other good causes by our regions.

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for the year ended 31 December 2016

- **Mediation and Collaborative Law training** – Despite the uncertainty surrounding mediation and its regulation, our mediation training remained popular. Resolution ran a total of 7 mediation courses and 3 collaborative law courses, together with the DR conference in October 2016. This total of 11 courses compares with 25 courses in 2015.
- **Accreditation** – This fee income relates to rounds 36, 37 and 38, for which there were 231 applicants, together with members renewing their accreditation status for the next three years. During the year we also held rounds 3 and 4 of our Financial Adviser accreditations.
- **Publications** – Publications revenue, in line with previous years, represented just over 1% of our total turnover.
- **Other** – This relates to Job Shop entries on our website and advertisements in *The Review*.
- **The Review** – We have a reciprocal arrangement with our printers, under which the printing and distribution cost of *The Review* is offset against the income that we would normally receive from inserts. This provides excellent value for money to our members, who continue to receive *The Review* free of charge. In order for the accounts to fully reflect this, the notional revenue of £50k is included in income, with a corresponding addition to stationery and printing costs (see below).

Expenditure

- **Secretariat and administration** – Establishment costs (i.e. rent, rates, repairs, heating and lighting) increased by £2k (2%). Secretariat costs rose by approximately £48k, reflecting in the main the recruitment to posts that were vacant for some or all of the previous year. Contractor costs rose by £32k, reflecting the use of an agency to cover a vacancy that arose within our permanent staff. Administration costs were slightly higher, reflecting our continuing high level of activity.
- **AGM** – Costs for the 2016 AGM included elections for National Committee members and the associated ballot papers.
- **Committee travel and work** – In order to support our active member volunteer base, and ensure Resolution continues to be a member-led organisation, the cost of supporting our committees was £106k in 2016. This represents an increase of 10% from 2015 (£97k), reflecting the increasingly high level of activity, both within our committees and via the Direct Connect initiative.
- **Stationery and printing** – This includes a notional £50k printing cost for *The Review*, as part of an agreement with our printers (see above). Setting this aside, our underlying costs have fallen by 7% to £24k.
- **Audit** – The audit fee decreased marginally, to £8,900, from £8,910 in 2015.
- **Accreditation** – These are setting, marking and administration costs for each round.
- **Publications** – The costs to Resolution of producing publications for resale amounted to just over £2,000.
- **Taxation** – Some elements of our net income are subject to Corporation Tax. Tax is payable on investment income, the surplus on trading activities with non-members and chargeable gains on the sale of investments.
- **VAT** – The partial exemption rules, under which Resolution operates, continue to affect our ability to recover VAT. Membership subscriptions are exempt from VAT. Resolution is therefore unable to reclaim any VAT relating to the cost of providing membership services. The overall effect is that we have to write off some of the VAT that we have paid out to suppliers as we are unable to reclaim it.

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for the year ended 31 December 2016

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THE FUTURE

Membership continues to be the lifeblood of our organisation, both for the promotion of the Code in Practice and in terms of our finances through subscriptions and training income. The National Committee has committed 27% (£361k) of reserves over the next two to three years in a range of initiatives to support members, and we will continue to invest reserves to reflect our members' needs.

As your elected representatives, National Committee is working year-round with the staff team to ensure that the activities carried out by the organisation reflect the needs of our members.

As part of our planning, we have agreed seven strategic objectives – which are an evolution of work carried out by National Committee and senior staff over a number of years – around which Resolution's work is structured. These form the building blocks for Resolution's work, helping National Committee, our regional and specialist committees and the staff team focus their activity on supporting members and their clients in the most effective ways possible.

These objectives are:

- **Changing Practices** – supporting our members to deal with the constantly evolving family justice environment.
- **Member Involvement** – ensuring everything Resolution does is driven by members for members by improving the opportunities to get involved with - and feedback on – Resolution's work.
- **Family Law Reform** – positioning Resolution at the heart of the family justice debate, and shaping our products and services, as well as the policy agenda, in the interests of our members and the people they support.
- **Membership** – promoting a welcoming, multi-disciplinary organisation that reflects the family law and family justice environment within which our current and potential members work.
- **Regional Development** – promoting inclusive and varied activity across the organisation through the development and improvement of the support provided by and to regional groups.
- **Code of Practice** – setting and maintaining best practice standards and work to make sure members can place the Code and related standards at the heart of their work.
- **Training and Learning** – providing members and potential members with access to high quality training, learning, information and knowledge opportunities, delivered by members for members.

While member numbers have largely held up over the past four years since the implementation of LASPO, it is impossible to predict precisely the shape and size of our membership over the short-to-medium term. The family law community continues to face considerable pressures, particularly among legal aid practitioners, and this could potentially have an impact on our numbers and membership income in the future.

That is why we are investing in work to support our members through training and learning, as well as increasing our work on membership recruitment and retention, so that more family justice professionals are aware of the benefits of Resolution membership. 2016 saw over 400 new members join, and we want to build on that in 2017 and beyond. Early signs are encouraging.

We will continue to monitor our financial position closely to ensure continued support for members. In response to member feedback, we will continue to provide our members with products and services to help them in their day-to-day work, and to stand up for our members by continuing to campaign for changes to the family justice system, to ensure Resolution members remain first for family law.



Jo Edwards - Treasurer

Solicitors Family Law Association

T/A Resolution
First for family law

Report of the Directors and Financial Statements

for the year ended 31 December 2016

Registered number: 05234230

Audited Accounts 2016

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Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

Solicitors Family Law Association

T/A Resolution
First for family law

Company Information

Registered number: 05234230

for the year ended 31 December 2016

DIRECTORS:

J D Emmerson
J Pirrie
N Shepherd
Ms K T Fellowes
Ms J Edwards
Ms E Thomson
Ms J Wilson
Ms L Loizou
G A C Cameron
Ms S M Heathcote
Ms K A Taylor
D S Bennett
Mrs K Walker
P Barnsley
Ms J R Harvey
Ms Z Fleetwood
G Fraser
S Blain
Ms S Green

REGISTERED OFFICE:

PO Box 302
Vinson Close
Orpington
Kent
BR6 0PJ

REGISTERED NUMBER:

05234230 (England and Wales)

AUDITORS:

Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

Report of the Directors

Registered number: 05234230

for the year ended 31 December 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

Resolution is a membership organisation of some 6,500 professionals engaged in divorce and separation. The principal activity of the company in the year under review was that of supporting its members in the promotion of a constructive, non-confrontational approach to family law matters.

REVIEW OF BUSINESS

Although there continue to be many changes in the family law environment, 2016 membership numbers remained strong. This, together with rigorous financial management and investing in services for members means Resolution is in a sound position to continue to support members in new and different ways.

2016 saw our annual plans developed into seven strategic objectives, each with a dedicated group of National Committee members to provide oversight and good governance, as well as member input to guide activity to support our membership as a whole. Our regional engagement via "Direct Connect" continues to build members' local connections and networks, strengthen our regional groups and maximise the impact they have. YRes, our initiative to support members at the start of their professional career, goes from strength to strength, with a highly motivated and engaged committee working nationally, alongside an increasing number of regional YRes groups.

We successfully launched our new Articles of Association and Code of Practice, recognising the changing way in which separating and separated families are supported by professionals; and the changing demographic of our membership. We continue to build relationships with key stakeholders, ensuring Resolution members are front and centre stage among key influencers and policy-makers. Our awareness-raising week placed our key policy asks at the forefront of the political and media agenda, bringing around 150 members to Westminster to highlight necessary changes in family law to Ministers, Shadow Ministers, senior MPs and Chairs of Select Committees. This also generated over 40 million opportunities to see, hear or read about our call for no fault divorce in the media, building on our successful media coverage throughout the year on issues such as court closures and cohabitation reform.

2016 also saw the start of two major projects: a series of membership support and recruitment campaigns, sitting alongside a strengthened renewals and member satisfaction plan; and the initial stages of implementing a new website. Both these projects are aimed at promoting the value of Resolution membership to new and existing members; and as a result, consolidating and building our membership base, for the benefit of professionals and the public.

In terms of our future plans, £360,898, of our reserves (27%) has been earmarked over the next three to four years for projects to develop new training and learning opportunities for our members, increase our profile with the public, professionals and policymakers, and to develop new services in line with membership feedback and the changing external environment.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

J D Emmerson	Ms J Edwards	G A C Cameron	Mrs K Walker
J Pirrie	Ms E Thomson	Ms S M Heathcote	P Barnsley
N Shepherd	Ms J Wilson	Ms K A Taylor	Ms J R Harvey
Ms K T Fellowes	Ms L Loizou	D S Bennett	

Other changes in directors holding office are as follows:

Ms K L Barham - resigned 22 April 2016
D Eames - resigned 22 April 2016
Ms Z Fleetwood - appointed 22 April 2016
G Fraser - appointed 22 April 2016
S Blain - appointed 22 April 2016
Ms S Green - appointed 22 April 2016

Report of the Directors

Registered number: 05234230

for the year ended 31 December 2016

FINANCIAL INSTRUMENTS

The company's financial instruments at the balance sheet date comprised cash and liquid resources. The main purpose of these financial instruments is to support the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate and liquidity risk:

Interest rate risk The company has a policy to manage any exposure to interest rate fluctuations so as to finance its operations through retained profits.

Liquidity risk The company had net cash balances as at the balance sheet date.

Financial assets The company has no financial assets other than short-term debtors and cash at bank.

Borrowing facilities The company has no undrawn committed borrowing facilities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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

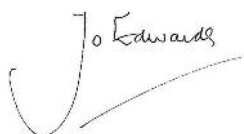
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Wilkins Kennedy LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

ON BEHALF OF THE BOARD:



Ms J Edwards - Director
23 February 2017

**Report of the Independent Auditors to the Members of
Solicitors Family Law Association** for the year ended 31 December 2016

Registered number: 05234230

We have audited the financial statements of Solicitors Family Law Association for the year ended 31 December 2016 on pages eleven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page nine, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

C Cooper (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London, SE1 9QR

6 March 2017

Statement of Comprehensive Income

Registered number: 05234230

for the year ended 31 December 2016

	Notes	2016 £	2015 £
TURNOVER		1,907,000	2,208,715
Administrative expenses		<u>2,149,289</u>	<u>2,339,859</u>
OPERATING LOSS	4	(242,289)	(131,144)
Interest receivable and similar income		<u>26,465</u>	<u>26,620</u>
		(215,824)	(104,524)
Movement in investments		<u>(52,761)</u>	<u>101</u>
LOSS BEFORE TAXATION		<u>(163,063)</u>	<u>(104,625)</u>
Tax on loss		-	-
LOSS FOR THE FINANCIAL YEAR		<u>(163,063)</u>	<u>(104,625)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(163,063)</u></u>	<u><u>(104,625)</u></u>

The notes form part of these financial statements

Balance Sheet

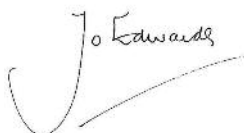
Registered number: 05234230

As at 31 December 2016

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Intangible assets	6		1		1
Tangible assets	7		28,663		39,841
			28,664		39,842
CURRENT ASSETS					
Debtors	8	150,426		105,208	
Investments	9	443,968		386,368	
Cash at bank		1,326,638		1,273,397	
		1,921,032		1,764,973	
CREDITORS					
Amounts falling due within one year	10	602,057		294,113	
NET CURRENT ASSETS			1,318,975		1,470,860
TOTAL ASSETS LESS CURRENT LIABILITIES			1,347,639		1,510,702
RESERVES					
Pre incorporation reserves			762,539		762,539
Retained earnings			585,100		748,163
			1,347,639		1,510,702

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors approved by the Board of Directors on 23 February 2017 and were signed on its behalf by:



.....
Ms J Edwards - Director

The notes form part of these financial statements

Statement of Changes in Equity

Registered number: 05234230

for the year ended 31 December 2016

	Retained earnings £	Pre incorporation reserves £	Total Equity £
Balance at 1 January 2015	<u>852,788</u>	<u>762,539</u>	<u>1,615,327</u>
Changes in equity			
Total comprehensive income	<u>(104,625)</u>	<u>-</u>	<u>(104,625)</u>
At 31 December 2015	<u><u>748,163</u></u>	<u><u>762,539</u></u>	<u><u>1,510,702</u></u>
Changes in equity			
Total comprehensive income	<u>(163,063)</u>	<u>-</u>	<u>(163,063)</u>
At 31 December 2016	<u><u>585,100</u></u>	<u><u>762,539</u></u>	<u><u>1,347,639</u></u>

Notes to the Financial Statements

Registered number: 05234230

for the year ended 31 December 2016

1. STATUTORY INFORMATION

Solicitors Family Law Association is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£) which is also the functional currency for the company.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015. There are no adjustments on transition to FRS 102 that affect the reported financial position and financial performance of the company.

Going concern

After reviewing the Company's forecasts and projections and taking into account the economic conditions and possible changes in trading performance, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Income recognition

Accreditation income is recognised in the period in which it is earned, deemed as the release date of results.

Provisions and contingencies

Pension provision - pensions are provided for at the agreed contribution rates until the employees formally opt out of the pension.

Dilapidations provision - a provision is recognised at the estimated costs of dilapidations costs to be incurred on termination of the lease.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Interest income

Interest income is recognised using the effective interest method.

Investment income

Investment income is recognised when the right to receive payment is established.

Notes to the Financial Statements

Registered number: 05234230

for the year ended 31 December 2016

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against future taxable profits or against the reversal of deferred tax liabilities.

Deferred tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Employee benefits

The company recognises an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary cost of the respective employee in relation to the period of absence.

Current asset investments

All funds for investment are managed by an investment manager and are stated at market value as at the balance sheet date. Any gain or loss on revaluation is taken to the Profit and Loss Account.

Tangible fixed assets

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

Office equipment	3 years straight line
Computer equipment	3 years straight line
Fixtures and fittings	5 years straight line

Trade and other receivables

Trade and other receivables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Trade and other payables

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has a present obligation, either legal or constructive, as a result of a past event and it is probable that the company will be required to settle the obligation and a reliable estimate can be made.

Where the effect of the time value of money is material, the obligation is recognised at the present value adopting a pre-tax discount rate. The unwinding of the discount is treated as a finance cost in the income statement in the period in which it arises.

Notes to the Financial Statements

Registered number: 05234230

for the year ended 31 December 2016

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 17 (2015 - 16).

4. OPERATING LOSS

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation - owned assets	20,575	13,939
Auditors' remuneration	<u>8,900</u>	<u>8,910</u>

5. MOVEMENT IN INVESTMENTS

	2016 £	2015 £
Movement in investments	(53,059)	170
Loss/(gain) on investments	<u>298</u>	<u>(69)</u>
	<u>(52,761)</u>	<u>101</u>

6. INTANGIBLE FIXED ASSETS**COST**At 1 January 2016
and 31 December 2016**NET BOOK VALUE**

At 31 December 2016

At 31 December 2015

Goodwill
£111**7. TANGIBLE FIXED ASSETS**

	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2016	20,700	28,972	93,460	143,132
Additions	1,342	-	8,055	9,397
Disposals	<u>(278)</u>	<u>-</u>	<u>(12,656)</u>	<u>(12,934)</u>
At 31 December 2016	<u>21,764</u>	<u>28,972</u>	<u>88,859</u>	<u>139,595</u>
DEPRECIATION				
At 1 January 2016	3,321	27,556	72,414	103,291
Charge for year	6,722	1,243	12,610	20,575
Eliminated on disposal	<u>(278)</u>	<u>-</u>	<u>(12,656)</u>	<u>(12,934)</u>
At 31 December 2016	<u>9,765</u>	<u>28,799</u>	<u>72,368</u>	<u>110,932</u>
NET BOOK VALUE				
At 31 December 2016	<u>11,999</u>	<u>173</u>	<u>16,491</u>	<u>28,663</u>
At 31 December 2015	<u>17,379</u>	<u>1,416</u>	<u>21,046</u>	<u>39,841</u>

Notes to the Financial Statements

Registered number: 05234230

for the year ended 31 December 2016

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2016	2015
	£	£
Other debtors	63,324	14,407
Family Matters - Funding payments	-	26,944
VAT	3,322	10,658
Prepayments and accrued income	83,780	53,199
	<u>150,426</u>	<u>105,208</u>

9. CURRENT ASSET INVESTMENTS

	2016	2015
	£	£
Listed investments	443,968	386,368

Listed investments are stated at market value.

At the balance sheet date the cost of these investments was £303,016 (2015: £271,478).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2016	2015
	£	£
Trade creditors	69,806	42,897
Tax	1,415	1,415
Social security and other taxes	22,660	26,619
Other creditors	53,945	30,058
Accruals and deferred income	454,231	193,124
	<u>602,057</u>	<u>294,113</u>

11. RELATED PARTY DISCLOSURES

During the year the company paid £4,500 (2015: £nil) to The John Cornwell Foundation Limited, a charity whereby Mr D Bennett and Ms S Heathcote are Trustees. The company also committed to paying a donation of £34,181 (2015: £nil). At the year end the company owed the charity £29,681 (2015: £nil).

12. STATUS

The company is limited by guarantee of the members, not having a share capital. Each member's liability is limited to £1.

Profit and Loss Account

Registered number: 05234230

for the year ended 31 December 2016

	2016		2015	
	£	£	£	£
Turnover				
Family Matters	-		273,614	
Subscriptions	1,211,409		1,251,840	
Seminars	349,227		326,115	
Mediation and collaborative law training	159,250		241,168	
Accreditation	71,193		47,410	
Publications	26,629		10,852	
Other	39,292		7,716	
The Review	50,000		50,000	
		1,907,000		2,208,715
Other income				
Interest income	15,921		16,225	
Investment income	10,544		10,395	
		26,465		26,620
		1,933,465		2,235,335
Expenditure				
Establishment	91,174		89,497	
Administration	223,857		208,528	
Secretariat	825,189		777,312	
Contractors	127,087		94,967	
Investment fees	4,776		3,849	
Annual General Meeting	10,080		8,708	
Committee travel and work	105,999		96,615	
Parliamentary, public relations and campaigns	38,283		69,757	
Stationery and printing	74,339		76,190	
Membership publications and notices	28,457		41,676	
Consultancy fees	6,736		10,984	
Legal and professional fees	14,234		32,823	
Auditors' remuneration	8,900		8,910	
Depreciation of tangible fixed assets	20,575		13,939	
Seminars (incl mentoring)	274,932		243,307	
Mediation and collaborative law training	136,364		210,921	
Accreditation	44,555		21,091	
Publications	2,054		8,108	
Family Matters	-		290,171	
Online consent orders	12,566		13,595	
Projects	57,809		14,948	
Donations	37,651		-	
		2,145,617		2,335,896
		(212,152)		(100,561)
Finance costs				
Bank charges		3,672		3,963
Carried forward		(215,824)		(104,524)

Profit and Loss Account

for the year ended 31 December 2016

Registered number: 05234230

	2016		2015	
	£	£	£	£
Brought forward		(215,824)		(104,524)
Movement in investments				
Movement in investments	(53,059)		170	
(Gain)/loss on investments	<u>298</u>		<u>(69)</u>	
		<u>(52,761)</u>		<u>101</u>
NET LOSS		<u><u>(163,063)</u></u>		<u><u>(104,625)</u></u>

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