



FINANCIAL MEDIATION PACK

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Your Memorandum of Understanding & Open Financial Statement

At the end of financial mediation, 2 documents will be prepared for you. These are:

1. A Memorandum of Understanding
2. An Open Statement of Financial Information

1. **Memorandum of Understanding.** This is a summary of the proposals reached during mediation. It is legally privileged and is intended to help you to obtain legal advice on your proposals. It does not create or record a legally binding agreement between you. A typical Memorandum of Understanding will include the following information.

- **Background:** setting out the date of your marriage, civil partnership, or relationship; details about you and any children you may have; the date of your separation and whether you are seeking a divorce/ dissolution settlement or separation agreement.
- **Your Aims:** explaining what particular aims, for yourselves and any children you have, have influenced your proposals; what you have taken into account in arriving at your own definition of a balanced and fair settlement.
- **Arrangements for the children:** including details of the children's living arrangements; the time they will be spending with each parent; your proposals concerning future decision making and consultation about the children; how the children will spend time with other important relatives.
- **Maintenance:** setting out the child and any other maintenance amounts agreed; the date and the method of payment; arrangements for periodic review; and for non-child maintenance, events that would trigger an exceptional review, i.e. cohabitation, remarriage, re-partnering, change in financial fortunes. Where you have agreed a figure for child maintenance payments, the Memorandum will state that you have been informed that the Child Maintenance Service have the power to override this aspect of your agreement, were they to become involved.
- **Your Assets, Pensions and Debts:** details of how, and in what proportions, your assets, including pensions, and debts are to be divided; the reasons that have influenced your decisions; whether you are seeking a "clean break" settlement or ongoing maintenance from/for your ex-partner; how the divisions are to be put in place, particularly with regard to any mortgage(s) or pension provision.
- **Wills and Nominations:** your intentions concerning drawing up of wills in the event of divorce or dissolution; your plans regarding any nominations to be made to pensions schemes' death-in-service or death-in-deferment provision.
- **Implementation Plan:** when you wish your agreement to be applied; what actions you propose regarding any joint bank or savings accounts, standing orders, direct debits etc.

- **Future Disagreements:** how you propose dealing with any future disagreements concerning, e.g. arrangements for any children, amount of child maintenance. These might include the further use of mediation for instance.
 - **A Summary of your proposals,** including affordability and the overall effect of the proposals.
2. **Open Statement of Financial Information.** This records all the details of your income, assets and debts that you will have shared in mediation and accepted as accurate. These will have formed the basis of your discussions and any proposals you are making. You will have been told about the importance of full disclosure and asked to sign to confirm that this disclosure has been completed. This summary is not a legally privileged document and the details in it are regarded as open information which may be used in court.

The Open Statement of Financial Information will include a list of all the documents you have provided to each other to support your financial disclosure. Your legal adviser will want to see a copy of these documents to reassure themselves of the accuracy of the figures.

Financial Information Sheets

Introduction

Working out your financial futures requires a sound estimate of what you will need and detailed reckoning of what your income and assets are or could be. With this information in front of you, you can then look together at possible options and choose the solutions that will best suit all the members of your family.

The mediator helps you to do this by using three forms, which enable you to gather the financial information needed for the mediation process.

- A. Your **income** - worked out on a monthly basis
- B. Your **estimated future expenditure** – also on a monthly basis.

A *checklist* of all the things families usually spend their money on is included to help you work out your future expenses. It is very detailed and is simply a guide to you as you work out some broad totals for your future needs.

- C. Your **assets and liabilities**

N.B. Details of your Income, Assets and Liabilities are regarded as open information and may be used by each of you in court.

The mediator helps you find ways together of bridging the gap between what you think you will have and what you think you will need. That is the essence of using mediation to settle finance and property issues.

How to complete the forms

- You must each fill in a separate form in your own right.
- As far as possible round up or down to the nearest pound
- At the end of the pack is **a list of the documents** you will need to support the statements you make about income, assets and liabilities.
- Your solicitors will eventually also want to see these documents which you can attach to your Open Statement of Financial Information
- Once the forms are completed, please obtain **two** photocopies of the supporting documents, and bring these to the session.
- One copy should be given to your partner/ex-partner; the other is for the mediator(s).

During the session the mediator(s) will display all your figures for everyone in the room to see so that you can work on them together.

A: Income Sheet

Name: _____

You will need to provide the following information as fully as possible. This is the kind of information courts require as well as being necessary to your mediation. If you are unable to reach agreements, this information will still be needed.

You need to complete this sheet based on regular income over the last twelve months but shown as calendar monthly income. Weekly income can be multiplied by 4.3 to convert to monthly. Four weekly income can be multiplied by 1.08 to convert to monthly. Annual income – such as a bonus, should be divided by 12.

A MONTHLY INCOME FROM EMPLOYMENT (Form E 2.15)

Salary/Wages (gross) (attach pay slips and most recent P60) £ _____

Part time earnings £ _____

Overtime/Bonus/commission (not included above) £ _____

Value of any benefits in kind, perks or other remuneration £ _____

A1 Total gross income

£ _____

LESS

National Insurance £ _____

Income Tax £ _____

Work Pension Contributions (eg NEST) £ _____

Other - please specify (e.g. Union Sub.) £ _____

A2 Total Deductions:

£ _____

Net income from employment (A1 minus A2)

£ _____

B INCOME FROM SELF EMPLOYMENT (Form E 2.16)

Date to which last accounts completed _____

B1 Gross business profit from this period £ _____

B2 Income tax and NI payable in this period £ _____

Net earnings from self-employment (B1 minus B2) £ _____

Value of benefits in kind, perks or other remuneration £ _____

Amount of dividend or other regular income taken from business £ _____

Total income from self-employment £ _____

Your estimate of your net annual income for the next 12 months £ _____

C OTHER INCOME (Form E 2.17, 2.18, 2.19)

(note that some benefits and tax credits pay on a four weekly cycle – see above for help on converting to a calendar monthly total)

Child Benefit	£ _____
Universal credit	£ _____
Other Benefit income (e.g. Tax Credits, Income Support, JSA, Pension Credit)	£ _____
State Pension	£ _____
Other pension income	£ _____
Child Support from any previous partner	£ _____
Dividends or Interest Received	£ _____
Income from Property	£ _____
Income from Trusts & Shares and any Pension	£ _____
Other income from any source, e.g. fees, casual payments	£ _____
TOTAL	£ _____
LESS likely tax liability	£ _____
 TOTAL NET MONTHLY INCOME (A+B+C)	 £ _____

2: MONTHLY EXPENDITURE (Form E section 3)

Name: _____

Each of you will need to fill in a separate sheet for your expenditure needs in your own right. If you are not yet separated, fill in the sheet as if you were. The aim is to arrive at a reliable picture of how you could each manage once you are apart.

Try to be realistic, by not over or under estimating your expenses. Most people have to make adjustments to their standard of living when they separate but it is better to make those adjustments when you have all the financial details in front of you.

Any estimates that you make now may well be amended in the course of mediation. Entering figures now does not commit you to that amount; they are starting figures.

To assist you there is a detailed list of the whole range of items most families spend money on. This can guide you to arrive at the broad figures listed under the headings 1-8, that will be the ones eventually used in the mediation process.

The broad totals you need are as follows:

1. Accommodation £ _____
2. Financial Commitments £ _____
3. Utilities £ _____
4. Transport £ _____
5. Household expenses £ _____
6. Personal expenses £ _____
7. Recreational expenses £ _____
8. Children's expenses £ _____

You will find a schedule below setting out all the things you might need to consider when working out these totals.

Checklist of Expenditure Items

1. Accommodation

Mortgage/rent/service charge £ _____
 Building & contents insurance £ _____
 Repairs/decorating/maintenance £ _____
 Other (please specify) £ _____

Total £ _____

2. Financial Commitments

Bank, other loan or HP repayments £ _____
 Clubs/ mail order catalogues £ _____
 Credit & Store cards £ _____
 Personal Pension contributions £ _____
 Medical/life insurance £ _____
 Regular savings or investments £ _____
 Maintenance to previous partner £ _____

Total £ _____

3. Utilities

Council Tax £ _____
 Water/sewerage rates £ _____
 Gas/oil/solid fuel £ _____
 Electricity £ _____
 Phone & TV (satellite/cable/
 Broadband/landline & licence £ _____
 Mobile phone £ _____

Total £ _____

4. Transport

Vehicle repayments £ _____
 Car insurance/ road tax £ _____
 Servicing/ repairs & MOT £ _____
 Breakdown cover £ _____
 Fuel/Parking £ _____
 Public Transport £ _____

Total £ _____

2: MONTHLY EXPENDITURE (page 2)

Name: _____

5. Household Expenses

Food/general household £ _____
 Domestic/window cleaning/gardening £ _____
 Dry cleaning/laundry/shoe repairs £ _____
 Vet bills etc £ _____
 Other (please specify) £ _____

Total £ _____

6. Personal Expenses

Clothes (for self) £ _____
 Hair/toiletries/cosmetics £ _____
 Newspapers/magazines £ _____
 Dental/optician £ _____
 Other health expenses £ _____
 Tobacco/alcohol £ _____
 Meals at work £ _____
 Presents (Christmas/birthdays) £ _____
 Charitable giving £ _____
 Stationery/postage £ _____
 Other (please specify) £ _____

Total £ _____

7. Recreation

Holidays/outings £ _____
 Sports/hobbies £ _____
 Cinema/theatre/concerts £ _____
 Meals out/entertaining £ _____
 Other (please specify) £ _____

Total £ _____

8. Children's Expenses

Childcare

Babysitting £ _____
 Nursery/playgroup £ _____
 Childminder/nanny £ _____
 Other (please specify) £ _____

Sub total £ _____

Personal Care

Clothes/shoes £ _____
 Nappies £ _____
 Toiletries/hairdresser £ _____

Sub total £ _____

Recreation

Clubs/groups £ _____
 Equipment/lessons (sport, music) £ _____
 Pocket money/allowance £ _____
 Other (please specify) £ _____

Sub total £ _____

Education

Travel to school £ _____
 School meals £ _____
 School trips £ _____
 School uniform/ sports gear £ _____
 School & college fees £ _____
 Extra tuition £ _____
 Student support further/higher
 Education £ _____

Sub total £ _____

Total Children's Expenses £ _____

C. Assets and Liabilities

Name:

1. The Family Home (2.1)

Address:

Date of Purchase:

Joint/sole ownership

Deposit: £ _____

Freehold/Leasehold

Purchase price: £ _____

Date of valuation: 1. Current Value: £ _____

2. Less mortgage 1: £ _____

3. Less mortgage 2: £ _____

4. Less penalties under mortgage if sold now £ _____

5. Estimated Sales Costs £ _____

NET EQUITY: £ _____

Type of mortgage 1:

2:

Name and address of mortgage company/ies

1.

2.

2. Other properties – land or buildings (2.2)

Address:

Date of Purchase:

Joint/sole ownership

Deposit: £ _____

Freehold/Leasehold

Purchase price: £ _____

Date of valuation: 1. Current Value: £ _____

2. Less mortgage 1: £ _____

3. Less mortgage 2: £ _____

4. Less penalties under mortgage if sold now £ _____

5. Estimated Sales Costs £ _____

NET EQUITY: £ _____

Type of mortgage 1:

2:

Name and address of mortgage company/ies

1.

2.

C. Assets and Liabilities

Name:

3. Savings schemes linked to mortgage (endowments/pensions/ISAs) (2.5)							
Name of company	Type of Scheme	In joint/sole names	Maturity date	Estimated maturity value	Sum assured	Current surrender/transfer/fund value	Date

4. Bank, Building Society, National Savings accounts (2.3) (If the account is overdrawn include the figures in section 11 below) (2.13)						
Name of Bank, Building Society, Other	Last four figures of account no.	Type of account	In joint/sole names	Balance	Date	

5. Stocks, shares & quoted securities (2.4)					
Name of holding	Type of holding	Number/size	In joint/sole names	Current value	Date

5. National Savings certificates (2.4)				
Name of Issue	Nominal amount	In joint/sole names	Current value	Date

C. Assets and Liabilities

Name:

5. Cont'd... National Savings Bonds, including premium bonds (2.4)

Type of Bond	Bondholder's no.	In joint/sole names	Current value	Date

6. Insurance policies, including those with no surrender value (2.5)

Name of Company	Policy number	Policy Type	Life assured	Estimated maturity value	Maturity date	Surrender value

7. Money owed to you (2.6)

Description of all sums owed to you e.g. in company/business accounts, by family members etc	Joint/sole	Amount

8. Cash over £500 not included anywhere above (2.7)

Where it is held	Joint/ sole	Currency	Amount

C. Assets and Liabilities

Name:

9. Cars, boats, caravans and other vehicles worth more than £500 (2.8)

Description	Joint/sole	Market Value

10. Valuables including furniture, antiques, jewellery, pictures, house contents worth more than £500 (2.8)

Description	Joint/sole	Market Value

11. Other realisable assets not listed above, eg Unit trusts, business expansion schemes, inheritance in the foreseeable future. (2.14)

INCLUDE (the following list is not exhaustive): *Please continue on a separate sheet if necessary*

- Any personal or business assets not yet disclosed
- Unrealisable assets
- Share options schemes, stating the estimated net sale proceeds of the shares if the options were capable of exercise now, and whether Capital Gains Tax or Income Tax would be payable
- Business expansion schemes
- Futures
- Commodities
- Trust interests (including interests under a discretionary trust), stating your estimate of the value of the interest and when it is likely to become realisable. If you say it will never be realisable, or has no value, give reasons
- Any asset that is likely to be received in the foreseeable future
- Any asset held on your behalf by a third party
- Any asset not disclosed elsewhere on this form even if held outside England & Wales

Type of asset	Value
TOTAL	

C. Assets and Liabilities

Name:

12. Business interests (2.11)

Name and Nature of Business	Basis of Valuation	Your estimate of current value	Total amount of any sums owed to you by way of a directors loan account, partnership capital or current account

13. Any liabilities (apart from mortgages) - including credit and store cards; bank overdrafts; loans; tax liabilities, unpaid legal fees, hire purchase etc (2.9)

Nature of debts and to whom owed	Outstanding amount

14. Capital Gains Tax liability - if any of your assets would attract capital gains tax if they were sold or transferred (2.10)

Asset	Estimated Capital Gains Tax

C. Assets and Liabilities

Name:

15. Pensions (2.13)

EXCLUDE: Basic State Pension

INCLUDE (complete a separate page for each one):

- **Additional State Pension (SERPS and State Second Pension (S2P))**
- **Free Standing Additional Voluntary Contribution Schemes (FSAVC) separate from the scheme of your employer**
- **Membership of ALL pension plans or schemes**
- **Pension Protection Fund (PPF) Compensation entitlement for each scheme you were a member of which has transferred to PPF**

Documentation required for attachment to this section:

- a) A recent statement showing the cash equivalent (CE) provided by the trustees or managers of each pension arrangement; for the additional state pension, a valuation of these rights or for PPF a valuation of PPF compensation entitlement
- b) If any valuation is not available, give the estimated date when it will be available and attach a copy of your letter to the pension company, administrators, or PPF Board from whom the information was sought and/or state the date on which an application for a valuation of an Additional State Pension was submitted to the Department of Work and Pensions

Name & address of pension arrangement or PPF Board

Your National Insurance Number

Number of pension arrangement or reference number or PPF compensation reference number

Type of scheme e.g. occupational or personal, final salary, money purchase, additional state pension, PPF or other (if other, please give details)

Date the CE, PPF compensation or additional state pension was calculated

Is the pension in payment or drawdown? *(Please answer yes or no)*

State the CE quotation, the additional state pension valuation or PPF valuation of those rights.

If the arrangement is an occupational pension arrangement that is providing reduced CEs, please quote what the CE would have been if not reduced. If this is not possible, please indicate if the CE quoted is a reduced CE

Is the PPF compensation capped? *(please answer yes or no)*

Total value of ALL your pension assets: TOTAL

C. Assets and Liabilities

Name:

16 If you have subsequently married or formed a civil partnership (or intend to) or are living with another person (or intend to), give brief details, so far as they are known to you, of his or her income, assets and liabilities (4.6)

Annual Income		Assets and Liabilities	
Nature of Income	Value (if known, state whether gross or net)	Item	Value (if known)
Total Income	£	Total Assets/liabilities	£

Documents Produced in Mediation

Name:

The following list shows the documents you must attach to your Open Financial Statement if applicable. You may attach other documents where it is necessary to explain or clarify any of the information that you provide.

Document		
	Rec'd	Date
Matrimonial home valuation: a copy of any recent (within past 6 months) valuation relating to the matrimonial home.		
Matrimonial home mortgage(s): a recent (within past 6 months) mortgage statement in respect of each mortgage on the matrimonial home confirming the amount outstanding.		
Any other property: a copy of any recent (within past 6 months) valuation relating to each other property disclosed.		
Any other property mortgage: a recent (within past 6 months) mortgage statement in respect of each mortgage on each property disclosed confirming the amount outstanding		
Personal bank, building society and National Savings accounts: copies of statements for the last 6 months for each account that has been held in the last twelve months, either in your own name or in which you have or have had any interest		
Other investments: the latest statement or dividend counterfoil relating to each investment disclosed		
Life insurance (including endowment) policies: a surrender valuation for each policy that has a surrender value		
Business interests: a copy of the business accounts for the last two financial years for each business interest disclosed		
Business interests: any documentation that is available to confirm the estimate of the current value of the business, for example, a letter from an accountant or formal valuation if that has been obtained.		
Pension rights: a recent (within past 6 months) statement showing the cash equivalent transfer value (CE) from each pension provider you have disclosed (or, in the case of the additional state pension, a valuation of these rights). If not yet available, attach a copy of the letter requesting the information.		
Employment income: your P60 for the last financial year in respect of each employment that you have		
Employment income: your last three payslips in respect of each employment that you have		
Employment income: your last form P11D (work related expenses) if you have been issued with one.		
Self-employment or partnership income: a copy of your last tax assessment or if that is not available, a letter from your accountant confirming your tax liability		
Self-employment or partnership income: if net income from the last financial year and the estimated income for the next twelve months is significantly different, a copy of the management accounts for the period since your last accounts		
Description of other documents attached:		
Application to vary an order: if applicable, attach a copy of the relevant order		