

THE CENTRE FOR JUSTICE INNOVATION UK

(A company limited by guarantee and not having a share capital)

Company Number: 08274430

Charity Number: 1151939

TRUSTEES ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Myrus Smith

Chartered Accountants

Norman House

8 Burnell Road

Sutton, Surrey

SM1 4BW

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee and not having a share capital)
Company Number: 08274430
Charity Number: 1151939
FOR THE YEAR ENDED 31 MARCH 2020

CONTENTS	PAGES
Trustees' Annual Report	1 – 7
Independent Auditor's Report	8 – 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes forming part of the Financial Statements	14 - 21

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee and not having a share capital)
Company Number: 08274430
Charity Number: 1151939

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the audited financial statements for the Centre for Justice innovation UK (the charity) for the period 1 April 2019 to 31 March 2020, recognising the Charity Commission's guidance on public benefit.

Reference and Administrative Information

Trustees

Gregory Andrew Berman
Megan Liberty Aldrich
Mark Blake
Courtney Bryan (appointed 16th March 2020)
Aubrey Fox
Shauneen Lambe
Karyn McCluskey
Dr Geraldine O'Hare (appointed 14th July 2020)
The Lord Wasserman

Senior Management

Phil Bowen (Director)

Company registered number

08274430

Charity registered number

1151939

Registered office

Unit 102 Edinburgh House 170 Kennington Lane, London, England, SE11 5DP

Independent auditors

Myrus Smith
Norman House
8 Burnell Road
Sutton
Surrey SM1 4BW

Bank account details

Barclays
81 Fleet Street,
London, EC4Y 1EL

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND STRATEGIES

Charitable aims and objects

The Centre for Justice Innovation seeks to build a justice system which every citizen believes is fair and effective. The objects of the charity are to promote, for the benefit of the public, the efficiency and effectiveness of the justice systems of the United Kingdom and to promote good citizenship and greater public participation in the prevention and exclusion of crime and to further such other exclusively charitable purposes according to the law of England and Wales.

Main activities in pursuit of charitable objects

At the Centre for Justice Innovation, we seek to build a justice system which every citizen believes is fair and effective. We believe that the justice system should be focused on solving the issues that drive crime and social harm; that it should be fair in how it treats people; that it should be proportionate in the things it does; and that those on the front line should be given the freedom and support to come up with innovative solutions to the problems their communities face.

To deliver our vision of fairer and more effective justice system, we:

- provide hands on support to practitioners in the justice system to help them develop and share innovative and effective practice;
- conduct research into how things work right now and how they could work better;
- promote evidence-based, innovative justice policy reforms;
- share lessons between the jurisdictions of the UK and with our sister organisation in New York City, the Center for Court Innovation, who are at the forefront of problem-solving and community justice innovation in the USA.

Assessing progress

We assess progress through a range of criteria and measures, including:

- Monitoring outcomes data and management information on the functioning and performance of the family and criminal justice systems across the UK including data on criminal courts, on re-offending in both the adult and youth justice systems and in the number of first time entrants into the justice system;
- Monitoring press coverage (national, trade and local) and citations of our research and policy output;
- Regularly gathering feedback from recipients of our practice development support to refine and improve our service to them.

Grant-making

As part of our work, we can make grants to other organisations in pursuit of our objectives. In 2019/20, we made grants to:

- The RCJ Advice Bureau following satisfactory contractual performance updates in running the Highbury Community Advice Service;
- The Institute of Criminal Policy Research at Birkbeck University (ICPR) on the youth court research project.

ACHIEVEMENTS AND PERFORMANCE

Operational context in 2019/20

The level of crime has been broadly stable in recent years. However, the latest figures from the Crime Survey for England and Wales (CSEW) estimate a significant 9% reduction in the year ending March 2020. Underlying this were significant falls in theft (-12%) and criminal damage (-13%) and almost all other crime types saw non-significant falls. However, there was also a 6% increase in the number of offences involving knives or sharp instruments and a 10% increase in the overall number of homicides. There were similar rises in violence with injury in Scotland and Northern Ireland.

The systems we work with across the UK have been under considerable strain. For example, the police have been working with nearly a decade of spending cuts, combined with a growing complexity of emerging harms that they have to confront. At the same time, reform programmes driven forward by the Government, have added additional challenges. For example, reports by the National Audit Office and Public Accounts Committee highlighted the impact of the court reform programme in England and Wales had on access to justice and costs in other parts of the system. Shifts in policy during the year included the promising of 10,000 additional prison places in England and Wales, and similarly, in Scotland, plans to close down prisons also included replacing them with new ones with significantly more capacity. In England and Wales, the government's Transforming Rehabilitation probation reforms were scrapped in 2019, and the Ministry of Justice announced a new model for probation. In Scotland, following the introduction of a presumption against prison sentences of less than three months in 2011, the presumption was raised to sentences of up to 12 months, a change which came into force in June 2019. On the youth justice side, there continues to be encouraging decreases in the number of young people in the system, although this means that a greater proportion of the children left in the system have multiple and complex needs. There was minimal policy activity in Northern Ireland due to the government shutdown.

During 2019/20, changes in Government leadership, policy and personnel at the Ministry of Justice and the Home Office meant the Centre needed to remain flexible and responsive to a changing environment at the Whitehall and Westminster level. Nonetheless, our links with officials in the devolved administrations in Scotland and Northern Ireland, and with Police and Crime Commissioners, and with officials in the Ministry of Justice remained strong.

During 2018/19, following the closure of the Family Drug and Alcohol Court (FDAC) National Unit in September 2018, we worked with a consortia of concerned practitioners, funders, lawyers and others to find a home for that work and were fortunate to broker a new funding arrangement to take on those functions within the Centre from 1st April 2019. This meant we have broadened the focus of the organisation from criminal justice across the UK to crime and family justice across the UK.

Lastly, at the end of 2019/20, our operations were impacted by the initial impact of the covid-19 pandemic.

Achievements and performance in 2019/20

In January 2018, the Trustee Board approved a new strategy for the Centre which expanded the breadth of the Centre's work. Our mission is to be the 'go-to' organisation for practice innovation and evidence-led policy reform in the justice system by 2021. 2019/20 is the second year of this three-year strategy.

Aim 1: To increase the use of community sentences, including spreading problem-solving court practice

Follow up work on our 2018 report, *Renewing trust: How we can improve the relationship between probation and the courts*, directly resulted in Government action to improve probation advice to courts. The Draft Operating Blueprint published by the Probation Reform Programme in June 2019 built on our proposals and set out a range of specific measures around sentencer confidence. These are aimed at improving the quality of pre-sentence advice to court; encouraging greater engagement between probation providers and sentencers; and enhancing sentencers' understanding of community sentence delivery to ensure sentence requirements are tailored to the specific needs of offenders. Since then, we have worked with senior officials in the Ministry of Justice to develop practical suggestions to improve the effectiveness of community sentences more generally in anticipation of the sentencing reform White Paper due in the summer of 2020.

On problem-solving courts, we worked with both Labour and Conservative parties and there were commitments to the wider adoption of problem-solving courts in both election manifestos in 2019. We provided practice support to a substance abuse court project in the West Midlands, the Welsh Justice

Commission, an independent review of justice in Wales, recommended the introduction of problem-solving courts in the criminal courts as well as in the family courts. We worked with Government officials and the new Domestic Abuse Commissioner on how the courts (criminal, public and private family, civil) can respond better to domestic abuse, including discussions on the Government's manifesto commitment to pilot an integrated domestic abuse courts.

In the youth system, we completed our research project on enhancing problem-solving practice in the youth court. The research project found youth courts should be more problem-solving, in particular improving current practice around the procedural fairness of the court hearings themselves and having a more active role for judges in monitoring court-involved children post-sentence. We delayed the launch of the report due to the strictures relation to covid-19.

Aim 2: Spreading community advice services

During 2019/20, we developed this work project from providing general oversight to the Highbury Community Advice service to a much wider set of projects. We successfully bid for work with CASS+ (an independent charity which delivers community advice services in courts in the south west of England) to support a full evaluation of the Community Advice model, research and policy work to promote the findings of the evaluation and practice development support to three sites to help them implement community advice. This work is due to start in April 2020.

Alongside this bid, we worked to take the Highbury Community Advice service in-house from the RCJ Advice bureau. We set in train a process of transitioning service staff into the Centre, who will become part of our practice team in May 2020, and we engaged with the existing provider, RCJ advice, on a number of administrative issues including the transfer of service assets and client data.

Aim 3: Increase the use and effectiveness of pre-court diversion

On pre-court diversion in the youth system, we worked with a range of areas, creating new diversion schemes and improving and expanding practice in other areas. We held a number of national practice sharing workshops and, in January 2020, we launched a policy paper, calling for a more coherent national framework for youth diversion. We have had productive discussions with the YJB, HMIP and others about helping shape this framework (though the issue of funding for diversion remains outstanding). Our work on pre-court diversion for adults included four regional practice sharing workshops with 22 forces and 30+ schemes represented.

Aim 4: Increase the use of Family Drug and Alcohol Courts (FDAC)

In April 2019, the Centre took on the role of overseeing and supporting the development of FDAC across the UK. In May 2019, the Department for Education announced it would invest in the expansion and evaluation of FDAC. We became the 'delivery partner' assisting new areas to develop FDACs. Six new FDACs are being funded under this programme and the existing eight FDACs will also receive additional funding. This programme will be evaluated by NatCen via a quasi-experimental study, comparing FDAC to standard proceedings, and we are assisting the evaluators around the design of the study. We supported senior judiciary to host all the FDAC judges in England at a judicial forum in February 2020. We have also launched our family justice quarterly bulletin which details our work in FDAC. We held a family justice seminar at the House of Lords, to engage with national policy and practice stakeholders in the care and family court system, chaired by Lord Wasserman.

Aim 5: Promote the best of Britain's innovative justice practice

In partnership with the Criminal Justice Alliance, we published a general justice innovation briefing for Police and Crime Commissioners (PCCs) and new prospective PCC candidates which we launched at the Labour and Conservative conferences in September 2019. Speakers included Katy Bourne, (Conservative PCC for Sussex and Chair of the Association of Police and Crime Commissioners) and David Jamieson (Labour PCC for West Midlands). In 2019, we launched our map of innovative justice practice and have over 35 projects on the map, including case studies from across the UK.

FINANCIAL REVIEW

In financial year 2019/20, the charity received £1,053,359. Unrestricted income constituted £480,359 and £572,964 in restricted grants. The total income represents a 79% increase on the previous year (£588,678).

In financial year 2019/20, the charity spent £788,086. The total expenditure represents a 51% increase on the previous year (£521,745).

At year end 2019/20, the charity had £770,164 in funds to carry forward, of which £204,441 are restricted funds carried over for 20/21, and £565,723 is unrestricted and held in reserve.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Risk management

The principal risk and uncertainty facing the Centre is the extent of political and Ministerial change in the UK Government, making influencing policy and building networks with key opinion formers challenging. To manage this risk, we have ensured that we have maintained links with officials, devolved administrations and others who have influence over policy formation away from national Government, while also focusing on our practice based work, which continues regardless of changes in political leadership in Whitehall.

Reserves policy

The charity aims to maintain unrestricted reserves sufficient to cover at least six months' total anticipated expenditure. Specific permission from the Trustees is required prior to the use of this reserve.

At the end of 2019/20, the charity has £565,723 in unrestricted funds to carry forward, which constitutes over seven months of our total anticipated expenditure in 2020/21.

Plans for future periods

In financial year 2020/21, the charity has confirmed income of £1,018,024. The confirmed unrestricted grants are from the Hadley Trust and the Monument Trust legacy grant (provided by the Woolbedding Charity). The Monument Trust legacy confirmed future grants of £150,000 each year for 5 years, starting in 17/18. 20/21 represents the fourth year of this legacy grant.

In financial year 2020/21, the charity anticipates spending £1,016,685, of which the biggest expenditure is on staff costs (£653,054 or 64% of total anticipated expenditure).

STRUCTURE, MANAGEMENT AND GOVERNANCE

Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Trust deed on 30th October 2012. The charity is registered (charity number 1151939).

Method of election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Induction of Trustees

Induction of Trustees is through formal and informal conversations with the Chair and Director of the charity and the Trustees further involvement in the work of the charity.

Decision making

The business of the Charity is managed by the Trustee Board. The Trustees are responsible for the following decisions: (i) approval of the annual budget; (ii) review of finances; (iii) reviewing the performance of the charity against its stated aims and charitable objects.

The chair of the Trustee Board is responsible for the remuneration and performance appraisal of the Director, in consultation with the Trustee Board. The chair gathers feedback on the performance of the Director from the team and other stakeholders as part of the Director's performance appraisal.

Remuneration of staff

Remuneration of all staff is set through the charity's salary policy. We set initial salaries through benchmarking exercises comparing pay scales across the sector. The Centre's pay policy is based on a combination of inflationary and performance-related increases, with the goal of rewarding good performance and team well-being, as far as the Centre's overall financial situation can allow.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Public benefit

The Trustees are aware of and give due consideration, when setting objectives and planning activities, to the Charity Commission's guidance on public benefit.

The trustees (who are also directors of The Centre for Justice Innovation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Myrus Smith have expressed their willingness to continue in office in accordance with Section 487 of the Companies Act 2006.

Small company exemptions

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

This report was approved by the trustees on 14th January 2021 and signed on its behalf by:

Greg Berman

Greg Berman
Chair of the Board
19 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

Opinion

We have audited the financial statements of The Centre for Justice Innovation (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, and of its incoming resources and application of resources, including its income and expenditure, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

K C Fisher

Kevin Fisher BA FCA CTA (Senior Statutory Auditor)
For and on behalf of Myrus Smith
Chartered Accountants and Statutory Auditor
Norman House,
8 Burnell Road,
Sutton, Surrey.
SM1 4BW

Date: 20 January 2021

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income					
Donations and grants	2	480,395	572,964	1,053,359	588,678
Charitable activities	3	-	-	-	-
Investments	4	15	-	15	10
Total		<u>480,410</u>	<u>572,964</u>	<u>1,053,374</u>	<u>588,688</u>
Expenditure					
Raising funds	5	630	-	630	2,750
Charitable activities	6	372,963	414,493	787,456	518,995
Total		<u>373,593</u>	<u>414,493</u>	<u>788,086</u>	<u>521,745</u>
Net income/(expenditure)	11	106,817	158,471	265,288	66,943
Transfers between funds		-	-	-	-
Net movement in funds		106,817	158,471	265,288	66,943
Reconciliation of funds					
Total funds brought forward		458,906	45,970	504,876	437,933
Total funds carried forward		<u>£565,723</u>	<u>£204,441</u>	<u>£770,164</u>	<u>£756,592</u>

All income and expenditure is derived from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes form part of these Financial Statements.

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee and not having a share capital)
Company Number: 08274430
Charity Number: 1151939

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	15		25,526		1,738
CURRENT ASSETS					
Debtors	16	66,477		47,726	
Cash at bank		705,392		479,543	
		<u>771,869</u>		<u>527,269</u>	
CREDITORS: Amounts falling due within one year	17	<u>27,231</u>		<u>24,131</u>	
NET CURRENT ASSETS			744,638		503,138
NET ASSETS	19		<u>£770,164</u>		<u>£504,876</u>
FUNDS					
Unrestricted fund	18		565,723		458,906
Restricted funds	18		204,441		45,970
			<u>£770,164</u>		<u>£504,876</u>

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

The financial statements were approved by the trustees on 2020

Greg Berman

.....
Greg Berman
Chair of the Board

The notes form part of these Financial Statements

THE CENTRE FOR JUSTICE INNOVATION UK
 (A company limited by guarantee and not having a share capital)
 Company Number: 08274430
 Charity Number: 1151939

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Net cash generated from operating activities (see below)	261,378	46,462
Cash flow from investing activities		
Interest received	15	10
Purchase of tangible fixed assets	(35,544)	-
(Decrease)/Increase in cash in the year	225,849	46,472
Cash brought forward	479,543	433,071
Cash carried forward	£705,392	£479,543
Analysis of cash		
Cash at bank	£705,392	£479,543
	2020 £	2019 £
Reconciliation of net income to net cash flow from operating activities		
Operating surplus on ordinary activities	265,288	66,943
Adjustments for non-cash items:		
Depreciation	11,756	2,834
(Increase) in debtors	(18,751)	(30,398)
Increase in creditors	3,100	7,093
	261,393	46,472
Adjustment for investing activities		
Interest receivable	(15)	(10)
Net cash generated from operating activities	£261,378	£46,462

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements have been prepared on the going concern basis and under the historical cost convention.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless

Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

- The charity has entitlement to the funds;
- any performance conditions have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost can be measured reliably. No income is recognised where there is no financial costs borne by a third party.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount can be measured reliably. Expenditure includes all irrecoverable VAT which is included as part of the relevant cost. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises those costs associated with attracting voluntary donations and grants
- Expenditure on charitable activities comprises those costs associated with the delivery of the various activities and services for the charity's beneficiaries.

Expenditure includes those costs of a direct nature which can be allocated to a specific activity and also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support those activities. Support costs are apportioned to each activity on the basis of staff time.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the yearend are noted as a commitment, but not accrued as expenditure.

Fund accounting

Unrestricted general funds are freely available for use in furtherance of the objects of the charity and which have not been designated for specific purposes.

Restricted funds are funds which can only be used in accordance with specific restrictions imposed by the donor or which have been raised for a particular purpose.

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020
/contd...

1. ACCOUNTING POLICIES/contd....

Tangible fixed assets and depreciation

All tangible assets are capitalised and are stated at costs less accumulated depreciation. Depreciation is provided so as to write off the cost of each asset, less estimated residual value, over its estimated useful life at the following annual rates:

Fixtures and fittings	33% Straight line
Office equipment	33% Straight line

Financial Instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in expenditure.

Pensions

The charity operates a defined contribution pension scheme for the benefit of its employees. Contributions are charged to the statement of financial activities in the year to which they relate.

The Centre has no liability beyond making its contributions and paying over the deductions for the employees' contributions.

Operating leases

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the period of the lease.

2. DONATIONS AND GRANTS	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations	-	-	-	-
Grants	480,395	572,964	1,053,359	588,678
	<u>£480,395</u>	<u>£572,964</u>	<u>£1,053,359</u>	<u>£588,678</u>

Of the £588,678 recognised in 2019, £481,500 was unrestricted and £107,178 was restricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Contracts and fees	£Nil	£Nil	£Nil	£Nil
	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>	<u>£Nil</u>

All of the £Nil recognised in 2019 was restricted funds.

4. INVESTMENT INCOME	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Bank interest	£15	£Nil	£15	£10
	<u>£15</u>	<u>£Nil</u>	<u>£15</u>	<u>£10</u>

All of the £10 recognised in 2019 was unrestricted funds

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

/contd...

5. COST OF RAISING FUNDS	Direct costs £	Support costs £	Total 2020 £	Total 2019 £
Fundraising activities	£630	£Nil	£630	£2,750

All of the £2,750 expenditure recognised in 2019 was charged to unrestricted funds.

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant funding £	Direct costs £	Support costs £	Total 2020 £	Total 2019 £
Research and dissemination	£78,049	£445,544	£263,863	£787,456	£518,995

Of the £518,995 expenditure recognised in 2019, £437,163 was charged to unrestricted funds and £81,832 was charged to restricted funds.

7. ANALYSIS OF GRANT FUNDING

	2020 £	2019 £
Grants to institutions		
RCJ Advice Bureau	48,022	38,149
ICPR	30,027	-
	<u>£78,049</u>	<u>£38,149</u>

8. ANALYSIS OF DIRECT COSTS

	Raising funds £	Charitable activities £	Total 2020 £	Total 2019 £
Wages and salaries	-	378,312	378,312	262,427
Consultancy	-	15,071	15,071	14,313
Other direct costs	-	50,291	50,291	14,098
Training	-	1,870	1,870	3,804
Advertising	630	-	630	2,750
	<u>£630</u>	<u>£445,544</u>	<u>£446,174</u>	<u>£297,392</u>

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

/contd...

9. ANALYSIS OF SUPPORT COSTS

	Raising funds £	Charitable activities £	Total 2020 £	Total 2019 £
Wages and salaries	-	94,578	94,578	65,607
Office costs	-	56,910	56,910	31,642
Bad debts	-	1,254	1,254	-
Bank charges	-	223	223	352
Insurance	-	350	350	335
Rent	-	58,009	58,009	51,403
Depreciation	-	11,756	11,756	2,834
Governance costs (note 10)	-	9,906	9,906	12,001
Travel and subsistence	-	26,651	26,651	10,790
Sundry expenses	-	455	455	2,413
Subscriptions	-	1,612	1,612	6,324
Website development	-	2,159	2,159	2,503
	<u>£Nil</u>	<u>£263,863</u>	<u>£263,863</u>	<u>£186,204</u>

10. GOVERNANCE COSTS

	2020 £	2019 £
Accountancy fees	5,312	7,760
Audit fees	3,100	3,530
Legal and professional fees	1,494	711
	<u>£9,906</u>	<u>£12,001</u>

11. NET INCOME

	2020	2019
Net income for the year is stated after charging:		
Auditors remuneration - Audit fees	£3,100	£3,000
- Accountancy services	£Nil	£530
Depreciation	£2,335	£2,834
Operating lease rentals	<u>£67,314</u>	<u>£49,405</u>

THE CENTRE FOR JUSTICE INNOVATION UK

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2020**

/contd...

12. STAFF COSTS

	2020 £	2019 £
Wages and salaries	410,161	287,278
Social security costs	41,589	27,454
Pension costs	21,140	13,302
	<u>£472,890</u>	<u>£328,034</u>

The average monthly number of employees was 10.1 (2019: 7.5), with all employee time involved in providing either direct or support services to the charitable activities.

The number of employees whose total employee benefits (excluding employer pension costs) were in excess of £60,000 was as follows:

	2020 No.	2019 No.
£70,000 - £80,000	<u>1</u>	<u>1</u>

The total amount of employee benefits received by key management personnel was £93,151 (2019 : £84,452). Under FRS 102, employee benefits include gross salary, benefits in kind, employer's national insurance and employer pension cost.

13. TRUSTEES' REMUNERATION AND EXPENSES

The trustees received no remuneration during either year (2019: £Nil) and nor were they reimbursed any expenses (2019: £Nil)

14. TAXATION AND COMPANY STATUS

The company is exempt from taxation on its charitable activities.

The charity is also a private company (No. 08274430) limited by guarantee and has no share capital registered in England and Wales. The liability of each member in respect of the guarantee is limited to £1. The registered office is given in the Reference and Administrative Information in the Trustees' Annual Report.

THE CENTRE FOR JUSTICE INNOVATION UK

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2020**

/contd...

15. TANGIBLE FIXED ASSETS	Improvements to Leasehold Property £	Fixtures and fittings £	Office equipment £	Total £
Cost:				
At 31 March 2019	-	3,510	17,214	20,724
Additions	8,455	10,391	16,698	35,544
	<u>8,455</u>	<u>13,901</u>	<u>33,912</u>	<u>56,268</u>
At 31 March 2020				
Depreciation:				
At 31 March 2019	-	3,510	15,476	18,986
Charge for year	3,523	2,738	5,495	11,756
	<u>3,523</u>	<u>6,248</u>	<u>20,971</u>	<u>30,742</u>
At 31 March 2020				
Net Book Value:				
At 31 March 2020	<u>£4,932</u>	<u>£7,653</u>	<u>£12,941</u>	<u>£25,526</u>
At 31 March 2019	<u>£Nil</u>	<u>£Nil</u>	<u>£1,738</u>	<u>£1,738</u>

16. DEBTORS	2020 £	2019 £
Trade debtors	-	11,254
Other debtors	13,710	9,718
Prepayments and accrued income	52,767	26,754
	<u>£66,477</u>	<u>£47,726</u>

17. CREDITORS: Amounts falling due within one year	2020 £	2019 £
Trade creditors	1,202	7,517
Other taxation and social security	18,929	9,314
Accruals and deferred income	7,100	7,300
	<u>£27,231</u>	<u>£24,131</u>

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

/contd...

18. MOVEMENT IN FUNDS	Balance 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance 31 March 2020 £
2020					
Unrestricted funds					
General funds	458,906	480,410	373,593	-	565,723
Restricted funds					
Hadley Trust– Highbury CAS	19,791	69,359	57,807	-	31,343
Hadley Trust – Optimity	-	-	-	-	-
Monument Fellowship Book	-	-	-	-	-
Barrow Cadbury Trust	1,375	58,200	43,673	-	15,902
Nuffield Foundation	-	141,373	113,858	-	27,515
Esmee Foundation	24,804	30,000	28,582	-	26,222
Porticus	-	100,000	37,518	-	62,482
Bell Foundation	-	5,909	5,909	-	-
Lloyds Foundation	-	48,014	12,404	-	35,610
FDAC	-	120,109	114,742	-	5,367
	<u>45,970</u>	<u>572,964</u>	<u>414,493</u>	<u>-</u>	<u>204,441</u>
Total funds	<u>£504,876</u>	<u>£1,053,374</u>	<u>£788,086</u>	<u>£Nil</u>	<u>£770,164</u>

Comparative information for the movement in funds in the previous year is as follows:

2019	Balance 1 April 2018 £	Income £	Expenditure £	Transfers £	Balance 31 March 2019 £
Unrestricted funds					
General funds	417,309	481,510	439,913	-	458,906
Restricted funds					
Hadley Trust– Highbury CAS	-	47,500	27,709	-	19,791
Hadley Trust – Optimity	10,440	-	10,440	-	-
Monument Fellowship Book	-	8,655	8,655	-	-
Barrow Cadbury Trust	1,375	-	-	-	1,375
Nuffield Foundation	8,809	21,023	29,832	-	-
Esmee Foundation	-	30,000	5,196	-	24,804
	<u>20,624</u>	<u>107,178</u>	<u>81,832</u>	<u>-</u>	<u>45,970</u>
Total funds	<u>£437,933</u>	<u>£588,688</u>	<u>£521,745</u>	<u>£Nil</u>	<u>£504,876</u>

The purpose of the restricted funds is set out in the Trustees' Annual Report.

THE CENTRE FOR JUSTICE INNOVATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

/contd...

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £
Tangible fixed assets	25,526	-	25,526
Current assets	567,428	204,441	771,869
Current liabilities	(27,231)	-	(27,231)
	<u>£565,723</u>	<u>£204,441</u>	<u>£770,164</u>

Comparative information for the analysis of net assets between funds in the previous year is as follows:

2019	Unrestricted funds 2019 £	Restricted funds 2019 £	Total Funds 2019 £
Tangible fixed assets	1,738	-	1,738
Current assets	481,299	45,970	527,269
Current liabilities	(24,131)	-	(24,131)
	<u>£458,906</u>	<u>£45,970</u>	<u>£504,876</u>

20. OPERATING LEASE COMMITMENTS

The total minimum lease payments falling due under non-cancellable operating lease agreements are as follows:

	2020 £	2019 £
Within one year	22,258	47,355
Within one to two years	-	-
	<u>£22,258</u>	<u>£47,355</u>

21. CONTINGENT ASSETS

The charity has been awarded several multi-year grants, however, not all of the funds awarded have been recognised as income due to the policy of recognising income in accordance with agreed budgets and implied time frames. The total grant income awarded but not yet received amounts to £300,000.