

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 2022

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
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FOR THE YEAR ENDED 31 MARCH 2022

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

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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 2021 to 31 March 2022, recognising the Charity Commission's guidance on public benefit.

Reference and Administrative Information

Trustees

Gregory Berman (chair)
Mark Blake
Courtney Bryan
Aubrey Fox
Shauneen Lambe
Karyn McCluskey
Dr Geraldine O'Hare
Lord Wasserman
Robert Zara (appointed 21st January 2022)

Megan Liberty Aldrich (resigned 28th July 2021)

Senior Management

Phil Bowen (Director)

Company registered number

08274430

Charity registered number

1151939

Registered office

Unit 102, Edinburgh House
170 Kennington Lane
LONDON
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 2022

Vision and mission

The Centre for Justice Innovation seeks 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.

Key achievements between 2019 and 2022

2021/22 was the final year of the Centre's three-year strategy. It also marked the 10-year anniversary of the establishment of the Centre in December 2011.

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

Since 2019, we worked with senior officials and Ministers to develop practical policy proposals to improve the effectiveness of community sentences within the Government's White Paper, *A Smarter Approach To Sentencing*, and the subsequent legislation, the Police, Crime, Sentencing and Courts Act 2022.

During 2021/22, this has resulted in the following:

- The passage of legislation to support more flexible use of electronic monitoring curfews and giving probation staff the power to vary electronic monitoring requirements;
- The passage of legislation to pilot problem-solving courts, which will incorporate a number of evidenced problem-solving components such as regular judicial monitoring and the use of graduated sanction and incentives (see below);
- The passage of legislation to make consultation on the use of unpaid work mandatory

We have worked with the Ministry of Justice to implement five new problem-solving courts, trialling three new models of practice, including a Crown Court substance misuse model, a domestic abuse model at a magistrates' court, building on the Specialist Domestic Abuse Court model, and a model for vulnerable female offenders as an alternative to custody, also at a magistrates' court. These are expected to go live in 2023.

Alm 2: Spreading community advice services

During 2020/21, we took over the Highbury Community Advice service, transferring staff from the previous provider into our team. Due to the pandemic, we worked to keep the service open, in consultation with the court service and while continually monitoring the situation with regards to the safety and well-being of our staff and our clients. During 2021/22, we have continued to run the Highbury Community Advice service, training new volunteers to assist in the running of the service. During 2021/22, we have been working with stakeholders to evaluate and spread knowledge about the community advice model, and have started work on new research looking at the gap these services fill.

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FOR THE YEAR ENDED 31 MARCH 2022

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

Since 2019, we have expanded our work in this area, adding to our work on diversion for children and young people with diversion for adults.

For children and young people, our key achievements in the last 3 years include working with 10 areas to set up or improve their diversion scheme, influencing officials to include diversion in the Youth Justice Board's 'Standards for Children in the Youth Justice System', and working with Her Majesty's Inspectorate of Probation to influence how they inspect diversion work in youth offending teams. Over the past year, we have had a special focus on research into the impact and experience of diversion for Black, Asian Minority Ethnic children.

For adults, our work began in 2019, and our initial focus was to better understand the landscape and to build networks with practitioners. With the support of the National Police Chiefs Council, we surveyed forces - 30 of the 43 police forces have a pre-court diversion scheme for adults or have plans to set one up in their area. We found hugely variable practice and that there was a lack of support available to forces. During 2021/22, the Government's new Police, Crime, Sentencing and Courts Bill was introduced to Parliament which aims to simplify statutory out of court disposals, and bring more consistency across how police forces deal with low level offences through pre-court diversion. We have therefore focused in 2021/22 on supporting the Ministry of Justice to develop its new code of practice for pre-court diversion, supporting Merseyside Police & the Met police to deliver more effective pre-court diversion and releasing briefings outlining the evidence and best practice in the use of conditions in pre-court diversion.

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, under the 'Supporting Families; Investing in Practice' programme, under which we became the 'delivery partner' assisting areas to develop and expand FDACs.

In 2020/21, we completed the set-up of 7 new FDAC areas, and provided support to the 8 additional existing FDACs. The set up support included rolling out a new three-day induction training, and supporting practitioners through refresher training and practitioner sharing forums. Our research team developed a new data collection tool for FDACs which was rolled out across FDACs during 2021/22.

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

During the year, we have refreshed and updated our map of innovative justice practice and have over 35 projects on the map, including case studies from across the UK. We also awarded our first two annual justice innovation awards, the Nick Crichton Award for Family Justice Innovation and the Criminal Justice Innovation award.

FINANCIAL REVIEW

In financial year 2021/22, the charity received £1,015,794. The total income represents a 6.6% increase on the previous year (£952,771). In total, we received £467,618 in unrestricted funds and £548,176 in restricted funds. This compares to £530,281 in unrestricted funds and £396,175 in restricted funds we received in 2020/21.

Of the restricted funds received in 2021/22, the funds were used as follows:

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

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

| Funder | Purpose | Amount |
|------------------------------------|---|-----------------|
| FDAC national consortia of funders | Support for expansion of FDACs in England and Wales | £56,000 |
| Department of Education | | £60,812 |
| Welsh Government | Support for expansion of FDACs in Wales | £107,000 |
| Home Office | Domestic Abuse and FDAC | £22,602 |
| Barrow Cadbury Trust grants | Funds to support point-of arrest diversion for vulnerable adults/research on problem-solving in West Midlands | £63,000 |
| Bell Foundation grant | Funds for research into experiences of the justice system for service users with English as an | £8,864 |
| Hadley Trust grant - Highbury | Highbury Community Advice | £85,000 |
| ABC Charitable Trust | | £20,000 |
| Lloyds TSB Foundation | Expansion of Community Advice services | £84,900 |
| Tampon Tax (via Standing Together) | Research on Specialist Domestic Abuse Courts (SDACs) | £15,000 |
| Ministry of Justice | Training for practitioners | £1,000 |
| Total | | £548,176 |

In financial year 2021/22, the charity spent £1,077,043. The total expenditure represents a 14.4% increase on the previous year (£941,434).

At year end 2021/22, the charity had £720,252 in funds to carry forward, of which £127,151 are restricted funds carried over for 22/23, and £593,101 are 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 risks and uncertainties facing the Centre are:

- the organisation's financial reliance on foundations, especially unrestricted funds in light of the end of the Monument legacy grants (see below);
- the extent of political and Ministerial change in the UK Government, making influencing policy and building networks with key opinion formers challenging;
- operational challenges that justice agencies are facing, including the reunification of the probation service.

To manage these risks, we worked closely with funders and others to revise delivery plans on some of our restricted grants. We have also ensured that we have maintained links with officials, devolved administrations and others who have influence over policy formation away from national Government.

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 2021/22, the charity has £593,101 in unrestricted funds to carry forward, which constitutes 7 months of our total anticipated expenditure in 2022/23.

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

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

In financial year 2022/23, the charity has confirmed income of £1,050,986, and anticipates spending £1,008,093, of which the biggest expenditure is on staff costs (£674,804 or 67% of total anticipated expenditure).

The Board, recognising the ongoing uncertainties of the covid-19 pandemic, reviewed the organisation's future strategy during 21/22 and plan to launch a new strategy in 2022/23. However, the Board and the Director have had ongoing discussions about the aims, objectives and activities of the organisation and there will be substantial continuity between the previous strategy and the new strategy in 2022/23.

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. Trustees are identified via existing networks and through formal and informal conversations with the Chair and Director of the charity.

Induction of Trustees

Induction of Trustees is through conversations with the Director of the charity, the issuance of formal induction materials to the Trustee and their 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.

THE CENTRE FOR JUSTICE INNOVATION UK
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TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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.

Trustees' responsibilities statement

The trustees (who are also directors of The Centre for Justice Innovation UK) 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. Under company law the trustees 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 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 2019 (FRS 102);
- 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.

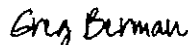
Auditors

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 7th December 2022 and signed on its behalf by:

DocuSigned by:

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Greg Berman
Chair of the Board

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 2022 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 2021, 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

THE CENTRE FOR JUSTICE INNOVATION UK

(A company limited by guarantee)

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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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF:

THE CENTRE FOR JUSTICE INNOVATION UK

(A company limited by guarantee)

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- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Professional scepticism in course of the audit and with audit sampling in material audit areas.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



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: 12th December 2022

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 2022

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2022 £ | Total Funds 2021 £ |
|------------------------------------|-------|----------------------------|--------------------------|--------------------------|--------------------------|
| Income | | | | | |
| Donations and grants | 2 | 467,500 | 548,176 | 1,015,676 | 926,456 |
| Charitable activities | 3 | 118 | - | 118 | 26,315 |
| Investments | 4 | - | - | - | - |
| Total | | <u>467,618</u> | <u>548,176</u> | <u>1,015,794</u> | <u>952,771</u> |
| Expenditure | | | | | |
| Raising funds | 5 | - | 286 | 286 | 2,016 |
| Charitable activities | 6 | 413,053 | 663,704 | 1,076,757 | 939,418 |
| Total | | <u>413,053</u> | <u>663,990</u> | <u>1,077,043</u> | <u>941,434</u> |
| Net income/(expenditure) | 11 | 54,565 | (115,814) | (61,249) | 11,337 |
| Transfers between funds | 18 | (39,651) | 39,651 | - | - |
| Net movement in funds | | 14,914 | (76,163) | (61,249) | 11,337 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | 18 | 578,187 | 203,314 | 781,501 | 770,164 |
| Total funds carried forward | 18 | <u>£593,101</u> | <u>£127,151</u> | <u>£720,252</u> | <u>£781,501</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
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 Company Number: 08274430
 Charity Number: 1151939

BALANCE SHEET

AS AT 31 MARCH 2022

| | Notes | 2022 | | 2021 | |
|---|-------|----------------|-----------------|----------------|-----------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 15 | | 23,331 | | 21,057 |
| CURRENT ASSETS | | | | | |
| Debtors | 16 | 43,561 | | 109,404 | |
| Cash at bank | | 724,138 | | 680,515 | |
| | | <u>767,699</u> | | <u>789,919</u> | |
| CREDITORS: Amounts falling due within one year | 17 | <u>70,778</u> | | <u>29,475</u> | |
| NET CURRENT ASSETS | | | <u>696,921</u> | | <u>760,444</u> |
| NET ASSETS | 19 | | <u>£720,252</u> | | <u>£781,501</u> |
| FUNDS | | | | | |
| Unrestricted fund | 18 | | 593,101 | | 578,187 |
| Restricted funds | 18 | | 127,151 | | 203,314 |
| | | | <u>£720,252</u> | | <u>£781,501</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 7th December 2022

DocuSigned by:

Greg Berman

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 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 2022

| | 2022 £ | 2021 £ |
|--|-----------------|------------------|
| Net cash generated from / (used in) operating activities (see below) | 59,654 | (16,679) |
| Cash flow from investing activities | | |
| Interest received | - | - |
| Purchase of tangible fixed assets | (16,031) | (8,198) |
| (Decrease)/Increase in cash in the year | 43,623 | (24,877) |
| Cash brought forward | 680,515 | 705,392 |
| Cash carried forward | <u>£724,138</u> | <u>£705,392</u> |
| Analysis of cash | | |
| Cash at bank | <u>£724,138</u> | <u>£680,515</u> |
| | 2022 | 2021 |
| | £ | £ |
| Reconciliation of net income to net cash flow from operating activities | | |
| Operating (deficit) / surplus on ordinary activities | (61,249) | 11,337 |
| Adjustments for non-cash items: | | |
| Depreciation | 13,757 | 12,667 |
| Decrease / (Increase) in debtors | 65,843 | (42,927) |
| Increase in creditors | 41,303 | 2,244 |
| | <u>59,654</u> | <u>(16,679)</u> |
| Adjustment for investing activities | | |
| Interest receivable | - | - |
| Net cash generated from / (used in) operating activities | <u>£59,654</u> | <u>£(16,679)</u> |

The notes form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 Accounting Practice.

The financial statements are prepared on a going concern basis 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 otherwise stated.

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.

The company received government support through the Coronavirus Job Retention Scheme (CJRS) which is accounted for on the accrual basis, and is included under Grants received (Note 2).

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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

/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 2022 £ | Total 2021 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Grants | £467,618 | £548,176 | £1,015,794 | £926,456 |

Of the £926,456 recognised in 2021, £530,281 was unrestricted and £396,175 was restricted funds.

| 3. INCOME FROM CHARITABLE ACTIVITIES | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|---|-----------------------|---------------------|---------------|---------------|
| Contracts and fees | £118 | £Nil | £118 | £26,315 |

| 4. INVESTMENT INCOME | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|-----------------------------|-----------------------|---------------------|---------------|---------------|
| Bank interest | £Nil | £Nil | £Nil | £Nil |

All of the £Nil recognised in 2021 was unrestricted funds.

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FOR THE YEAR ENDED 31 MARCH 2022

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| 5. COST OF RAISING FUNDS | Direct costs £ | Support costs £ | Total 2022 £ | Total 2021 £ |
|--------------------------|-------------------|--------------------|--------------------|--------------------|
| Fundraising activities | <u>£286</u> | <u>£Nil</u> | <u>£286</u> | <u>£2,016</u> |

All of the £2,016 expenditure recognised in 2021 was charged to unrestricted funds.

| 6. EXPENDITURE ON CHARITABLE ACTIVITIES | Grant funding £ | Direct costs £ | Support costs £ | Total 2022 £ | Total 2021 £ |
|---|--------------------|-------------------|--------------------|--------------------|--------------------|
| Research and dissemination | <u>£5,736</u> | <u>£721,363</u> | <u>£349,744</u> | <u>£1,077,043</u> | <u>£941,434</u> |

Of the £941,434 expenditure recognised in 2021, £404,773 was charged to unrestricted funds and £536,661 was charged to restricted funds.

| 7. ANALYSIS OF GRANT FUNDING | 2022 £ | 2021 £ |
|-------------------------------|---------------|----------------|
| Grants to institutions | | |
| RCJ Advice Bureau | - | 35,384 |
| ICPR | 5,736 | 8,717 |
| | <u>£5,736</u> | <u>£44,101</u> |

| 8. ANALYSIS OF DIRECT COSTS | Raising funds £ | Charitable activities £ | Total 2022 £ | Total 2021 £ |
|-----------------------------|--------------------|----------------------------|--------------------|--------------------|
| Wages and salaries | - | 552,401 | 552,401 | 504,490 |
| Consultancy | - | 79,506 | 79,506 | 57,662 |
| Other direct costs | - | 83,777 | 83,777 | 81,436 |
| Training | - | 5,393 | 5,393 | 2,359 |
| Advertising | 286 | - | 286 | 2,016 |
| | <u>£286</u> | <u>£721,077</u> | <u>£721,363</u> | <u>£647,963</u> |

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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9. ANALYSIS OF SUPPORT COSTS

| | Raising funds £ | Charitable activities £ | Total 2022 £ | Total 2021 £ |
|----------------------------|-----------------------|-------------------------------|--------------------|--------------------|
| Wages and salaries | - | 138,100 | 138,100 | 126,123 |
| Office costs | - | 69,189 | 69,189 | 47,964 |
| Bad debts | - | - | - | - |
| Bank charges | - | 474 | 474 | 274 |
| Insurance | - | 328 | 328 | 335 |
| Rent and rates | - | 55,097 | 55,097 | 47,521 |
| Depreciation | - | 13,757 | 13,757 | 12,667 |
| Governance costs (note 10) | - | 6,611 | 6,611 | 6,129 |
| Travel and subsistence | - | 53,576 | 53,576 | 1,784 |
| Sundry expenses | - | 2,195 | 2,195 | 1,247 |
| Subscriptions | - | 7,867 | 7,867 | 2,791 |
| Website development | - | 2,750 | 2,750 | 2,535 |
| | <u>£Ni</u> | <u>£349,944</u> | <u>£349,944</u> | <u>£249,370</u> |

10. GOVERNANCE COSTS

| | 2022 £ | 2021 £ |
|-----------------------------|---------------|---------------|
| Accountancy fees | 1,886 | 1,718 |
| Audit fees | 3,480 | 3,300 |
| Legal and professional fees | 1,245 | 1,111 |
| | <u>£6,611</u> | <u>£6,129</u> |

11. NET INCOME

| | 2022 | 2021 |
|---|----------------|----------------|
| Net income for the year is stated after charging: | | |
| Auditors remuneration - Audit fees | £3,480 | £3,300 |
| Depreciation | £13,757 | £12,667 |
| Operating lease rentals | <u>£50,387</u> | <u>£47,521</u> |

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 MARCH 2022**

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12. STAFF COSTS

| | 2022 £ | 2021 £ |
|-----------------------|-----------------|-----------------|
| Wages and salaries | 612,278 | 550,926 |
| Social security costs | 51,030 | 55,186 |
| Pension costs | 27,193 | 24,501 |
| | <u>£690,501</u> | <u>£630,613</u> |

The average monthly number of employees was 16.6 (2021: 14.2), 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:

| | 2022 No. | 2021 No. |
|-------------------|-------------|-------------|
| £70,000 - £80,000 | - | 1 |
| £80,000 - £90,000 | <u>1</u> | <u>-</u> |

The total amount of employee benefits received by key management personnel was £95,436 (2021 : £94,273). 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 (2021: £Nil) and nor were they reimbursed any expenses (2021: £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.

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FOR THE YEAR ENDED 31 MARCH 2022

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| | | | | |
|---|---|----------------------------------|--------------------------|-----------------|
| 15. TANGIBLE FIXED ASSETS | Improvements to Leasehold Property £ | Fixtures and fittings £ | Office equipment £ | Total £ |
| Cost: | | | | |
| At 1 April 2021 | 8,455 | 13,901 | 42,110 | 64,466 |
| Additions | - | - | 16,031 | 16,031 |
| | <u>84,555</u> | <u>13,901</u> | <u>58,141</u> | <u>80,497</u> |
| At 31 March 2022 | | | | |
| Depreciation: | | | | |
| At 1 April 2021 | 7,046 | 8,986 | 27,377 | 43,409 |
| Charge for year | 1,409 | 3,463 | 8,885 | 13,757 |
| | <u>8,455</u> | <u>12,499</u> | <u>36,262</u> | <u>57,166</u> |
| At 31 March 2022 | | | | |
| Net Book Value: | | | | |
| At 31 March 2022 | <u>£Nil</u> | <u>£1,452</u> | <u>£21,879</u> | <u>£23,331</u> |
| At 31 March 2021 | <u>£1,409</u> | <u>£4,915</u> | <u>£14,733</u> | <u>£21,057</u> |
| 16. DEBTORS | | | 2022 £ | 2021 £ |
| Trade debtors | | | - | 89,659 |
| Other debtors | | | 13,698 | 13,749 |
| Prepayments and accrued income | | | 29,863 | 5,996 |
| | | | <u>£43,561</u> | <u>£109,404</u> |
| 17. CREDITORS: Amounts falling due within one year | | | 2022 £ | 2021 £ |
| Trade creditors | | | 1,202 | 1,202 |
| Other taxation and social security | | | 24,796 | 17,873 |
| Accruals and deferred income | | | 44,780 | 10,400 |
| | | | <u>£70,778</u> | <u>£29,475</u> |

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FOR THE YEAR ENDED 31 MARCH 2022

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| 18. MOVEMENT IN FUNDS | Balance 1 April 2021 £ | Income £ | Expenditure £ | Transfers £ | Balance 31 March 2022 £ |
|----------------------------|---------------------------------|-------------------|-------------------|-----------------|----------------------------------|
| 2022 | | | | | |
| Unrestricted funds | | | | | |
| General funds | 578,187 | 467,618 | 413,053 | (39,651) | 593,101 |
| | <u>578,187</u> | <u>467,618</u> | <u>413,053</u> | <u>(39,651)</u> | <u>593,101</u> |
| Restricted funds | | | | | |
| Hadley Trust– Highbury CAS | 65,905 | 105,000 | 103,283 | - | 67,622 |
| Barrow Cadbury Trust | 26,600 | 63,000 | 67,882 | - | 21,718 |
| Home Office | - | 22,602 | 22,144 | - | 458 |
| Esmee Foundation | 7,602 | - | 7,602 | - | - |
| Porticus | 105,027 | - | 80,027 | - | 25,000 |
| Bell Foundation | 7,733 | 8,864 | 16,597 | - | - |
| Lloyds Foundation | (9,553) | 84,900 | 57,614 | - | 17,733 |
| FDAC | - | 248,810 | 273,461 | 24,651 | - |
| Standing together | - | 15,000 | 35,380 | 15,000 | (5,380) |
| | <u>203,314</u> | <u>548,176</u> | <u>663,990</u> | <u>39,651</u> | <u>127,151</u> |
| Total funds | <u>£781,501</u> | <u>£1,015,794</u> | <u>£1,077,043</u> | <u>£Nil</u> | <u>£720,252</u> |

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

| 2021 | Balance 1 April 2020 £ | Income £ | Expenditure £ | Transfers £ | Balance 31 March 2021 £ |
|----------------------------|---------------------------------|-----------------|------------------|----------------|----------------------------------|
| Unrestricted funds | | | | | |
| General funds | 565,723 | 556,596 | 536,661 | (7,471) | 578,187 |
| | <u>565,723</u> | <u>556,596</u> | <u>536,661</u> | <u>(7,471)</u> | <u>578,187</u> |
| Restricted funds | | | | | |
| Hadley Trust– Highbury CAS | 31,343 | 70,000 | 35,438 | - | 65,905 |
| Barrow Cadbury Trust | 15,902 | 27,500 | 16,802 | - | 26,600 |
| Nuffield Foundation | 27,515 | 1,250 | 28,765 | - | - |
| Esmee Foundation | 26,222 | 15,000 | 33,620 | - | 7,602 |
| Porticus | 62,482 | 100,000 | 57,455 | - | 105,027 |
| Bell Foundation | - | 14,772 | 7,039 | - | 7,733 |
| Lloyds Foundation | 35,610 | - | 45,163 | - | (9,553) |
| FDAC | 5,367 | 167,653 | 180,491 | 7,471 | - |
| | <u>204,441</u> | <u>396,175</u> | <u>404,773</u> | <u>7,471</u> | <u>203,314</u> |
| Total funds | <u>£770,164</u> | <u>£952,771</u> | <u>£941,434</u> | <u>£Nil</u> | <u>£781,501</u> |

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

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| 2022 | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total Funds 2022 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 23,331 | - | 23,331 |
| Current assets | 640,548 | 127,151 | 767,699 |
| Current liabilities | (70,778) | - | (70,778) |
| | <u>£593,101</u> | <u>£127,151</u> | <u>£720,252</u> |

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

| 2021 | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total Funds 2021 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 21,057 | - | 21,057 |
| Current assets | 586,605 | 203,314 | 789,919 |
| Current liabilities | (29,475) | - | (29,475) |
| | <u>£578,187</u> | <u>£203,314</u> | <u>£781,501</u> |

20. OPERATING LEASE COMMITMENTS

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

| | 2022 £ | 2021 £ |
|-------------------------|----------------|----------------|
| Within one year | 20,048 | 20,048 |
| Within one to two years | - | - |
| | <u>£20,048</u> | <u>£20,048</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.