

Registered number: 08274430
Charity number: 1151939

THE CENTRE FOR JUSTICE INNOVATION UK
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE CENTRE FOR JUSTICE INNOVATION UK
(A Company Limited by Guarantee)

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THE CENTRE FOR JUSTICE INNOVATION UK
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	Gregory Berman, Resigned as Chair 24 October 2023 Mark Blake Courtney Bryan Aubrey Fox Shauneen Lambe Karyn McCluskey, Appointed as Chair 24 October 2023 Geraldine O'Hare Gordon Wasserman Robert Zara
Company registered number	08274430
Charity registered number	1151939
Registered office	Unit 102 Edinburgh House 170 Kennington Lane London SE11 5DP
Independent auditors	Nyman Libson Paul LLP Chartered Accountants 124 Finchley Road London NW3 5JS
Bankers	Barclays Bank PLC 81 Fleet Street London EC4Y 1EL
Senior Management	Phil Bowen (Director) Vicki Morris (Deputy Director)

THE CENTRE FOR JUSTICE INNOVATION UK
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The objects of the charity, defined in our memorandum and articles of associations, are to promote, for the benefit of the public, the efficiency and effectiveness of the justice system in the United Kingdom.

Vision and mission

2022/23 was the first year of the Centre's three-year strategy, *Fair and Effective: Putting practitioners and the evidence at the heart of justice reform*. This sets out our approach and our theory of change over the next three years. It is consciously and deliberately a continuation on the broad themes of our work since our founding in 2011.

Fair and Effective sets out our vision 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, *Fair and Effective* describes how we work:

- 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 Justice Innovation.

Context

2022/23 was a challenging year for justice systems across the UK, struggling to cope with rising and complex demand in both crime and care populations. They were still weathering the continued impacts of the Covid-19 pandemic including court backlogs and rising remand populations. Moreover, persistent issues such as the over representation of individuals from our poorer and our minoritised communities, the lack of service provision for victims of crime, and constrained public service budgets continued. For the justice workforce, like many in the UK, hard-working practitioners continued to deliver services while seeing their pay affected by the high inflation.

Key achievements in 22/23

In *Fair and Effective*, we highlighted our six areas of focus, which shape our objectives and our programmes of work. We have achieved the following in these areas:

Pre-court disposals

To keep our communities safer while minimising the collateral consequences of prosecution on people's future life chances, we work to improve the use and effectiveness of pre-court disposals. Pre-court disposals are an evidence-based way of addressing low-level criminal behaviour, especially for children and young people, those from minoritised communities, and for women who offend, while providing reparation for victims. In 2022/23, we worked with a number of police forces, youth justice services and others to improve their practice, assisting them to implement best practice interventions. In the first research report of its kind, we worked with children, youth practitioners and others to explore racial disparity within pre-court disposals. We've provided practical assistance to the Government on the implementation of a new out of court disposal framework and have set out a new evidence based framework for the use of community diversion for drug possession.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Court reform

The challenges of changing demand, long waiting times, and technological change requires our court systems to innovate. We promote evidence based innovation, such as improving procedural fairness in court and more creative ways to hear the court cases of children and young people. We also champion Community Advice services, which signpost people to services to help them with issues like debt and mental health needs. This includes running the service in Highbury Corner magistrates' court, where we worked with over 150 court users to help them access the support they need. Our Highbury service often works with people with a wide range of needs, including housing, benefits support and mental health issues. In an in-depth qualitative research report, we explored how people coming through our courts struggle to access support, because of issues like literacy, learning difficulties or neurodiversity, and having English as a second or additional language. The research found that being in contact with the criminal justice system often exacerbates these issues, causing additional stress or creating practical problems with employment or family life.

Problem-solving courts

We champion and support evidence-based problem-solving courts to test new approaches to difficult cases where social, human, and legal problems intersect. In public family law, we help practitioners implement evidence-led problem-solving approaches, in particular supporting the 16 Family Drug and Alcohol Courts, which work with families to overcome the substance misuse, mental health and domestic abuse problems which lead to their children being at risk of serious harm. We worked in partnership with East Sussex County Council to deliver the SWIFT Safer Relationships Domestic Abuse intervention programme across the FDACs of England and Wales. This ground-breaking, well-evidenced problem-solving practice directly inspired recommendations for reform in the Independent Review Of Children's Social Care. Alongside this, we provided training and support to the new Hidden Harm pilots in private family law and have provided the Ministry of Justice advice on the piloting of three new problem-solving courts in adult criminal courts.

Smarter sentencing

Utilising the best evidenced-based practice from across the UK and further afield, we work to make our sentencing smarter— where crime is proportionately punished, where the harm caused by crime is repaired, where victims feel listened to and protected, where we tackle systemic racial disparities, and where people who have offended are given the chance to turn around their lives. As the English and Welsh probation service was reunified, we looked at improvements that can be made to how community payback is delivered, while also publishing practical guidance to probation practitioners to improve their work with people with English as a second or additional language. We also started a new research project on the use of the court fine, and their impact on people on low incomes.

Women in justice

Women in our justice system often have different and more complex needs than men. We work to implement gender-specific responses for women in the justice system, especially around violence against women and girls. This includes support practitioners to deliver gender-responsive interventions and victim services, trauma-informed practice and ensuring policy change recognises the distinct needs of women and girls. We published a range of research, for example, our evaluation of the Westminster Specialist Domestic Abuse Court, our briefing on the lessons learnt from international Specialist Sexual Violence Courts designed to assist their implementation in England and Wales and our briefing on problem-solving courts for women at risk of short custody sentences, who are very often victims of domestic abuse themselves.

The best of British justice innovation

We work to promote the best of Britain's innovative justice practice using our cross-jurisdictional networks in Northern Ireland, Scotland and beyond. We seek to explore emerging trends in innovation, such as the use of new technology in the justice system, so we can ensure that our justice system keeps pace with the changing

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

world around it. Through our work to map and champion innovative practice in justice across the UK, we can see that even while the challenges and turbulence of the last 12 months have been acute, frontline practitioners, researchers and policymakers, with a passion and enthusiasm for making our justice system fairer and more effective, continue to shine through, as was evident in our inaugural expert voice seminar on neuro-diversity in the criminal justice system. We also awarded our first second annual justice innovation awards, the Nick Crichton Award for Family Justice Innovation and the Criminal Justice Innovation award. We also completed a short piece of work looking at how the justice system captured and used data about victims of crime.

FINANCIAL REVIEW

In financial year 2022/23, the charity received £1,229,177. The total income represents a 21% increase on the previous year (£1,015,794). In total, we received £861,829 in unrestricted funds and £367,348 in restricted funds. This compares to £467,618 in unrestricted funds and £548,176 in restricted funds we received in 2021/22. This change is explained, in part, due to a reclassification of some restricted funds to unrestricted funds.

Of the restricted funds received in 2022/23, the funds were used as follows:

Funder	Purpose	Amount
Aberdeen Financial Fairness Trust	Smarter Sentencing: Court fines and fees	£45,000
Barrow Cadbury Trust	Pre-court disposals	£31,670
Department for Education	Problem-solving courts: Family courts	£50,000
Hadley Trust	Court reform: Highbury Community Advice	£92,500
Jabbs Foundation	Women in justice: Women and treatment services	£10,306
Legal Education Foundation	The best of British justice innovation: Victims and data	£13,950
Lloyds TSB Foundation	Court reform: Community Advice services	£59,048
Ministry of Justice	Problem-solving courts: Family courts	£1,000
Standing Together Tampon Tax SDAC project	Women in justice: Specialist Domestic Abuse Courts	£34,166
		£367,348

In financial year 2022/23, the charity spent £1,262,984. The total expenditure represents a 17% increase on the previous year (£1,077,045).

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a 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. In particular, approval of the budget for 23/24 by the board in March 2023 indicated that 88% of the required expenditure had been secured in income prior to the start of the financial year, with 6 months in free reserves.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Risk management

The principal risks and uncertainties facing the Centre are:

- The organisation's financial reliance on particular foundations (see below) and the impact of low economic growth on their portfolios;
- Political uncertainty, making influencing policy and building networks with key opinion formers challenging, especially with a General Election potentially occurring in 23/24;
- operational challenges that justice agencies are facing, especially the reunification of the probation service, the increasing prison population and ongoing court backlogs, which are especially acute for victims of sexual violence;
- The Centre carries significant risk related to its Highbury Community Advice services, specifically risks concerning health and safety and safeguarding risks related to clients of the 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. As respects the operation of our Highbury Community Advice service, we have safeguarding and health and safety policies and procedures in place and it is subject to regular discussion and review by the Centre's management.

Reserves policy

The charity aims to maintain free reserves sufficient to cover at least six months' of total future annual expenditure (minus grants). This equates to £560,000- £600,000. Specific permission from the Trustees is required if reserves are likely to fall below this minimum target.

At year end, the Charity held funds totalling £686,445 (2022: £720,252), including £94,774 held in restricted funds (2022: £127,151) and £591,671 held in unrestricted funds (2022: £593,101). The Charity's free reserves (unrestricted funds less fixed assets) totalled £575,675 (2022: £569,772) and is in line with the free reserves target.

Plans for future periods

In 2023/24 the charity will continue to deliver against its 3 year plan covering the six strategic areas. To help deliver against the plan in financial year 2023/24, the charity has confirmed income of £1,182,832, and anticipates spending £1,210,611, of which the biggest expenditure is on staff costs (£755,995 or 62% of total anticipated expenditure). The charity currently has confirmed income of £787,000 for financial year 2024/25.

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 registration number is 1151939 and the company registration number is 08274430.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

The ongoing training of trustees includes the provision of up-to-date financial and other information about the charity, the circulation of Charity Commission publications giving guidance on the role of trustees, informal meetings with the team and the Director, and an annual 'in person' meeting with the Director and other staff.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' Responsibilities

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, 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

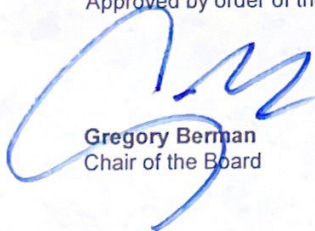
Auditors

Nyman Lisbon Paul LLP were appointed as auditors during the year. Following their appointment, they 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.

Approved by order of the members of the board of Trustees on 24 October 2023 and signed on their behalf by:



Gregory Berman
Chair of the Board

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CENTRE FOR JUSTICE INNOVATION UK

Opinion

We have audited the financial statements of The Centre for Justice Innovation UK (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2023 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CENTRE FOR JUSTICE INNOVATION UK (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' 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 Trustees' Report and from the requirement to prepare a Strategic Report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CENTRE FOR JUSTICE INNOVATION UK (CONTINUED)

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.

Auditors' 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 Auditors' 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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to timing of income recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CENTRE FOR JUSTICE INNOVATION UK (CONTINUED)

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered other laws and regulations that could have an effect on the company and result in the imposition of financial or other penalties and litigation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

All matters in relation to non-compliance with laws and regulations and potential fraud risks were communicated to all members of the engagement team and we remained alert to any indications of non-compliance throughout the audit.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- assessing the appropriateness and where appropriate with third parties concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and correspondence with HMRC;
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

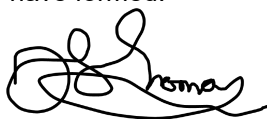
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE CENTRE FOR JUSTICE INNOVATION UK
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CENTRE FOR JUSTICE INNOVATION
UK (CONTINUED)**

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



Andrew Thomas (Senior Statutory Auditor)

for and on behalf of
Nyman Libson Paul LLP

Chartered Accountants

124 Finchley Road

London

NW3 5JS

7 November 2023

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	815,379	367,348	1,182,727	1,015,794
Charitable activities	4	46,450	-	46,450	-
Total income		<u>861,829</u>	<u>367,348</u>	<u>1,229,177</u>	<u>1,015,794</u>
Expenditure on:					
Charitable activities	5	724,478	538,506	1,262,984	1,077,045
Total expenditure		<u>724,478</u>	<u>538,506</u>	<u>1,262,984</u>	<u>1,077,045</u>
Net income/(expenditure)		<u>137,351</u>	<u>(171,158)</u>	<u>(33,807)</u>	<u>(61,251)</u>
Transfers between funds	12	(138,781)	138,781	-	-
Net movement in funds		<u>(1,430)</u>	<u>(32,377)</u>	<u>(33,807)</u>	<u>(61,251)</u>
Reconciliation of funds:					
Total funds brought forward		593,101	127,151	720,252	781,503
Net movement in funds		(1,430)	(32,377)	(33,807)	(61,251)
Total funds carried forward		<u>591,671</u>	<u>94,774</u>	<u>686,445</u>	<u>720,252</u>

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

The notes on pages 16 to 28 form part of these financial statements.

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REGISTERED NUMBER: 08274430

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	9	15,996	23,329
		15,996	23,329
Current assets			
Debtors	10	49,270	43,590
Cash at bank and in hand		675,201	724,138
		724,471	767,728
Creditors: amounts falling due within one year	11	(54,022)	(70,805)
Net current assets		670,449	696,923
Total assets less current liabilities		686,445	720,252
Total net assets		686,445	720,252
Charity funds			
Restricted funds	12	94,774	127,151
Unrestricted funds	12	591,671	593,101
Total funds		686,445	720,252

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 24 October 2023 and signed on their behalf by:


Gregory Berman
 Chair

The notes on pages 16 to 28 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	14	(41,065)	59,654
Cash flows from investing activities			
Purchase of tangible fixed assets		(7,872)	(16,031)
Net cash used in investing activities		(7,872)	(16,031)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		724,138	680,515
Cash and cash equivalents at the end of the year	15	675,201	724,138

The notes on pages 16 to 28 form part of these financial statements

THE CENTRE FOR JUSTICE INNOVATION UK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The Centre for Justice Innovation UK is a charitable company limited by guarantee, incorporated in England and Wales. The liability of each member in respect of the guarantee is limited to £1. Its registered office and principal place of business is Unit 102 Edinburgh House, 170 Kennington Lane, London, SE11 5DP. The Directors of the company are the Trustees named in the Reference and Administrative Information on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Centre for Justice Innovation UK meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees have reviewed the charity's forecasts and budgets and accordingly have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Having therefore assessed the Charity's financial position, its plans for the foreseeable future and the risks to which it is exposed and, taking into account future expected income streams, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities when the Company is entitled to receive the money. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Expenditure (continued)

charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	33%
Fixtures and fittings	-	33%
Office equipment	-	33%

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.9 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.11 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.13 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grants	815,379	367,348	1,182,727	1,015,794
Total 2022	467,618	548,176	1,015,794	

In addition to the Restricted grant funders detailed on page 4 in the Trustees' report, the Charity received unrestricted grants from the following funders, which are included within total unrestricted grants:

£20,000 from the AB Charitable Trust
£217,500 from the Esmee Fairbairn Foundation
£413,000 from the Hadley Trust
£150,000 from the Monument Fellowship (Woolbedding Charity)

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Consultancy contracts and fees	46,450	46,450	-

Income from consultancy contracts is derived from research projects and consultancy services of a contract nature that the charity has undertaken to promote evidence-based justice policy reforms.

5. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Research and dissemination	1,040,985	221,999	1,262,984	1,077,045
Total 2022	721,363	355,682	1,077,045	

THE CENTRE FOR JUSTICE INNOVATION UK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Wages and salaries	718,167	552,402
Consultancy	142,649	79,506
Other direct costs	175,026	85,346
Training	5,143	4,109
	<u>1,040,985</u>	<u>721,363</u>

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	50,215	138,100
Depreciation	15,205	13,758
Office costs	31,979	41,080
Recruitment, health & safety and staff welfare	25,654	39,396
Insurance	3,124	2,013
Rent and rates	62,671	55,097
Travel and subsistence	15,751	54,219
Sundry expenses	1,477	1,007
Subscriptions	6,385	5,646
Governance costs	9,538	5,366
	<u>221,999</u>	<u>355,682</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,000	3,480

7. Staff costs

	2023 £	2022 £
Wages and salaries	658,741	612,279
Social security costs	67,386	51,030
Contribution to defined contribution pension schemes	42,255	27,193
	768,382	690,502

The average number of persons employed by the Company during the year was as follows:

	2023 No.	2022 No.
Employees	18	17

All employee time is involved in providing either direct or support services to the charitable activities of the Company.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

The total amount of employee benefits received by key management personnel was £171,439 (2022: £166,383).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Trustees' remuneration and expenses

During the year, Shauneen Lambe was paid remuneration of £4,108 (2022 - £NIL) by the Charity. This related to project work undertaken in partnership with and on behalf of the Charity's sister organisation, the Center For Justice Innovation and was paid out of unrestricted funds. The Center for Justice Innovation will reimburse the Charity for the payment made on its behalf.

Trustees received no other remuneration or benefits.

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

9. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2022	8,455	13,901	58,140	80,496
Additions	-	-	7,872	7,872
At 31 March 2023	8,455	13,901	66,012	88,368
Depreciation				
At 1 April 2022	8,455	12,449	36,263	57,167
Charge for the year	-	1,452	13,753	15,205
At 31 March 2023	8,455	13,901	50,016	72,372
Net book value				
At 31 March 2023	-	-	15,996	15,996
At 31 March 2022	-	1,452	21,877	23,329

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Debtors: Amounts falling due within one year

	2023 £	2022 £
Other debtors	12,658	13,726
Prepayments and accrued income	36,612	29,864
	<u>49,270</u>	<u>43,590</u>

11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	1,202
Other taxation and social security	16,047	19,880
Other creditors	9,630	4,943
Accruals and deferred income	28,345	44,780
	<u>54,022</u>	<u>70,805</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out* £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds - all funds	593,101	861,829	(724,478)	(138,781)	591,671
Restricted funds					
Court reform	85,355	151,548	(207,582)	-	29,321
Pre-court disposals	21,718	31,670	(38,818)	-	14,570
Problem-solving courts	25,458	80,708	(212,399)	138,781	32,548
Smarter Sentencing	-	45,000	(10,053)	-	34,947
The best of British justice innovation	-	13,950	(13,950)	-	-
Women in justice	(5,380)	44,472	(55,704)	-	(16,612)
	<u>127,151</u>	<u>367,348</u>	<u>(538,506)</u>	<u>138,781</u>	<u>94,774</u>
Total of funds	<u><u>720,252</u></u>	<u><u>1,229,177</u></u>	<u><u>(1,262,984)</u></u>	<u><u>-</u></u>	<u><u>686,445</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Statement of funds (continued)

* A transfer was made during the year from unrestricted to restricted funds in order to facilitate the charity in meeting its objectives in the work performed on family problem-solving courts.

Purposes of restricted funds

The purposes of the restricted funds are summarised below. Further details on the objectives and achievements of restricted funds are provided in the Trustees' report.

Court reform

These funds are used to promote evidence based court reform research to improve procedural fairness in court. The charity also provides Community Advice services, including the running the service in Highbury Corner magistrates' court, where the charity worked with over 150 court users to help them access the support they need relating to housing, benefits support and mental health issues.

Pre-court disposals

These funds are used to improve the use and effectiveness of pre-court disposals as an evidence-based way of addressing low-level criminal behaviour, while minimising the collateral consequences of prosecution on people's future life chances.

Problem-solving courts

These funds are used to help practitioners implement evidence-led problem-solving approaches, in particular supporting the 16 Family Drug and Alcohol Courts, which work with families to overcome the substance misuse, mental health and domestic abuse problems which lead to their children being at risk of serious harm.

Smarter sentencing

These funds are used to promote evidence-based practice in sentencing across the UK where crime is proportionately punished, the harm caused by crime is repaired, victims feel listened to and protected, systemic racial disparities are tackled, and where people who have offended are given the chance to turn around their lives.

The best of British justice innovation

These funds are used to promote the best of Britain's innovative justice practice using cross-jurisdictional networks in Northern Ireland, Scotland and beyond. The charity researches emerging trends in innovation, such as the use of new technology in the justice system, to ensure that the justice system keeps pace with the changing world around it.

Women in justice

These funds are used to research and implement gender-specific responses for women in the justice system, especially around violence against women and girls. This includes supporting practitioners to deliver gender-responsive interventions and victim services, traumainformed practice and ensuring policy change recognises the distinct needs of women and girls.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	578,187	467,618	(413,053)	(39,651)	593,101
Restricted funds					
Court reform	64,085	198,764	(177,494)	-	85,355
Pre-court disposals	26,600	63,000	(67,882)	-	21,718
Problem-solving courts	112,629	271,412	(383,234)	24,651	25,458
Women in justice	-	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 of funds	<u><u>781,501</u></u>	<u><u>1,015,794</u></u>	<u><u>(1,077,043)</u></u>	<u><u>-</u></u>	<u><u>720,252</u></u>

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	15,996	-	15,996
Current assets	629,697	94,774	724,471
Creditors due within one year	(54,022)	-	(54,022)
Total	<u><u>591,671</u></u>	<u><u>94,774</u></u>	<u><u>686,445</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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13. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	23,329	-	23,329
Current assets	640,577	127,151	767,728
Creditors due within one year	(70,805)	-	(70,805)
Total	<u>593,101</u>	<u>127,151</u>	<u>720,252</u>

14. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(33,807)	(61,251)
Adjustments for:		
Depreciation charges	15,205	13,758
Decrease/(increase) in debtors	(5,680)	65,843
Increase/(decrease) in creditors	(16,783)	41,304
Net cash provided by/(used in) operating activities	<u>(41,065)</u>	<u>59,654</u>

15. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	675,201	724,138
Total cash and cash equivalents	<u>675,201</u>	<u>724,138</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	724,138	(48,937)	675,201
	<u>724,138</u>	<u>(48,937)</u>	<u>675,201</u>

17. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable by the charity to the fund amounted to £4,689 (2022 - £4,943) at the balance sheet date and are included in creditors.

18. Operating lease commitments

At 31 March 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	<u>32,400</u>	<u>20,048</u>