

**THE MAGISTRATES' ASSOCIATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

# THE MAGISTRATES' ASSOCIATION

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# THE MAGISTRATES' ASSOCIATION

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Name:</b>	The Magistrates' Association
<b>Charity number:</b>	216066
<b>Registered office:</b>	10a Flagstaff House St George Wharf Vauxhall, London SW8 2LE
<b>Trustees:</b>	Beverley Higgs JP (Chair) Mark Beattie JP (Deputy Chair) Christine Grant JP (Honorary Treasurer) (from 22 September 2021) Sarah Clarke JP David Ford JP (from 1 July 2021) Jacqueline MacDonald-Davis JP Daniel Longman JP Doreen Huijssoon-Prescott JP Patricia Willmott JP Frank Shipway JP (from 2 December 2021) Jo King JP (from 2 December 2021)
<b>Chief Executive:</b>	Tom Franklin
<b>Auditors:</b>	Price Bailey LLP 3rd Floor, 24 Old Bond Street, Mayfair, London, W1S 4AP
<b>Bankers:</b>	National Westminster Bank plc Bloomsbury Parr's Branch, PO Box 158, 214 High Holborn, London, EC1V 7BX  CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ
<b>Investment managers:</b>	Cazenove Capital Schroder & Co Limited 1 London Wall Place, London, EC2Y 5AU
<b>Solicitors:</b>	Russell-Cooke LLP 2 Putney Hill, London, SW15 6AB

# THE MAGISTRATES' ASSOCIATION

## TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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### About the Magistrates Association

#### Who we are

The Magistrates Association (MA) is an independent charity registered in the UK (Charity Number 216066) and the membership body for the magistracy. We work to promote the sound administration of the law, including by providing guidance, training and support for our members, informing the public about the courts and the role of magistrates, producing and publishing research on key topics relevant to the magistracy, and contributing to the development and delivery of reforms to the courts and the broader justice system. With more than 13,000 members across England and Wales, we are a unique source of information and insight and the only independent voice of the magistracy.

#### Our vision

The MA's vision is a fair and effective justice system, served by a robust and vibrant magistracy.

#### Our mission

To work with and on behalf of our members to promote the sound administration of the law by informing policy and practice relating to the magistracy, providing support and guidance to magistrates, and informing the public about the magistracy and the broader justice system. In 2021 -22 we continued with our organisational strategy, focusing our work around four key aims.

### Achievements and performance for 2021-22

#### Key aim 1: To influence the policy agenda on behalf of our members and in support of our vision

To achieve this through our work in 2021-22 we:

- Held ten meetings with high-level stakeholders, including the Courts Minister, the Shadow Justice Secretary, the Senior Presiding Judge, the Chief Executive of HM Courts and Tribunals Service, the Chief Magistrate and giving oral evidence to the Justice Select Committee, and attending key bodies such as the Magistrates' Liaison Group, the Magistrates' Engagement Group, and Judicial Business Groups.
- Produced ten consultation responses and four position statements and public responses.
- Liaised with the Ministry of Justice on the announcement of the extension of magistrates' extension of sentencing powers to 12 months for a single offence.
- Presented our views to the Ministry of Justice on the principles that should guide the creation of a single national justice area, and for the need for magistrates' voice to be central to the development of such plans.
- Held new regular quarterly meetings of our Judicial Business Group representatives, to better support their work and to hear first-hand what is happening in the courts regionally.
- Set up new regular meetings of the MA's representatives on Training, Approvals, Authorisations and Appraisals Committees (TAAACs), to help share information between representatives and support them in their work.
- Published a report on the needs of employed magistrates, based on a survey by our young magistrates network, and worked with the Ministry of Justice and HMCTS to implement the report's six recommendations.
- Continued the co-production with Youth Justice Board of a disparity protocol and ten-point tool for use across the criminal justice system to address the drivers of racial disparity.
- Used data requests to highlight issues in allocation of public law work to family magistrates and secured a minimum commitment from senior judiciary as to the appropriate level of allocation, ensuring magistrates remain skilled in all areas of family law work.
- Highlighted the lack of family specific leadership for magistrates, contributing to the creation of a new Family Magistrates Oversight Group.
- Undertook a major members' survey on the costs of volunteering for the magistracy, following a resolution agreed at our AGM in October. The report based on the survey is due to be published shortly.
- Reacted robustly to announcements by the Magistrates Leadership Executive and the Ministry of Justice that magistrates' expenses will not change for either mileage rates or digital devices – despite strong evidence in favour of doing so.
- Completed a research project in partnership with Transform Justice to document the experiences of magistrates involved in remote justice during the pandemic, in order to help the justice system learn lessons.

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#### Achievements and performance for 2021-22

- Worked on four projects with researchers from the University of Sussex, the University of Sheffield and Nacro on diversity in the magistracy.
- Attended meetings of key policy-making bodies, including the Magistrates' Liaison Group, the Magistrates' Engagement Group and the Judges' Council

Our successes included:

- The extension of magistrates' sentencing powers from six to 12 months for a single offence – a change which we have advocated for over a decade.
- The increase in magistrates' mandatory retirement age from 70 to 75, thus enabling more experienced magistrates to stay in their role for longer to help with shortfalls in the number of magistrates and for 700 retired magistrates to be reinstated, to help with the backlog.
- The launch of the largest ever recruitment campaign to attract new magistrates – following sustained advocacy from the MA that too few magistrates were being recruited to fill vacancies.

#### **Key aim 2: To ensure that the public is better informed about the magistracy and the broader criminal and family justice systems**

To achieve this through our work in 2021-22 we:

- Raised the profile of the MA and the magistracy in the media, with 316 pieces across newspapers, broadcast and online media as well as sector outlet.
- Achieved coverage of 249 pieces on the extension of magistrates' sentencing powers, 23 on the magistracy recruitment drive, and six on our Covid-19 report.
- Delivered the MA's Magistrates in the Community programme, including re-starting activities following the pandemic, and launching a new resource for schools on the issue of knife crime.
- Supported the Greater Manchester branch in the launch of their innovative virtual reality resource on knife crime, in partnership with local organisations, aimed at local schools – as one of a series of initiatives taken by our branches.
- Put in place a new coordinated communications strategy with clearer, evidence-based messages, focused on what members want us to say.
- Supported Black History Month with a takeover of our Twitter account by our Black, Asian and minority ethnic network, as well as support for Stephen Lawrence Day, Pride month, Justice Week, and South Asian heritage month – as part of our work to explain the diversity of the magistracy to the public and to attract people from all walks of life to apply to become magistrates.
- Marked Volunteers' Week by celebrating the invaluable contribution of volunteers to society, raising awareness of how our members support the delivery of fair and timely justice for their communities, and thanking them for their tremendous work.

Our successes included:

- The highest level of media coverage for the MA in over a decade.
- Achieving national coverage including in iNews, The Daily Telegraph, The Guardian, The Independent, The Times, The Daily Mail, The Mirror, The Daily Express, GB News, MSN News, Sky News, The Spectator and Yahoo News.
- Appearing in interviews with LBC, Times Radio, Talk Radio, Sky News Radio, BBC 1, BBC Radio 4 Woman's Hour, BBC News, BBC Radio 1 Newsbeat, and Forces Radio.

#### **Key aim 3: To provide MA members, and the broader magistracy, with support, information, training and development**

To achieve this through our work in 2021-22 we:

- Held a range of learning and development webinars and in-person events for members on topical subjects ranging from increased sentencing powers, to rural crime, to cyber crime, to out of court disposals.
- Continued to produce high-quality communications for our members, including MAGISTRATE magazine, and a revitalised MA eNEWS and published 297 news and opinion articles and blogs on our website for members.
- Began a new series of guest blogs and features on our website, from partners and stakeholders, to help inform and engage our members.

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### FOR THE YEAR ENDED 30 JUNE 2022

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#### Achievements and performance for 2021 -22 (cont)

- Developed a brand new MA Learn online platform to host all of our learning and development materials for members – to be launched in 2022-23.
- Supported our four diversity and inclusion networks for members – our young magistrates network, Black, Asian and minority ethnic network, LGBT+ network, and our magistrates with disabilities network – including a conference for our Black, Asian and minority ethnic network members.
- Launched our new Branch Bites newsletter for branches, to replace the Trunk, as part of our plan to better support branch development.
- Produced six *MA cut-out-and-keep guides* and six *Sentencing Steps exercises*
- Provided more structured support for MA representatives on magistrate training committees
- After a three-year hiatus, invited members chosen by branches to attend the Royal Garden Parties in the Jubilee Year of our Patron, Her Majesty the Queen.

Our successes included:

- Publishing, in partnership with the Judicial College, a guide and workbook on 'Becoming a family presiding justice'.
- Contributing to the development of Judicial College training on domestic abuse and mental disability.

#### Key aim 4: To be an effective, well-run and financially sustainable organisation.

To achieve this through our work in 2021-22 we:

- Launched our new member get member scheme, to ask existing members to encourage non-members to join the MA – and providing branches with new recruitment materials to help with their local recruitment initiatives.
- Made changes to the staff team structure to better reflect the priorities of our members, in particular strengthening our marketing and communications and business development, and put in place a new senior management team.
- Set up new governance committees of the board, including for finance, audit and HR, and conducted a review of skills and experiences on the board, to help with trustee recruitment and training.
- Improved the level of support for our branch network, being more proactive in providing assistance, and launching our new Branch Bites newsletter with ideas and information for branches.
- Launched our inaugural annual members' survey, seeking members' feedback on what is going well and what could be improved.
- Developed our customer relationship management database to improve our engagement with our stakeholders.
- Held three listening workshops, for members to ask questions directly to the senior team including the national chair, national policy committee chairs, and the CEO.
- Held two meetings of our national council, one online and the other in-person, to provide guidance to the board of trustees and staff team on the development of our business change roadmap, and on membership recruitment and retention.

Our successes included:

- Putting in place new strategies for our branch development, marketing and communications, and membership recruitment and retention, to support our business change roadmap.
- Recruiting a new staff team in a difficult climate, with a new senior management team to lead the business change programme.
- Coming through the Covid-19 pandemic, having successfully continued to provide the majority of our activities and services, and restarting those which had to be suspended.

# THE MAGISTRATES' ASSOCIATION

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### FOR THE YEAR ENDED 30 JUNE 2022

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#### Our plans for 2022-23

2022-23 will see the ongoing implementation of the MA's organisational strategy and business change programme, based around the four key aims set out above.

- 1) To influence the policy agenda on behalf of our members and in support of our vision. Planned activities for 2022-23 include:
  - Increasing our involvement in the work to create a single national justice area, following the Judicial Review and Courts Act, putting forward the voice of magistrates to the highest levels of government and the judiciary.
  - Identifying and pursuing our key policy priorities, including holding meetings with ten key decision-makers in support of these policy priorities and responding to ten relevant consultations, and providing information to relevant ministers appointed by the new prime minister.
  - Selecting up to four pieces of policy work for high profile, high impact short reports, aimed at the criminal justice system, media and public. These will be designed to be thought provoking and influence policy change
  - Attending and impactfully contributing to meetings of key bodies, for example the Magistrates' Liaison Group, Magistrates' Engagement Group and Judicial Business Groups, and promoting MA key issues at targeted meetings
  - Launching Policy Pulse – a new way for us to quickly gauge members' thoughts on topical issues affecting the magistracy.
  - Publishing a major report on the costs of volunteering as a magistrate, with a set of key recommendations on expenses.
  - Publishing a report on the accessibility of magistrates' courts in England and Wales.
  - Holding a major members' conference on the topic of open justice in the magistrates' courts.
  - Hosting a launch of a report into the experiences of young magistrates and their feelings about the role, following our involvement in the research.
  
- 2) To ensure that the public is better informed about the magistracy and the broader criminal and family justice systems. Planned activities for 2022-23 include:
  - Seeking to expand Magistrates in the Community through working with our partners, and expanding the links between our diversity and inclusion networks and Magistrates in the Community – so that we reach out to more parts of communities that are under-represented in the magistracy.
  - Securing 20 positive national media appearances for the MA and the magistracy
  - Establishing a partner network of charities where, with the support of our diversity and inclusion networks, we can press home the message about volunteering as magistrates.
  - Launching a 'faces of the magistracy' campaign, to show the diversity of magistrates and encourage people from all walks of life to consider applying.
  - Taking part in a major Pride event in 2023 and supporting our LGBT+ network to distribute a pack to local branches on how to take part in local Pride events.
  
- 3) To provide MA members, and the broader magistracy, with support, information, training and development. Planned activities for 2022-23 include:
  - Launching a brand-new website. The public pages of the website will be re-styled and will highlight our campaigning work and achievements as well as general CJS news.
  - Launching MA Learn, our learning and development portal, to better curate all of our learning and development resources for members.
  - Launching our proposed new Member Support Line, to provide a listening ear and signposting for members when they need it.
  - Putting on a series of webinars on topics of interest to our members.
  - Hosting events for new members, to help them get the most from their MA membership.
  - Publishing, in partnership with the Judicial College, a new training resource for magistrates.
  - Producing six MA cut-out-and-keep guides and six Sentencing Steps exercises.
  - Producing to a high standard six editions of MAGISTRATE, 12 issues of MA ENEWS and 12 issues of Branch Bites.
  - Working with the HMCTS magistrates expenses team to give greater guidance to members on completing expenses claims.

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- 4) To be an effective, well-run and financially sustainable organisation. Planned activities for 2022-23 include:
- Continuing to implement the roadmap for business change, as agreed by the board of trustees.
  - Improving membership recruitment, retention and processing – including the activities set out in our member recruitment and retention strategy.
  - Developing the MA's legacy giving framework and securing two new grants from trusts and foundations.
  - Undertaking a review of our governance arrangements to ensure we respond to changes in our external environment, including the move to a single national justice area.
  - Continuing with our annual members' survey, launched in 2021-22, so that we can track changes in members' feedback over time.
  - Promoting associate membership, to encourage those considering becoming a magistrate to learn more about the role.

#### Governance and management

The MA is established and incorporated to promote the sound administration of the law, including, but not restricted to, educating and instructing magistrates and others in the law, the administration of justice, the treatment of offenders and the prevention of crime.

The MA was established in 1920 and granted a Royal Charter in 1962. It is currently governed by a Supplemental Charter and By-laws approved on 12 February 2013.

The Members of the MA consist of:

- (a) Ordinary Members: any magistrate who makes application for membership in the manner for the time being required by the Board of Trustees and pays such annual subscription or pays or has paid any other such membership fee in either case as is set out from time to time.
- (b) Associated Members: subject to the approval of the Board of Trustees, any other person who makes application for associate membership in any manner as is for the time being required by the Board of Trustees and pays such annual subscription or pays or has paid any other such membership fee in either case as is set out and who satisfies any criteria for admission as are set down by the Board of Trustees from time to time.
- (c) Honorary Members: any one person co-opted by the Annual General Meeting as an Honorary Member, not exceeding ten persons.

The Board of Trustees consists of:

- (a) the Chair and the Deputy Chair or Deputy Chairs, elected by the Ordinary Members from among the current Trustees and the current Chairmen of the Standing Committees for the immediately preceding year;
- (b) the Honorary Treasurer, appointed by the Board at its discretion;
- (c) six other Trustees elected by the Ordinary Members from among the Ordinary Members, provided that any person standing for election must be Actively Serving; and
- (d) not more than two Members of the Association co-opted at any time by the Board in their absolute discretion. Co-opted Trustees may be removed by the Board at any time and in any case shall retire at each Annual General Meeting but shall be eligible to be co-opted again up to three times.

Where possible, trustees are invited to observe one board meeting prior to the start of their term of office and attend one half-day induction training session with the National Chair and Chief Executive. The trustee role and responsibilities, the duties reserved for the Board, the duties delegated to the Standing Committees, and the duties delegated to the Chief Executive, are detailed in the MA's Standing Orders.

The organisational structure consists of the Board of Trustees, six Standing Committees, four of which are responsible for policy (Adult Court Committee, Family Court Committee, Youth Court Committee, Training Committee) and two for finance and audit, and HR and remuneration respectively, a Policy Board (which oversees the work of the four policy standing committees), National Council (which advises the Board of Trustees), 54 local groups spanning England and Wales, and ten staff including four as the



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senior management team.

The Board of Trustees identifies the major risks to which the charity is exposed, regularly reviews those risks and has established procedures to manage those risks.

The Board of Trustees has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning future activities which contribute to the aims and objectives of the Association.

The Board of Trustees also regularly assesses the Association's achievements and reviews the activities that have been completed, in order to ensure that they have been delivered as planned and judge their impact and the extent to which they have contributed to achieving the aims and objectives of the Association. Please see pages 2 - 4 for a summary of the Association's achievements in the 2021-22 financial year, which the Board of Trustees has considered in ensuring the Association is carrying out its purposes for the public benefit.

#### **Financial review**

##### *Income and expenditure:*

As in the previous year income from annual members fell largely as a result of the continuing decline in overall magistrate numbers. Income for 2021-22 was £589,337 (2020 -21: £619,239) and expenditure was £764,389 (2020 -21: £818,624), with an overall deficit before taking into account investments of £175,052 (2020-21 deficit of £199,385). The net movement in funds for 2021-22 was a deficit of £410,835, after factoring in net investment losses of £235,783 (2020-21 surplus of £166,133 after net investment gain of £365,518).

##### *Reserves*

The MA's Board of Trustees has decided that the MA should, as far as possible, aim to maintain its current level of unrestricted reserves, which should be invested to ensure that they deliver an annual income to the MA to contribute to our running costs, while protecting the capital against inflation. The Board of Trustees has decided that this approach best supports the MA in meeting its charitable objectives now and in the future by providing consistent income for the MA at a time when the number of magistrates has been declining, affecting income from membership subscriptions. Each year the Board of Trustees assesses, however, as part of the annual budgeting process, whether it is appropriate to authorise expenditure from unrestricted reserves to meet the annual running costs of the MA and/or any specific projects.

As per the Charities SORP 2019 (FRS102), we continue to recognise the liability arising in respect of the multi-employer defined benefit scheme. There is an agreed plan to pay off this deficit. The impact of this has reduced our free reserves by £17,581 (2021: £56,921).

The free reserve balance at 30 June 2022 was £2,910,016 (2021: £2,896,986). In recognition of the future cost of providing services to life members the Association set up a designated life membership reserve which totals £508,484 at 30 June 2022 (2021: £871,613). The Trustees can authorise a transfer from the designated fund for life members into free reserves if required.

##### *Investments*

As mentioned above, the Association has an investment portfolio which is managed by our professional advisors on a medium risk basis, with a targeted overall return of 4% over inflation. As at 30 June 2022, this portfolio was valued at £3,368,135 (2021: £3,738,915) and produced an income of £146,183 (2020-21: £149,678).

Following international events which have had varying impacts on investment markets, trustees have increased monitoring activity over our investment portfolio to ensure the current investment strategy and outcomes meet our needs.

#### **Fundraising**

The MA understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate. The Association does not currently fundraise from the public or use any internal fundraisers or external fundraising agencies for either telephone or face-to-face campaigns and received no fundraising complaints during the year (2021 – none).

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#### Internal Controls

The Board of Trustees, through delegated authority, maintain a set of internal controls which are designed to protect and preserve the assets of the charity and prevent its exposure to undue risks in the course of its operations.

#### Key risks

A risk register, including steps necessary to mitigate identified risks, is reviewed by the Board of Trustees annually. The most significant risks facing the MA are:

- The continuing impact of the lockdown on the magistracy and the courts, which may affect the recruitment, retention and engagement of magistrates, and on the broader financial environment, which will have an impact on the MA's investment portfolio.  
To address this, the MA is managing its financial resources rigorously through its Finance and Audit committee, introducing newer monitoring and operating systems and has put in place trigger points that would activate a contingency planning process.
- The financial and other impacts of the continuing decline in the number of magistrates in England and Wales, which both affects the MA's membership income and the MA's influence.  
To address this the MA is (a) directly and indirectly supporting the recruitment of more magistrates; (b) working to increase the proportion of magistrates who are members; and (c) pursuing additional new sources of income via a new business change programme.
- A lack of engagement with members results in a lack of active participation in the work of the MA nationally and locally, including key activities such as MIC and membership of the MA's policy committees.  
Activities set out in the MA's Membership Strategy are intended to address this.

#### Staff remuneration

The Remuneration Committee reviews the Chief Executive's salary annually in light of market forces. The Chief Executive recommends salary adjustments, as necessary, for all other staff and these are reviewed by the Remuneration Committee. Recommendations are then made by the Remuneration Committee to the Board of Trustees for approval when setting the annual budget.

**THE MAGISTRATES' ASSOCIATION**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**

Statement of Trustees responsibilities

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards - United Kingdom Generally Accepted Accounting Practice. The law applicable to charities in the UK requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year. In preparing these accounts, the Trustees are required to:

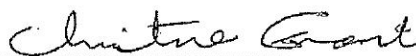
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities (Accounts Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the Board of Trustees and signed on their behalf by:



.....  
Bev Higgs  
National Chairman  
Date: 29 September 2022



.....  
Christine Grant  
Honorary Treasurer  
Date: 29 September 2022

**THE MAGISTRATES' ASSOCIATION  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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**Independent Auditor's Report to the Trustees of the Magistrates Association**

**Opinion**

We have audited the financial statements of the Magistrates Association (the 'charity') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows 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 charity's affairs as at 30 June 2022, 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 Charities Act 2011.

**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 charity 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 charity'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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

the charity has not kept adequate accounting records; or

the financial statements are not in agreement with the accounting records and returns; or

we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

We gained an understanding of the legal and regulatory framework applicable to the Charity and the sector in which it operates and considered the risk of the Charity not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting which could have a material impact on the financial statements. In relation to the operations of the Charity this included compliance with the Charities Act 2011.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Trustee Board meetings, any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, and enquiries of management and officers of the Charity. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.

Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

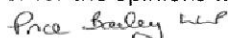
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



For and on behalf of

**Price Bailey LLP**

Chartered Accountants

Statutory Auditors

3rd Floor,  
24 Old Bond St,  
Mayfair,  
London  
W1S 4AP

**Dated: 14 October 2022**

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# THE MAGISTRATES' ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022				2021 As Restated			
		Unrestricted		Restricted	Total	Unrestricted		Restricted	Total
		General	Designated			General	Designated		
£	£	£	£	£	£	£	£	£	
<b>INCOME AND ENDOWMENTS</b>									
Donations & grants	2	3,455	-	18,849	22,304	1,212	-	11,800	13,012
Charitable activities	3	405,599	-	-	405,599	427,528	-	-	427,528
Other trading activities	5	15,251	-	-	15,251	29,021	-	-	29,021
Investment income	4	14,618	131,565	-	146,183	14,968	134,710	-	149,678
<b>Total income</b>		<b>438,923</b>	<b>131,565</b>	<b>18,849</b>	<b>589,337</b>	<b>472,729</b>	<b>134,710</b>	<b>11,800</b>	<b>619,239</b>
<b>EXPENDITURE</b>									
Raising funds	6	8,206	-	-	8,206	8,766	-	-	8,766
Charitable activities	7	475,168	270,700	10,315	756,183	527,197	282,361	300	809,858
<b>Total expenditure</b>		<b>483,374</b>	<b>270,700</b>	<b>10,315</b>	<b>764,389</b>	<b>535,963</b>	<b>282,361</b>	<b>300</b>	<b>818,624</b>
<b>Net Income / (Expenditure) before investment gains / losses</b>		<b>(44,451)</b>	<b>(139,135)</b>	<b>8,534</b>	<b>(175,052)</b>	<b>(63,234)</b>	<b>(147,651)</b>	<b>11,500</b>	<b>(199,385)</b>
<b>Net gains / (losses) on investments</b>	12	<b>(11,789)</b>	<b>(223,994)</b>	<b>-</b>	<b>(235,783)</b>	<b>18,276</b>	<b>347,242</b>	<b>-</b>	<b>365,518</b>
<b>Net Income / (Expenditure)</b>		<b>(56,240)</b>	<b>(363,129)</b>	<b>8,534</b>	<b>(410,835)</b>	<b>(44,958)</b>	<b>199,591</b>	<b>11,500</b>	<b>166,133</b>
<b>RECONCILIATION IN FUNDS</b>									
<b>Total funds b/fwd as previously stated</b>		<b>4,716,743</b>	<b>886,613</b>	<b>48,363</b>	<b>5,651,719</b>	<b>4,756,469</b>	<b>687,022</b>	<b>36,863</b>	<b>5,480,354</b>
Prior Year Adjustment	21	25,305	-	-	25,305	30,537	-	-	30,537
Adjusted opening balance		4,742,048	886,613	48,363	5,677,024	4,787,006	687,022	36,863	5,510,891
<b>Total funds carried forward</b>		<b>4,685,808</b>	<b>523,484</b>	<b>56,897</b>	<b>5,266,189</b>	<b>4,742,048</b>	<b>886,613</b>	<b>48,363</b>	<b>5,677,024</b>

All amounts relate to continuing activities of the charity.  
The Statement of Financial Activities includes all gains and losses recognised in the year.  
The notes to the accounts are shown on pages 15 to 34

## THE MAGISTRATES' ASSOCIATION

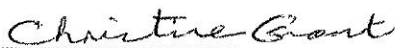
### BALANCE SHEET AS AT 30 JUNE 2022

	Note	2022 £	2021 As Restated £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	1,760,504	1,823,217
Intangible fixed assets	11	15,288	21,844
Investments	12	3,368,135	3,738,915
<b>TOTAL FIXED ASSETS</b>		<u>5,143,927</u>	<u>5,583,976</u>
<b>CURRENT ASSETS</b>			
Stock		720	0
Debtors	13	113,994	84,559
Cash at bank and in hand	19	96,059	142,028
<b>TOTAL CURRENT ASSETS</b>		<u>210,773</u>	<u>226,587</u>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	14a	(76,928)	(93,770)
<b>NET CURRENT ASSETS</b>		<u>133,845</u>	<u>132,817</u>
Creditors: amounts falling due after one year	14b	(11,583)	(39,769)
<b>TOTAL NET ASSETS</b>		<u>5,266,189</u>	<u>5,677,024</u>
<b>THE FUNDS OF THE CHARITY</b>			
<b>Unrestricted funds:</b>			
Designated funds	15	523,484	886,613
Tangible fixed assets	10	1,760,504	1,823,218
Intangible fixed assets	11	15,288	21,844
Free reserves		2,910,016	2,896,986
<b>Restricted funds</b>	16	<u>56,897</u>	<u>48,363</u>
<b>TOTAL FUNDS</b>		<u>5,266,189</u>	<u>5,677,024</u>

The financial statements were approved and authorised for issue by the Board of Trustees and signed on their behalf by:



Bev Higgs  
National Chairman  
Date: 29 September 2022

  
Christine Grant  
Honorary Treasurer  
Date: 29 September 2022

The attached notes on pages 15 to 35 form part of these financial statements.

# THE MAGISTRATES' ASSOCIATION

## STATEMENTS OF CASH FLOWS AS AT 30 JUNE 2022

	Note	2022 £	2021 £
<b>Statements of cash flows</b>			
Cash flows from operating activities:	18	(324,013)	(316,749)
<b>Net cash used in operating activities</b>		<b>(324,013)</b>	<b>(316,749)</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets		(3,136)	-
Purchase of intangible assets		-	(5,440)
Purchase of investments		-	(2,006,601)
Proceeds from sale of investments		129,665	2,213,023
Movement of cash in the capital account		5,332	(5,294)
Investment income		146,183	149,678
<b>Net cash provided by investing activities</b>		<b>278,044</b>	<b>345,366</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(45,969)</b>	<b>28,617</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>142,028</b>	<b>113,411</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	19	<b>96,059</b>	<b>142,028</b>
<b><u>Analysis of changes in net debt</u></b>			
		<b>2022 £</b>	<b>2021 £</b>
Cash and cash equivalents as at 1 July 2021		142,028	113,411
Cash flows		(45,969)	28,617
Other non-cash changes		-	-
<b>Cash and cash equivalents as at 30 June 2022</b>		<b>96,059</b>	<b>142,028</b>



# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2022

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#### 1 Accounting policies

##### a) General information and basis of preparation

The Magistrates Association is a charity registered under the number 216066 and a Royal Charter company, incorporated under the number RC000337. The address of the charity is given on page 1 of these financial statements. The nature of the charity's operations and principal activities are to promote the sound administration of the law, including, but not restricted to educating and instructing magistrates and others in the law, the administration of justice, the treatment of offenders and the prevention of crime. The Charity is a Public Benefit Entity under FRS102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

After making appropriate enquiries, the Board of Trustees considers that the Association is a going concern for the next 12 months and into the foreseeable future, due to the regular income received from its members, the level of free reserves held, and the fact that the MA owns its own premises. There are no material uncertainties which would cast doubt on the Association's ability to continue as a going concern. The financial statements are therefore prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Board of Trustees are aware of the budgeted deficit for the next financial year, as they have authorised the budget, and action is being taken to reduce the deficit and balance the budget in due course as per the risks identified on page 7.

The financial statements are prepared in sterling, which is the functional currency of the charity.

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.

##### b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income and gains are allocated to the appropriate fund.

##### c) Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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## THE MAGISTRATES' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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For donations and grant income to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled. Grants and donations receivable for specific purposes are accounted for as restricted funds.

Charitable activities comprise membership subscriptions and life member subscriptions. These are paid in advance for the year and are recognised when the Magistrates' Association has entitlement to the income. Life memberships are recognised in full in the year memberships are paid.

Income received in advance is deferred until there is entitlement to the income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

#### **d) Expenditure and support costs allocation**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure can be categorised as follows:

- Cost of raising funds, which comprises investment management costs.
- Expenditure on charitable activities, which consists of directly incurred costs in furthering the objectives of the charity, and the associated support costs.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is provided in note 7.

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# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### e) Tangible fixed assets and depreciation

- i) The leasehold property is depreciated by equal instalments over 50 years.
- ii) Fixtures & fittings and office equipment are depreciated by equal instalments over 5 years.
- iii) Computer equipment and printers are depreciated by equal instalments over 3 years.

### f) Intangible fixed assets and depreciation

The membership database (SubscriberCRM) is depreciated by equal instalments over 5 years.

### g) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the quoted market price.

The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

### h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

### i) Cash at bank and In hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### j) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

### k) Financial instruments

The charity 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 which is at cost, with the exception of:

- Investments are measured at their fair value as at the balance sheet date
  - Tangible and intangible fixed assets are measured at cost less depreciation
-

# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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The investments note 12 details the historical cost of the investments and the unrealised gains to arrive at their fair value.

### l) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. Contributions to the Association's defined contribution pension scheme and to employees' personal pensions are charged to the statement of financial activities in the year in which they become payable.

The Magistrates Association also make contributions to a defined benefit "multi-employer" scheme. Although it is not possible to separately identify the assets and liabilities of the scheme attributable to the Magistrates Association, a recovery plan with agreed deficit recovery payments has been put in place. The liabilities of this scheme have been recognised as the present value of contributions payable, in line with the terms of the multi-employer plan, in accordance with section 28 of FRS102.

### m) Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### n) Key judgements and estimates policy

No significant judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

The Trustees make estimates and assumptions concerning the future based on their knowledge of the company and the environment in which it operates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual outcome.

## 2 Donations and grants

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Donations	3,455	1,212
HMRC JRS Grant	-	1,956
Judicial College grant	10,000	10,000
Barrow Cadbury Trust grant	8,849	1,800
	<u>22,304</u>	<u>14,968</u>

A total amount of £18,849 (2021: £11,800) relates to the Judicial College and the Barrow Cadbury Trust grants, which are restricted funds. All other amounts relate to unrestricted funds.

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# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 3 Charitable activities

	2022	2021
	£	£
Membership subscriptions	<u>405,599</u>	<u>427,728</u>

All income from charitable activities in both the current and previous year relate to unrestricted funds. Membership subscriptions include Gift Aid income tax recoverable.

### 4 Investment income

	2022	2021
	£	£
Dividends	146,140	149,666
Interest	43	12
	<u>146,183</u>	<u>149,678</u>

All investment income in both the current and previous year relate to unrestricted funds.

### 5 Other trading activities

	2022	2021
	£	£
Magazine advertising revenue	6,148	19,249
Magazine subscriptions	1,096	821
Royalties	676	855
Consultancy	-	1,750
500 Club lottery	4,510	4,390
Retired members' event	758	-
Royal Garden Party Event - Income	2,063	-
	<u>15,251</u>	<u>27,065</u>

All income from other trading activities in both the current and previous year relate to unrestricted funds.

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# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 6 Raising funds

	2022	2021
	£	£
Investment management costs	<u>8,206</u>	<u>8,766</u>

Investment management costs in both the current and previous year relate to unrestricted funds.

### 7a Analysis of expenditure by activity

	Direct costs	Support costs	2022 £
Magistrate event training and support	<u>392,248</u>	<u>363,935</u>	<u>756,183</u>

	Direct costs	Support costs	2021 As Restated £
Magistrate event training and support	<u>453,881</u>	<u>355,977</u>	<u>809,858</u>

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**THE MAGISTRATES' ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**7b Analysis of direct costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Grants to local groups	22,800	34,316
Wages and salaries (note 8)	262,782	310,230
Council and committees	4,683	65
Production of MAGISTRATE magazine	93,785	94,564
Representation	2,373	97
Events (including networking opportunities and training)	5,106	14,309
MIC and training	719	300
	<u>392,248</u>	<u>453,881</u>

The grants to local groups relate to a maximum of two instalments per local group during the financial year, provided they satisfy the set criteria. Each instalment is a minimum of £250.

Amount of £10,315 (2021: £300) in the MIC and training expenditure relates to the restricted fund. All other expenditure relates to unrestricted and designated funds.

**7c Analysis of support costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>As Restated £</b>
Communications	12,605	11,490
Membership	10,441	9,860
Administration	118,320	60,129
Wages & Salaries	131,391	155,115
Accommodation	20,945	18,635
Depreciation Charge	72,406	70,535
Governance Costs	17,968	18,052
Business Change Programme	-	37,466
Re-measurements of scheme valuation	(25,305)	(30,537)
Pension scheme administration expenses	5,163	5,232
	<u>363,935</u>	<u>355,977</u>

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# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 7d Analysis of governance costs

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
AGM and MA Awards	4,368	1,914
Board of Trustees' expenses (note 9)	1,300	4,138
Auditor's remuneration	12,300	12,000
	<u>17,968</u>	<u>18,052</u>

### 8 Analysis of staff costs and key management personnel

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	338,730	387,744
Social security costs	29,455	35,839
Pension costs	25,988	47,640
	<u>394,173</u>	<u>471,223</u>

The average monthly head count was 12 (2020: 12) and analysis of the staff employees in the year was:

	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Actual</b>
	<b>Number</b>	<b>Number</b>
Management	1	1
Membership	3	4
Policy and research	2	4
Communications	3	2
Finance	1	1
	<u>10</u>	<u>12</u>

The number of employees whose total employee benefits excluding employer pension contributions earning over £60,000, classified within bands of £10,000 is as follows:

	<b>2022</b>	<b>2021</b>
£70,000 - £79,999	1	1

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## THE MAGISTRATES' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

The employer pension contributions made by the Association relating to the above amounted to £5,833 (2021: £5,692).

The key management personnel during the year comprised of the Chief Executive, the Director of Finance & Resources, the Head of Membership, the Head of Marketing and the Head of Finance. The total remuneration of key management personnel, including employer national insurance and pension contributions was £204,445 (2021: £224,526).

#### 9 Trustees fees and expenses

No Trustees (2021: none) received fees or payment for professional services supplied to the Association.

Expenditure relating to travel/subsistence, Board of Trustees, Elections and minutes of Board meetings totalled £1,300 (2021: £4,138) in relation to 12 Trustees (2021: 12).

#### 10 Tangible fixed assets

	Leasehold Property £	Computers & Printers £	Fixtures & Fittings £	Office Equipment £	Total £
Cost					
At 1 July 2021	1,953,593	24,865	125,144	1,774	2,105,376
Additions	-	3,136	-	-	3,136
At 30 June 2022	1,953,593	28,001	125,144	1,774	2,108,512
Depreciation					
At 1 July 2021	156,108	24,522	100,115	1,414	282,159
Charge for year	39,072	1,388	25,029	360	65,849
At 30 June 2022	195,180	25,910	125,144	1,774	348,008
Net Book Value					
At 30 June 2022	1,758,413	2,091	0	0	1,760,504
At 30 June 2021	1,797,485	343	25,029	360	1,823,217

**THE MAGISTRATES' ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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**11 Intangible fixed assets**

	<b>Intangible Assets £</b>
<b>Cost</b>	
At 1 July 2021	32,780
At end of year	<u>32,780</u>
<b>Depreciation</b>	
At 1 July 2021	10,936
Charge for year	6,556
At end of year	<u>17,492</u>
<b>Net Book Value</b>	
At 30 June 2022	<u><u>15,288</u></u>
At 30 June 2021	<u><u>21,844</u></u>

This represents the net book value of the membership database which was purchased in July 2019 and is amortised over 5 years.

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**THE MAGISTRATES' ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**12 Fixed asset investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Market value at 1 July 2020	3,738,915	3,574,525
Additions at cost	-	2,006,601
Sale proceeds	(129,665)	(2,213,023)
Investment gains/(losses)	(235,783)	365,518
Movement of cash in the capital account	(5,332)	5,294
	<u>3,368,135</u>	<u>3,738,915</u>

At 30 June 2022 the historical cost of these investments was £3,366,566 (2021: £3,489,072).

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investments can be analysed as follows:		
Equities	2,278,091	2,679,118
Alternatives	674,206	587,675
Bonds	270,079	321,654
Multi-asset funds	58,749	61,333
Cash	87,007	83,800
Capital account	3	5,335
	<u>3,368,135</u>	<u>3,738,915</u>

## THE MAGISTRATES' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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**13a** Stock relates to the value of membership badges held for sale to members (2021-£0).

**13b Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	10,000	4,943
Other debtors	52,854	30,899
Prepayments and accrued income	51,140	48,717
	<u>113,994</u>	<u>84,559</u>

**14a Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>As Restated</b>
		<b>£</b>
Trade creditors	18,901	30,259
Other creditors	260	934
Pensions	261	2,109
Other taxation and social security	10,444	11,577
Accruals and deferred income	41,064	31,739
Present value of defined benefit scheme liabilities (note 20)	5,998	17,152
	<u>76,928</u>	<u>93,770</u>

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## THE MAGISTRATES' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 14b Creditors: amounts falling due after one year

	2022	2021
	£	As Restated £
Present value of defined benefit scheme liabilities (note 20)	<u>11,583</u>	<u>39,769</u>

#### 15 Unrestricted funds

	Balance at 01 July 2021	Income and net gains	Expenditure and net losses	Transfers	Balance at 30 June 2022
	£	£	£	£	£
General funds	2,896,986	435,788	(422,758)	-	2,910,016
Fixed assets fund	1,823,218	3,135	(65,849)	-	1,760,504
CRM Database fund	21,844	-	(6,556)	-	15,288
Provision of services to life members	871,613	131,565	(494,694)	-	508,484
Provision for repairs & maintenance	15,000	-	-	-	15,000
	<u>5,628,661</u>	<u>570,488</u>	<u>(989,857)</u>	<u>-</u>	<u>5,209,292</u>

	Balance at 01 July 2020	Income and net gains	Expenditure	Transfers	Balance at 30 June 2021 As Restated
	£	£	£	£	£
General funds	2,846,312	485,565	(434,891)	-	2,896,986
Fixed asset funds	1,888,285	-	(65,067)	-	1,823,218
CRM Database funds	21,872	5,440	(5,468)	-	21,844
Provision of services to life members	672,022	481,952	(282,361)	-	871,613
Provision for repairs & maintenance	15,000	-	-	-	15,000
	<u>5,443,491</u>	<u>972,957</u>	<u>(787,787)</u>	<u>-</u>	<u>5,628,661</u>

The funds of the charity include the designated reserves which have been set aside out of unrestricted funds by the Trustees for specific purposes.

- The provision of services to life members fund is to provide future cost of member services.
- The provision for repairs and maintenance fund is to provide cost of any future internal and/or external repairs.

The adequacy of these funds will be reviewed annually.

**THE MAGISTRATES' ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**16 Restricted funds**

	Balance at 1 July 2021	Income	Expenditure	Transfers	Balance at 30 June 2022
	£	£	£	£	£
Training	14,000	18,849	(10,315)	-	22,534
Development fund	22,531	-	-	-	22,531
Barrow Cadbury Trust	10,079	-	-	-	10,079
Victim fund	1,753	-	-	-	1,753
	<u>48,363</u>	<u>18,849</u>	<u>(10,315)</u>	<u>-</u>	<u>56,897</u>

	Balance at 1 July 2020	Income	Expenditure	Transfers	Balance at 30 June 2021
	£	£	£	£	£
Training	4,000	10,000	-	-	14,000
Development fund	22,531	-	-	-	22,531
Barrow Cadbury Trust	8,579	1,800	(300)	-	10,079
Victim fund	1,753	-	-	-	1,753
	<u>36,863</u>	<u>11,800</u>	<u>(300)</u>	<u>-</u>	<u>48,363</u>

Training refers to grants received for the preparation of training material for magistrates undertaken in accordance with the financial memorandum agreed between the Judicial College and the Association.

Development fund represents a member's donation (together with the relevant gift aid uplift) to be used to develop skills and provide training for prospective leaders of the Association.

Barrow Cadbury Trust project represents a grant to be used to develop and promote understanding of defendants' and offenders' maturity in the magistrates' court.

Victim fund represents a donation to be used to develop resources intended to improve victims' experiences of magistrates' courts.

**THE MAGISTRATES' ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**17 Analysis of net assets between funds**

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed asset funds	1,760,504	-	-	1,760,504
CRM Database funds	15,288	-	-	15,288
Investments	2,844,651	523,484	-	3,368,135
Current assets	153,876	-	56,897	210,773
Current liabilities	(76,928)	-	-	(76,928)
Long term liabilities	(11,583)	-	-	(11,583)
	<u>4,685,808</u>	<u>523,484</u>	<u>56,897</u>	<u>5,266,189</u>

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>As Restated £</b>
Fixed asset funds	1,823,217	-	-	1,823,217
CRM Database funds	21,844	-	-	21,844
Investments	2,852,302	886,613	-	3,738,915
Current assets	178,224	-	48,363	226,587
Current liabilities	(93,770)	-	-	(93,770)
Long term liabilities	(39,769)	-	-	(39,769)
	<u>4,742,048</u>	<u>886,613</u>	<u>48,363</u>	<u>5,677,024</u>

## THE MAGISTRATES' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

#### 18 Reconciliation of net expenditure to net cash flow from operating activities

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>As Restated £</b>
Net movement in funds	(410,835)	196,670
Depreciation charges	72,405	70,535
Decrease/(Increase) in debtors	(29,435)	(21,960)
(Decrease)/Increase in short term creditors	(16,842)	(8,165)
(Decrease)/Increase in long term creditors	(28,186)	(38,633)
Decrease/(Increase) in stock	(720)	-
Investment income	(146,183)	(149,678)
Net (Gain)/Loss on investments	235,783	(365,518)
<b>Net cash used in operating activities</b>	<u>(324,013)</u>	<u>(316,749)</u>

#### 19 Analysis of cash and cash equivalents

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash and bank	96,059	142,028
<b>Cash in hand</b>	<u>96,059</u>	<u>142,028</u>



# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 20 Pensions – defined benefit scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

#### Deficit contributions

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From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

#### Deficit contributions

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From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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## THE MAGISTRATES' ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

PRESENT VALUES OF PROVISION	30 June 2022 (£s)	30 June 2021 (£s)	30 June 2020 (£s)
Present value of provision	17,581	56,921	71,089

#### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 30 June 2022 (£s)	Period Ending 30 June 2021 (£s)
Provision at start of period	56,921	71,089
Unwinding of the discount factor (interest expense)	458	802
Deficit contribution paid	(19,113)	(22,972)
Remeasurements - impact of any change in assumptions	(525)	368
Remeasurements - amendments to the contribution schedule	(20,160)	7,634
Provision at end of period	17,581	56,921

#### INCOME AND EXPENDITURE IMPACT

	Period Ending 30 June 2022 (£s)	Period Ending 30 June 2021 (£s)
Interest expense	458	802
Remeasurements – impact of any change in assumptions	(525)	368
Remeasurements – amendments to the contribution schedule	(20,160)	7,634
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### INCOME AND EXPENDITURE IMPACT (cont'd)

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

### ASSUMPTIONS

	30 June 2022 % per annum	30 June 2021 % per annum	30 June 2020 % per annum
Rate of discount	3.45	0.59	0.83

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

### 21 Prior year adjustment

Prior year adjustments were made to remove expense elements incorrectly included in the previous year's deficit recovery liability for the Pensions Trust (see note 20 for details on the recovery plan). This had the effect of reducing the 2021 liabilities by £25,305 and increasing expenditure by £5,232. The overall funds brought forward increased by £30,537.

# THE MAGISTRATES' ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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### 22 Local groups

The accounts for the Association's local groups, which are listed below, are not consolidated since they are considered to be separate legal entities.

Bedfordshire	Lincolnshire
Berkshire	Merseyside
Birmingham	Mid & South Glamorgan
Black Country	Middlesex
Bristol & North Avon	Norfolk
Buckinghamshire	North & East Devon
Cambridgeshire	North East & East London
Central & North London	Northumbria
Cheshire	North West Wales
Cleveland & Durham	North & West Yorkshire
Clwyd	Northamptonshire
Cornwall	Nottinghamshire
Coventry & Warwickshire	Oxfordshire
Cumbria North	Powys & Herefordshire
Cumbria South	Shropshire
Derbyshire	Somerset
Dorset	South & South East London
Dyfed	South & West Devon
East Sussex	South West London
Essex	Staffordshire
Gloucestershire	Surrey
Greater Manchester	Wessex
Gwent	West Glamorgan
Hertfordshire	West Sussex
Kent	Wiltshire
Lancashire County	Wolds & South Yorkshire
Leicestershire & Rutland	Worcestershire

### 23 Related party transactions

There were no related party transactions to report (2021: None)