

# **REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2023**



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# REFERENCE AND ADMINISTRATIVE DETAILS

Name	The Magistrates' Association
Charity number	216066
Registered office	10a Flagstaff House St George Wharf Vauxhall, London SW8 2LE
Trustees	Mark Beattie JP (Chair from 15 October 2022; Deputy Chair to 14 October 2022) Jacqueline MacDonald-Davis JP (Deputy Chair from 15 October 2022) David Ford JP (Deputy Chair from 15 October 2022) Christine Grant JP (Honorary Treasurer) Beverley Higgs JP (Chair to 15 October 2022) Sarah Clarke JP Doreen Huijssoon-Prescott JP Josh James JP (from 15 October 2022) Jo King JP Daniel Longman JP Frank Shipway JP Patricia Willmott JP
Chief Executive	Tom Franklin
Auditors	Price Bailey LLP 3rd Floor, 24 Old Bond Street, Mayfair, London, W1S 4AP
Bankers	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
Investment managers	Cazenove Capital Schroder & Co Limited, 1 London Wall Place, London, EC2Y 5AU
Solicitors	Russell-Cooke LLP 2 Putney Hill, London, SW15 6AB

# TRUSTEES' REPORT

## About the Magistrates' Association

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 12,000 members across England and Wales, we are a unique source of information and insight and the only independent voice of the magistracy.

In late 2022, we were saddened by the death of our Patron, Her Late Majesty Queen Elizabeth II. Her Late Majesty had been Patron of the Magistrates' Association since 1952.

### 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 2022-23 we continued with our organisational strategy, focusing our work around four key aims.

## Achievements and performance for 2022-23

### 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 2022-23 we:

- Held five meetings with government ministers, including the new Lord Chancellor and the Courts Minister, to discuss issues of most concern to our members, including sentencing powers, magistrate training, recruitment of new magistrates, support for working magistrates, diversity, and the expenses system.
- Held meetings with other high-level stakeholders, including the Shadow Courts Minister, the Senior Presiding Judge, the Chief Executive of HM Courts and Tribunals Service, and the Chief Magistrate, and attending key bodies such as the Magistrates' Liaison Group, the Magistrates' Engagement Group, and Judicial Business Groups.
- Produced eleven responses to consultations on issues of relevance to the magistracy, ranging from a Greater London Assembly inquiry into probation, to Sentencing Council consultations on the underage sale of knives, animal welfare sentencing, motoring and burglary offences, to proposed reforms for the early resolution of private family law arrangements.

## THE MAGISTRATES' ASSOCIATION - TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

- Continued to argue for magistrates' courts to hear more serious cases, to help to reduce the high levels of backlogs in the crown courts, following the suspension of the measure by the government in the spring of 2023. We made the point to ministers that justice would be slowed down as a result—causing greater distress for victims, witnesses and defendants.
- Undertook a survey of our branches on the shortage of legal advisers and its impact on court business, and presented the results to HM Courts and Tribunals Service, arguing for improved communication with magistrates on the level of shortages and action to deal with them.
- Responded to consultation from the Magistrates Leadership Executive on its 'Strategy for the Magistracy', arguing for a clear vision for the magistracy, with clear targets and accountability for their achievement. At time of publication we are still awaiting publication of the final strategy.
- Published a report into Out of Court Disposals (OOCs), calling for greater transparency and consistency in their use across different police forces, and for improved scrutiny procedures. We are pleased that the government's current consultation on OOCs has suggested these changes.
- Welcomed the delay in the consultation on the abolition of local justice areas, on the grounds that it will provide time for various options to be considered before the consultation is published. We have urged the MOJ and senior judiciary to make full use of this opportunity.
- Held 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.
- Held 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 landmark report on the accessibility of magistrates' courts across England and Wales. Based on a survey of more than a third of magistrates' courts, the report has revealed that a largely inaccessible court estate threatens to undermine the efficiency of courts and equal access to justice. The report was produced in conjunction with the MA's magistrates with disabilities network, and made six recommendations for the Ministry of justice and HM Courts and Tribunals Service which we believe will help improve accessibility, court capacity and judicial diversity.
- Surveyed our members in Wales to ask for their views to help shape our submission to an independent review of youth justice in Wales, as well as our evidence to a Senedd committee looking at the treatment of women offenders in Wales.
- Published a position statement setting out magistrates' role in the process of authorisation for utility warrants for pre-payment meters, following intense media scrutiny. The position statement outlined our view on the issues of vulnerability and procedural reform. Our Chair talked about the issue on BBC Radio 4's You and Yours programme, and our statement was covered by around 80 media outlets.
- Published a major report 'It Shouldn't Cost to Volunteer', based on a survey of 1500 MA members looking at the inadequacy of the magistrate expenses regime. The report labelled the regime unfit for purpose, and proposed 20 recommendations for reform. We followed this up with a webinar for members to discussed the findings.
- Hosted the launch of a report into the experiences of young magistrates and their feelings about the role, following our involvement in the research.
- Gave oral evidence to a House of Lords inquiry into community sentences, based on our survey of 500 MA members, highlighting the value of the work of the probation service, the importance

## THE MAGISTRATES' ASSOCIATION - TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

of pre-sentence reports, and the need for magistrates to receive more feedback on the effectiveness of various community sentence options to assist with increase magistrates' confidence levels in them.

- Gave oral evidence to the Equality and Social Justice Committee of the Senedd on women's experiences of the criminal justice system, highlighting the role of magistrates and some of the challenges to providing more non-custodial sentences – especially the uneven provision of services, and the lack of information. The resulting report was published, with its recommendations drawing heavily on MA evidence.
- Gave oral evidence to the House of Commons Justice Committee on adult custodial remand, based on a survey of our members. Its findings endorsed our Magistrates' courts and Covid-19 report's recommendation on remote links and addressed our concern at the lack of available data in the use and effectiveness of remand.
- Gave oral evidence to three Parliamentary committees to explain the work of the magistracy, on topics including the use of remand, community sentences, the needs of women offenders, and the needs of young people in the justice system with communication difficulties.
- Advocated on behalf of our family magistrate members for improved support to be provided where magistrates are named in the media in high profile cases, particularly with the move towards greater transparency in family courts. We are pleased to have received a positive response to our requests from the President of the Family Division.
- Continued to monitor the allocation of public law work to family magistrates, following our call for greater allocation last year our securing of a commitment from senior judiciary that there would be a minimum threshold for cases to be allocated across regions, in order to ensure magistrates remain skilled in all areas of family law work.
- Took an active part in the new Family Magistrates Oversight Group, which has been created by the senior judiciary to provide better leadership.
- Attended meetings of key policy-making bodies, including the Magistrates' Liaison Group, the Magistrates' Engagement Group and the Judges' Council.

Our successes included:

- Some limited but important successes on magistrates' expenses – including the re-issuing of HM Courts and Tribunals Service guidance on submitting expense claims for items such as travel and print; the acceptance by HMCTS of digital tax calculations from HMRC for employed magistrates, and the abolition of the 'annual declaration'.
- Our youth court committee secured a commitment from the Solicitors Regulation Authority (SRA) to implement a set of best practice standards for solicitors who work in the youth court. We have called for the development of such standards since 2017 as a means of ensuring greater accountability, so we were delighted to see these published in March and to have input to their development.

**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 2022-23 we:

- Increased the resources devoted to our media work, to raise the voice of the magistracy and increase understanding of what magistrates do.
- Delivered the MA's Magistrates in the Community programme, expanding activities following the pandemic.
- Supported Pride Month, South Asian Heritage Month, Black History Month, Stephen Lawrence Day, and Justice Week – 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:

- Achieved coverage of 316 pieces of digital, print and broadcast media coverage, including interviews on BBC Radio 4, BBC News, ITV, and Sky, and coverage in the Guardian, Times, Telegraph and Evening Standard.
- Reached 421,200 people on X (formerly Twitter), and 95,823 people on LinkedIn with social media posts aimed at explaining the work of the magistracy.
- Launched our 'faces of the magistracy' campaign, featuring a different magistrate each week to highlight the diversity of magistrates and encourage people from all walks of life to consider applying.
- Published eight guest blogs on our website on issues of interest to the magistracy—including from the Chief Executive of HM Courts and Tribunals Service on accessibility, the British Retail Consortium on retail crime, and the Royal College of Nursing on supporting offenders with learning difficulties and autism.

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

To achieve this through our work in 2022-23 we:

- Held ten webinars for members on topics ranging from domestic abuse to community sentencing.
- Published six issues of Magistrate magazine, the only magazine dedicated to issues affecting the magistracy, and developed plans to revitalise the magazine in 2023-24, following a member survey on how they would like to see it improved.
- Launched our new member support line, staffed by our most experienced members, to provide a friendly ear and signposting for members when they need it.

## THE MAGISTRATES' ASSOCIATION - TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

- Held three workshops for new magistrates, providing them with support early on in their magistracy journey, and introducing them to the benefits and services of the Magistrates' Association.
- Welcomed 200 members to our annual conference, on the subject of open justice, with speakers including the Lord Chief Justice and the President of the Family Division.
- Gave out eight awards at our annual awards ceremony, to recognise Magistrates' Association volunteers who have particularly supported their colleagues, or reached out to their local communities, over the past year.
- Launched our new website, providing a refreshed look and feel, aimed at the general public, those interested in becoming magistrates, as well as our members and volunteers. The new website will have a new volunteer zone to support our volunteers in their work in our 53 local branches. The public pages of the website have been re-styled and highlight our campaigning work and achievements as well as general news on magistrates' courts.
- Continued to publish our monthly MA eNews, providing bite-sized news and information to our members.
- Continued our series of blogs and features on our website, from partners and stakeholders, to help inform and engage our members.
- Launched MA learn – our new online learning platform with 120 high-quality learning resources for our members.
- 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 – and set up our new diversity and inclusion committee, with committee members elected from the networks.
- Produced six *MA cut-out-and-keep guides* and six *Sentencing Steps* exercises.
- Provided more structured support for MA representatives on magistrate training committees.
- Invited members chosen by branches to attend the Royal Garden Parties.

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.
- More than 1,000 members making use of MA learn, our new online learning hub.

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

To achieve this through our work in 2022-23 we:

- Continued to implement the roadmap for business change, as agreed by the board of trustees in 2021.



## THE MAGISTRATES' ASSOCIATION - TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

- Improved membership recruitment, retention and processing – including the activities set out in our member recruitment and retention strategy.
- Undertook 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 – these changes are likely to be implemented in the coming year, including proposed changes to our bye-laws.
- Continued with our annual members' survey, launched in 2021-22, so that we can track changes in members' feedback over time. Results in the current year show a consistent improvement in member appreciation of our services.
- Promoted associate membership, to encourage those considering becoming a magistrate to learn more about the role.
- Continued to promote our new member get member scheme, to ask existing members to encourage non-members to join the MA.
- Provided branches with new recruitment materials to help with their local recruitment initiatives.
- Conducted our second annual member survey – with the results showing an increase year-on-year in members' satisfaction with most individual elements of the member offer.
- Agreed our new five-year finance strategy, aimed at putting the finances of the Association onto a more secure and sustainable long-term footing. This included a three-year strategy for membership subscriptions.
- Set aside specific time at the board of trustees to focus on strategic development, including the development of a risk appetite statement for the charity.
- Continued with our increased level of support for our branch network, being more proactive in providing assistance, and improving communication of ideas and information for branches.
- Began to implement our stakeholder development strategy, to improve our relationship management of key stakeholders.
- 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.
- Implementing a leaver survey for members who leave the Association, so that we can better understand their reasons for doing so.

Our successes included:

- New magistrate workshops held for over 400 new magistrates during the year.
- Contested elections held for board of trustees and diversity and inclusion committee vacancies, and 39 applications for 13 places on the other policy committees—showing high levels of member engagement.
- 16% of new members being recruited through our member get member scheme this year.

## **Our plans for 2023-24**

2023-24 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 2023-24 include:
  - Focusing on four priority policy areas: better justice for children, better justice processes, openness and transparency, and better support for magistrates.
  - Publishing two major reports during the year – one on magistrate recognition and reward, following a resolution agreed at the 2022 AGM; and one on open data in the magistrates' courts.
  - Continuing to pursue our recommendations on magistrates' expenses in our report 'It Shouldn't Cost to Volunteer', which we published in the Autumn of 2022.
  - Continuing to highlight the problems faced by disabled magistrates due to inaccessible court buildings, as set out in our report published in the Spring of 2023.
  - Responding to any consultation by the Ministry of Justice and the senior judiciary on the abolition of local justice areas, following the Judicial Review and Courts Act, putting forward the voice of magistrates to the highest levels of government and the judiciary.
  - Developing our stakeholder strategy further and holding regular meetings with key decision-makers in support of our policy priorities.
  - Responding to relevant consultations, and publishing position statements on key issues.
  - 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.
  - Holding a major members' conference on the topic of local justice in the magistrates' courts.
- 2) To ensure that the public is better informed about the magistracy and the broader criminal and family justice systems. Planned activities for 2023-24 include:
  - Developing improved resources for our Magistrates in the Community programme, through the involvement of our training, learning and development committee.
  - Securing at least 20 positive national media appearances for the MA and the magistracy
  - Providing media training for our key spokespeople, to further improve the quality of our media presence.
- 3) To provide MA members, and the broader magistracy, with support, information, training and development. Planned activities for 2023-24 include:
  - Further developing our new website, based on feedback from members and the public.

## THE MAGISTRATES' ASSOCIATION - TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

- Expanding MA learn—our online learning hub—with even more resources, and promoting its features with our members.
  - Continuing to put on a series of webinars on topics of interest to our members, but to better curate them and ensure that they meet the priority needs of members.
  - Launching a re-vamped Magistrate magazine, based on member feedback, with more feature articles and increased pagination/reduced frequency, to create a higher-quality product.
  - Continuing to host events for new magistrates, to welcome them to the magistracy and help them get the most from their MA membership.
  - Publishing, in partnership with the Judicial College, a training resource on becoming a youth court presiding justice, for magistrates.
  - Trialing our '60-minute buddy' scheme, to link up experienced members with other members thinking of becoming a presiding justice, mentor or appraiser – to provide 60 minutes of guidance.
  - Further developing our Magistrate magazine, with new content and features based on feedback from members; and producing a high-quality digital version as an alternative to the paper version for members who would like it.
  - Producing four MA cut-out-and-keep guides and four Sentencing Steps exercises.
  - Producing to a high standard 12 issues of MA eNews and four issues of Branch Bites.
- 4) To be an effective, well-run and financially sustainable organisation. Planned activities for 2023-24 include:
- Agreeing our new five-year strategic plan, to be launched in 2024 at the conclusion of our business change roadmap.
  - Implementing our new Commitment and Branch Expectations framework, as agreed by the board of trustees, setting out the support we will provide for our branches, and what we expect of them.
  - Launching a range of promotional materials highlighting our key member benefits, for use by branches to help with member recruitment and retention.
  - Developing the MA's legacy giving framework and securing two new grants from trusts and foundations.
  - Implementing changes to 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 for a third year, enabling us to track members' feedback over time.
  - Continuing to promote associate membership, to encourage those considering becoming a magistrate to learn more about the role.
  - Reducing our overheads by investigating the downsizing of our head office operations.

## **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 Bye-laws approved on 12 February 2013 and amended on 11 April 2023.

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, seven standing committees, five of which are responsible for policy (adult court committee, family court committee, youth court committee, training learning and development and committee, and diversity and inclusion committee) and two for finance and audit, and HR and remuneration respectively, a policy board (which oversees the work of the five policy standing committees), national council (which advises the board of trustees), 53 local branches spanning England and Wales, and ten staff including four as the senior management team.

## **THE MAGISTRATES' ASSOCIATION - TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023**

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 3-8 for a summary of the Association's achievements in the 2022-23 financial year, which the board of trustees has considered in ensuring the Association is carrying out its purposes for the public benefit.

### **Financial review**

This financial year the Board received legal advice that clarified the accounting treatment of our branches. Our annual accounts have been consolidated for the first time. This year also sees the continuation of our business change programme with the agreement of our five-year strategic plan.

#### **Income and expenditure**

The consolidated income for the year was £572,721, as compared to a restated consolidated outcome in 2021-22 of £597,498. Consolidated expenditure was £995,187 as compared to a restated consolidated total of £774,179 for the 2021-22 year. We recorded a consolidated deficit before taking into account investments of £422,466 as compared to a consolidated deficit of £176,680 for the 2021-22 year. The net movement in consolidated funds for the year was a deficit of £502,208 compared to a consolidated deficit net movement of £412,463 for the 2021-22 year.

As we continue our process of establishing the business change programme, it has been necessary to invest in skills and technology to improve the efficiency of our operations and enhance both membership value and our overall impact. This has led to the continuing deficit position. The successful completion of our five-year strategy should see us reverse this trend.

#### **Investments**

The Association has an investment portfolio, which at 30 June 2023 was valued at £2,881,220 (2022: £3,368,135) and produced an income of £127,033 (2021-22: £146,183). The investment portfolio continues to be managed by our professional advisors on a medium risk basis while maintaining the capital value of the portfolio after inflation.

#### **Reserves**

The Trustees maintained their aim of maintaining an adequate level of unrestricted reserves as far as possible by investing any amounts in excess of operational needs to ensure that they deliver an additional source of income to the MA to contribute to our running costs while protecting the capital against inflation. Each year the Board of Trustees assesses 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 within the budget year. The Board of Trustees has decided that this approach best supports the MA in meeting its charitable objectives.

## THE MAGISTRATES' ASSOCIATION - TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

During 2022/23, the Trustees reviewed the reserves policy and categories in order to better focus resources to support the business change programme. This revised policy set designations specifically to support key elements of the business change programme.

It also set a target minimum level of free central reserves of £1,200,000. This level is considered adequate to provide resilience and flexibility to the charity during any period of business change and uncertainty as well as supporting the going concern status of the charity.

The free reserve balance as at 30 June 2023 was £1,917,333 (2022: £3,056,324 as restated) and exceeds the minimum target set. This additional buffer will create additional capacity over the duration of the business change programme to support our long-term subscription strategy. It will also support any additional initiatives we might explore to enhance membership value, support branches and enhance our wider impact in our advocacy for the magistracy.

As per the Charities SORP 2019 (FRS102), we continue to recognise the liability arising in respect of the multi-employer defined benefit scheme. The impact of this has reduced our free reserves by £15,142 (2022: £16,746).

### 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.

### 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:

- Our large financial deficit continues, with income growth not sufficient to reduce the budget deficit – leading to a depletion of our investments and reserves. To address this, the board of trustees is pursuing a focus on membership recruitment and retention, including work to improve the attractiveness of the member offer. Resources have been refocused to ensure we continue to develop the right member benefits to grow membership and income in future. The board has also put in place a financial strategy which includes a multi-year subscription rate strategy and taken steps to make efficiency savings. This includes the planned downsizing of the head office to reduce overheads, moving more events online to reduce logistical costs and more efficient contracting.
- Staff and volunteers with appropriate skills are not recruited and/or retained – limiting our ability to move forward with our strategy, and making it harder for branches to operate effectively. To address this, the board has established an HR and remuneration committee, working with the Chief Executive to ensure that pay, flexibility and benefits are competitive for staff; and has agreed a branch development plan to increase support for branches and ensure that volunteers feel valued and thanked. This has included a new 'branch commitments and expectations' framework which sets out what branches can expect of the MA, and new branch role packs, to provide better tools for volunteers.
- 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 HR and 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 HR and remuneration committee. Recommendations are then made by the HR and remuneration committee to the Board of Trustees for approval when setting the annual budget.

## **Trustees' responsibilities statement**

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 (FRS102)
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable accounting standard have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



Mark Beattie  
**National Chairman**  
Date: 17 November 2023



Christine Grant  
**Honorary Treasurer**  
Date: 17 November 2023

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MAGISTRATES' ASSOCIATION FOR THE YEAR ENDED 30 JUNE 2023

## Opinion

We have audited the financial statements of the Magistrates Association (the 'charity') for the year ended 30 June 2023 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 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 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MAGISTRATES' ASSOCIATION FOR THE YEAR ENDED 30 JUNE 2023**

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.

### **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,

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MAGISTRATES' ASSOCIATION FOR THE YEAR ENDED 30 JUNE 2023**

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 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      20 November 2023  
Statutory Auditors

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

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

# STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

## INCOME AND ENDOWMENTS

Donations & grants	2
Charitable activities	3
Other trading activities	5
Investment income	4
<b>Total income</b>	

## EXPENDITURE

Raising funds	6
Charitable activities	7
<b>Total expenditure</b>	

Net income / (expenditure) before investment gains / losses

Net gains / (losses) on investments

Net income / (expenditure)

Transfer between funds

## RECONCILIATION IN FUNDS

Total funds b/fwd as previously stated

Prior Year Adjustment

Adjusted opening balance

**Total funds carried forward**

21

2023					2022 as restated				
Unrestricted					Unrestricted				
General £	Designated £	Restricted £	Total £		General £	Designated £	Restricted £	Total £	
13,072	0	10,000	23,072		11,616	0	18,849	30,465	
407,659	0	0	407,659		405,599	0	0	405,599	
14,957	0	0	14,957		15,251	0	0	15,251	
127,033	0	0	127,033		14,618	131,565	0	146,183	
562,721	0	10,000	572,721		447,084	131,565	18,849	597,498	
5,818	0	0	5,818		8,206	0	0	8,206	
484,743	447,729	56,897	989,369		484,958	270,700	10,315	765,973	
490,561	447,729	56,897	995,187		493,164	270,700	10,315	774,179	
72,160	(447,729)	(46,897)	(422,466)		(46,080)	(139,135)	8,534	(176,681)	
(3,987)	(75,755)	0	(79,742)		(11,789)	(223,994)	0	(235,783)	
68,173	(523,484)	(46,897)	(502,208)		(57,869)	(363,129)	8,534	(412,464)	
(1,250,000)	1,250,000	0	0		0	0	0	0	
4,830,487	523,484	56,897	5,410,868		4,742,048	886,613	48,363	5,677,024	
4,830,487	523,484	56,897	5,410,868	0	146,308			146,308	
3,648,660	1,250,000	10,000	4,908,660		4,888,356	886,613	48,363	5,823,332	
					4,830,487	523,484	56,897	5,410,868	

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 21 to 39


# BALANCE SHEET AS AT 30 JUNE 2023

		<u>2023</u> £	<u>2022 As</u> <u>Restated</u> £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	1,722,595	1,760,504
Intangible fixed assets	11	8,732	15,288
Investments	12	2,881,220	3,368,135
<b>TOTAL FIXED ASSETS</b>		<u>4,612,547</u>	<u>5,143,927</u>
<b>CURRENT ASSETS</b>			
Stock	13a	720	720
Debtors	13b	194,011	113,994
Cash at bank and in hand	19	224,351	240,738
<b>TOTAL CURRENT ASSETS</b>		<u>419,082</u>	<u>355,452</u>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	14a	(113,901)	(76,928)
<b>NET CURRENT ASSETS</b>		<u>305,181</u>	<u>278,524</u>
Creditors: amounts falling due after one year	14b	(9,068)	(11,583)
<b>TOTAL NET ASSETS</b>		<u>4,908,660</u>	<u>5,410,868</u>
<b>THE FUNDS OF THE CHARITY</b>			
<b>Unrestricted funds:</b>			
Designated funds	15	1,250,000	523,484
Tangible fixed assets	10	1,722,595	1,760,504
Intangible fixed assets	11	8,732	15,288
Free reserves		1,917,333	3,054,695
<b>Restricted funds</b>	16	10,000	56,897
<b>TOTAL FUNDS</b>		<u>4,908,660</u>	<u>5,410,868</u>

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



Mark Beattie  
National Chairman  
Date: 17 November 2023



Christine Grant  
Honorary Treasurer  
Date: 17 November 2023

The attached notes on pages 21 to 39 form part of these financial statements.

# STATEMENTS OF CASH FLOWS AS AT 30 JUNE 2023

	2023 £	2022 as restated £
<b>Cash Flow Statement</b>		
Cash flow from operating activities:	18 (547,876)	(325,642)
<b>Net cash provided by/(used in) operating activities</b>	<u>(547,876)</u>	<u>(325,642)</u>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	(2,717)	(3,136)
Loss on the disposal of fixed assets (profit)/loss	0	0
Purchase of intangible assets	0	0
Proceeds from sale of property	0	0
Purchase of investments	0	0
Proceeds from sale of investments	400,000	129,665
Movement of cash in the capital account		
(Increase)/decrease	7,173	5,332
Investment income	127,033	146,183
<b>Net cash provided by investing activities</b>	<u>531,489</u>	<u>278,044</u>
<b>Change in cash and cash equivalents in the reporting period</b>	(16,387)	(47,598)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	240,738	288,336
<b>Cash and cash equivalents at the end of the reporting period</b>	19 <u>224,351</u>	<u>240,738</u>
<b><u>Analysis of changes in net debt</u></b>	<b>2023 £</b>	<b>2022 £</b>
Cash and cash equivalents as at 1 July 2022	240,738	288,336
Cash flows	(16,387)	(47,598)
<b>Cash and cash equivalents as at 30 June 2023</b>	<u>224,351</u>	<u>240,738</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 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.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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.

### **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 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 for all employees in the scheme. 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

	2023	2022
	£	£
Donations	274	3,455
Branches - Voluntary Income	12,798	8,161
Judicial College grant	10,000	10,000
Barrow Cadbury Trust grant	-	8,849
	<u>23,072</u>	<u>30,465</u>

A total amount of £10,000 (2022: £18,849) relates to the Judicial College and the Barrow Cadbury Trust grants, which are restricted funds. All other amounts relate to unrestricted funds.

## 3 Charitable activities

	2023	2022 As Restated
	£	£
Membership subscriptions	407,659	405,599
	<u>407,659</u>	<u>405,599</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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 4 Investment income

	2023 £	2022 £
Dividends	126,372	146,140
Interest	661	43
	<u>127,033</u>	<u>146,183</u>

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

### 5 Other trading activities

	2023 £	2022 £
Magazine advertising revenue	6,403	6,148
Magazine subscriptions	761	1,096
Royalties	719	676
AGM/MA Awards income	1,466	-
500 Club lottery	4,210	4,510
Retired members' event	125	758
Royal Garden Party Event - Income	1,273	2,063
	<u>14,957</u>	<u>15,251</u>

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

### 6 Raising funds

	2023 £	2022 £
Investment management costs	<u>5,818</u>	<u>8,206</u>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 7a Analysis of expenditure by activity

	Direct costs	Support costs	2023 £
Magistrate event training and support	527,693	461,676	995,188
	Direct costs	Support costs	2022 as restated £
Magistrate event training and support	402,039	363,935	774,179

### 7b Analysis of direct costs

	2023 £	2022 as restated £
Branch Expenditure	48,837	32,591
Wages and salaries (note 8)	351,194	262,782
Council and committees	12,889	4,683
Production of MAGISTRATE magazine	103,928	93,785
Representation	3,722	2,373
Events (including networking opportunities and training)	3,616	5,106
MIC and training	3,507	719
	527,693	402,039

Branch expenditure related to the aggregate of expenditure incurred by branches within the financial year.

Amount of £3,507 (2022: £719) in the MIC and training expenditure relates to the restricted fund. All other expenditure relates to unrestricted and designated funds.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 7c Analysis of support costs

	2023 £	2022 £
Communications	50,385	12,605
Membership	41,612	10,441
Administration	101,164	118,320
Wages & Salaries	150,510	131,391
Accommodation	28,862	20,945
Depreciation Charge	47,182	72,406
Governance Costs	35,257	17,968
Re-measurements of scheme valuation	-	(25,305)
Pension scheme administration expenses	<u>6,704</u>	<u>5,163</u>
	<u>461,676</u>	<u>363,934</u>

### 7d Analysis of governance costs

	2023 £	2022 £
AGM and MA Awards	8,106	4,368
Board of Trustees' expenses (note 9)	7,476	1,300
Auditor's remuneration	19,675	12,300
	<u>35,257</u>	<u>17,968</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

	2023 £	2022 £
Wages and salaries	423,335	338,730
Social security costs	40,258	29,455
Pension costs	38,091	25,988
	<u>501,684</u>	<u>394,173</u>

The average monthly head count was 10 (2022: 10) and analysis of the staff employees in the year was:

	2023 Actual Number	2022 Actual Number
Management	1	1
Membership	3	3
Policy and research	2	2
Communications	3	3
Finance	1	1
	<u>10</u>	<u>10</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:

	2023	2022
£70,000 - £79,999	1	1

The employer pension contributions made by the Association relating to the above amounted to £7,519 (2022: £5,833).

The key management personnel during the year comprised of the Chief Executive, the Director of Finance & Resources, the Head of Membership and the Head of Marketing. The total remuneration of key management personnel, including employer national insurance and pension contributions was £268,633 (2022: £204,445).

### 9 Trustees' fees and expenses

No Trustees (2022: none) received fees or payment for professional services supplied to the Association.

Expenditure relating to travel/subsistence, board of trustees meetings, elections and minutes of board meetings totalled £7,476 (2022: £1,300) in relation to 12 Trustees (2022: 12).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 10 Tangible fixed assets

	<u>Leasehold property</u> £	<u>Computers and printers</u> £	<u>Fixtures and fittings</u> £	<u>Office equipment</u> £	<u>Total</u> £
<b>Cost</b>					
At 1 July 2022	1,953,593	28,001	125,144	1,774	2,108,512
Additions	-	2,717	-	-	2,717
Disposals	-	-	-	-	-
At 30 June 2023	1,953,593	30,718	125,144	1,774	2,111,229
<b>Depreciation</b>					
At 1 July 2022	195,180	25,910	125,144	1,774	348,008
Charge for year	39,072	1,554			40,626
Disposals	-	-	-	-	-
At 30 June 2023	234,252	27,464	125,144	1,774	388,634
<b>Net Book Value</b>					
At 30 June 2023	<b>1,719,341</b>	<b>3,254</b>	<b>0</b>	<b>0</b>	<b>1,722,595</b>
At 30 June 2022	<b>1,758,413</b>	<b>2,091</b>	<b>0</b>	<b>0</b>	<b>1,760,504</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 11 Intangible fixed assets

	Intangible assets £
<b>Cost</b>	
At 1 July 2022	32,780
At end of year	<u>32,780</u>
<b>Depreciation</b>	
At 1 July 2022	17,492
Charge for year	6,556
At end of year	<u>24,048</u>
<b>Net Book Value</b>	
At 30 June 2023	<u><u>8,732</u></u>
At 30 June 2022	<u><u>15,288</u></u>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 12 Fixed asset investments

	2023 £	2022 £
Market value at 1 July 2020	3,368,135	3,738,915
Additions at cost	-	-
Sale proceeds	(400,000)	(129,665)
Investment gains/(losses)	(79,742)	(235,783)
Movement of cash in the capital account	(7,173)	(5,332)
	<u>2,881,220</u>	<u>3,368,135</u>

At 30 June 2023 the historical cost of these investments was £2,969,269 (2022: £3,366,566).

	2023 £	2022 £
Investments can be analysed as follows:		
Equities	1,854,318	2,278,091
Alternatives	503,850	674,206
Bonds	368,830	270,079
Multi-asset funds	45,736	58,749
Cash	108,465	87,007
Capital account	21	3
	<u>2,881,220</u>	<u>3,368,135</u>

**13a** Stock relates to the value of membership badges held for sale to members (2022 - £720).

### 13b Debtors

	2023 £	2022 £
Trade debtors	10,000	10,000
Other debtors	131,660	52,854
Prepayments and accrued income	52,351	51,140
	<u>194,011</u>	<u>113,994</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

	2023 £	2022 £
Trade creditors	46,539	18,901
Other creditors	3,918	260
Pensions	11,799	261
Other taxation and social security	10,597	10,444
Accruals and deferred income	38,533	41,064
Present value of defined benefit scheme liabilities (note 20)	2,515	5,998
	<u>113,901</u>	<u>76,928</u>

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

	2023 £	2022 £
Present value of defined benefit scheme liabilities (note 20)	<u>9,068</u>	<u>11,583</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 15 Unrestricted funds

	Balance at 01 July 2022 As restated	Income and net gains	Expenditure and net losses	Transfers	Balance at 30 June 2023
	£	£	£	£	£
General funds	3,054,695	560,004	(447,366)	(1,250,000)	1,917,333
Fixed assets fund	1,760,504	2,717	(40,626)	-	1,722,595
CRM database fund	15,288	-	(6,556)	-	8,732
Provision of services to life members	508,484	-	(508,484)	100,000	100,000
Provision for repairs & maintenance	15,000	-	(15,000)	-	-
Strategic development fund	-	-	-	1,000,000	1,000,000
Pension liability fund	-	-	-	100,000	100,000
Equipment and technology fund	-	-	-	50,000	50,000
	5,353,971	562,721	(1,018,032)	-	4,898,660

	Balance at 01 July 2021 As restated	Income and net gains	Expenditure	Transfers	Balance at 30 June 2022 As restated
	£	£	£	£	£
General funds	3,043,294	443,949	(432,548)	-	3,054,695
Fixed asset funds	1,823,218	3,135	(65,849)	-	1,760,504
CRM database funds	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
	5,774,969	578,649	(999,647)	-	5,353,971

The general funds of the charity include funds held by branches as at each year end.

The Trustees further designated reserves out of unrestricted funds 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 strategic development fund is for the support of our business change programme.
- The pension liability fund is to address the potential liability from our pension scheme.
- The equipment and technology fund is to replace our essential equipment and technology.

The adequacy of these funds will be reviewed annually.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 16 Restricted funds

	Balance at 1 July 2022 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2023 £
Training	22,534	10,000	22,534	-	10,000
Development fund	22,531	-	22,531	-	-
Barrow Cadbury Trust	10,079	-	10,079	-	-
Victim fund	1,753	-	1,753	-	-
	<u>56,897</u>	<u>10,000</u>	<u>56,897</u>	<u>-</u>	<u>10,000</u>

	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>

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 17 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total 2023
	£	£	£	£
Fixed asset funds	1,722,595	-	-	1,722,595
CRM database funds	8,732	-	-	8,732
Investments	1,631,220	1,250,000	-	2,881,220
Current assets	409,082	-	10,000	419,082
Current liabilities	(113,901)	-	-	(113,901)
Long term liabilities	(9,068)	-	-	(9,068)
	<u>3,648,660</u>	<u>1,250,000</u>	<u>10,000</u>	<u>4,908,660</u>

	Unrestricted funds	Designated funds	Restricted funds	Total 2022
	£	£	£	As restated £
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	298,555	-	56,897	355,452
Current liabilities	(76,928)	-	-	(76,928)
Long term liabilities	(11,583)	-	-	(11,583)
	<u>4,830,487</u>	<u>523,484</u>	<u>56,897</u>	<u>5,410,868</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

	2023	2022
	£	As restated £
Net movement in funds	(502,208)	(412,464)
Depreciation charges	47,182	72,405
Decrease/(Increase) in debtors	(80,017)	(29,435)
(Decrease)/Increase in short term creditors	36,973	(16,842)
(Decrease)/Increase in long term creditors	(2,515)	(28,186)
Decrease/(Increase) in stock	-	(720)
Investment income	(127,033)	(146,183)
Net (Gain)/Loss on investments	79,742	235,783
<b>Net cash used in operating activities</b>	<b>(547,876)</b>	<b>(325,642)</b>

### 19 Analysis of cash and cash equivalents

	2023	2022
	£	As restated £
Cash and bank	224,351	240,738
<b>Cash in hand</b>	<b>224,351</b>	<b>240,738</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 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

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

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

From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

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.

#### PRESENT VALUES OF PROVISION

	30 June 2023 (£s)	30 June 2022 (£s)	30 June 2021 (£s)
Present value of provision	9,068	14,855	87,188

## RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period ending 30 June 2023 (£s)	Period ending 30 June 2022 (£s)
Provision at start of period	14,855	87,188
Unwinding of the discount factor (interest expense)	402	458
Deficit contribution paid	(5,998)	(19,113)
Remeasurements - impact of any change in assumptions	(191)	(525)
Remeasurements - amendments to the contribution schedule	-	(53,153)
Provision at end of period	9,068	14,855

## INCOME AND EXPENDITURE IMPACT

	Period ending 30 June 2023 (£s)	Period ending 30 June 2022 (£s)
Interest expense	402	458
Remeasurements – impact of any change in assumptions	(191)	(525)
Remeasurements – amendments to the contribution schedule	-	(53,153)
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

\*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.

## ASSUMPTIONS

	30 June 2023 % per annum	30 June 2022 % per annum	30 June 2021 % per annum
Rate of discount	6.40	3.45	0.59

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 adjustments

Prior year adjustments were made to integrate the income, expenditure and funds of all branches into the accounts for the current and comparative years (see Notes 2, 7 and 15 to the accounts). This had the effect of increasing 2022 income by £8,161, expenditure by £32,951 and bank balances and fund by £144,679 as compared to the previously published accounts. Similarly, the capitation payments made by the MA to the branches have been removed as part of the consolidation process. These totalled £22,800.

## 22 Local groups

The accounts for the Association's local groups, which are listed below, are consolidated within these accounts since they are an integral part of the Magistrates' Association.

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*

\* Both these branches were merged to form a new branch as at the signing of these accounts.

## 22 Related party transactions

There were no related party transactions to report (2022: None)