

MAGISTRATES
ASSOCIATION



ANNUAL REPORT AND ACCOUNTS 2007–2008

About us

We are the independent representative body for the magistracy, who make a significant contribution to the justice system in England and Wales, performing judicial duties to the highest standard, without fear or favour.

We are a democratic membership association funded and organised by magistrates for magistrates; to which every member is able to contribute.

The Magistrates' Association

Registered charity number 216066
28 Fitzroy Square
London
W1T 6DD

Trustees

Cindy Barnett JP (Chairman)
George Curry JP
Patrick Davies JP (to November 2007)
Mike Dodden JP (Honorary Treasurer)
John Fassenfelt JP (from November 2007)
Elliot Griffiths JP
John Howson JP (Deputy Chairman from November 2007)
Flo Kaufmann JP (from November 2007)
Fred Manning JP
Malcolm Richardson JP (to February 2008)
Anne Smith JP
Linda Thornber JP (to November 2007)
John Thornhill JP (Deputy Chairman)
Simon Wolfensohn JP (Deputy Chairman to November 2007)

Senior staff members

Sally Dickinson, *Chief Executive*
Ann Flintham JP, *Communications Manager*
Brian Worboys, *Finance Manager*

Editor of the *Magistrate* magazine

Simon Hudson JP

Auditors

BDO Stoy Hayward LLP
Emerald House
East Street
Epsom
Surrey
KT17 1HS

Bankers

National Westminster Bank Plc
Bloomsbury Parr's Branch
PO Box 158
214 High Holborn
London
WC1V 7BX

Investment managers

Until 30 April 2008
Tilney Investment Management
36 Queen Street
London
EC4R 1BN

From 1 May 2008
Charles Stanley and Company Ltd
25 Luke Street
London
EC2A 4AR

What we do

The Magistrates' Association is incorporated by Royal Charter under a Charter granted on 14 June 2005.

The objects for which the Association is established and incorporated, as described in the governing document (the Charter and Bye Laws) are:

To promote the sound administration of the law by the following means:

- (a) educating and instructing magistrates and others in the law, the administration of justice, the treatment of offenders and the best methods of preventing crime; and*
- (b) issuing publications and promoting conferences and discussions on developments in the law and the administration of justice.*

What we seek to achieve

- an independent magistracy
- an informed magistracy
- a representative magistracy
- a local, community-based magistracy
- a respected magistracy
- a democratic and effective organisation
- a fair and effective magistrates' courts service as part of the justice system of England and Wales

How we are organised

The vast majority of members of the Magistrates' Association are Justices of the Peace. All members belong to one of sixty local

branches in England and Wales. Each branch elects two or more representatives to the national Council.

Members of the Board of Trustees are elected by Council, with one third resigning from office each year. All new appointees to the Board undergo an induction process.

All matters of policy are determined by the Board. Day-to-day management of the organisation is delegated to the Chief Executive who must operate within the parameters set by the Board. Recommendations for policy on matters relating to the work of magistrates are formulated by the Council and the committees listed below. The Board meets six times each year to determine policy and to receive reports.

A risk management programme is in place. Trustees have identified potential risk areas and have received reports on risk management. All identified areas of risk – and the steps taken to minimise exposure in each case – are reviewed annually.

The Board is the overall policy-making body of the Magistrates' Association and is therefore responsible for all of the activities featured in this report. However, it is worth highlighting some of the work of the Board during 2007/2008 in terms of organisational management:

- Set the budget and monitored the Association's finances
- Reviewed the operation of the branches and revised the model branch rules

- Reviewed the investment strategy and appointed new investment advisers
- Agreed the strategic direction for the Association

For the year ahead the Board will

- Continue to review and improve communications with members
- Undertake further work on internal structures so as to meet the needs of members

Policy development

The Magistrates' Association aims to establish policy which will best serve the magistracy through addressing issues which affect magisterial practice and consulting members on issue as they arise, alongside representing and safeguarding their interests and promoting their role in criminal and civil jurisdictions. These aims are principally realised through the work of the standing committees as follows:

The Family Courts Committee considers family proceedings issues raised by members or outside agencies, liaises with the relevant government departments and agencies and initiates guidance where appropriate.

The Judicial Policy and Practice Committee covers all the subjects which are familiar and relevant to all magistrates – operation of the criminal justice system, procedure in court, inter-agency issues, facilities for magistrates and specifically new legislation.

The Support, Training and Development Committee works to support magistrates in their judicial role by promoting high quality, accessible training and development for all. It supports magistrates to maintain their competences and continue to work ever more effectively.

The Road Traffic Committee deals with road crime, that is offences arising out of the use of vehicles. Offences routinely discussed, together with their penalties, include speeding, no insurance, overloading, drink-driving and ongoing matters arising from new legislation.

The Sentencing Policy and Practice Committee monitors sentencing practice and the use of out-of-court disposals, and provides additional guidance on sentencing while also taking the lead on issues such as bail, community orders, ASBOs, custodial sentences and the environmental offences.

The Youth Courts Committee concentrates on youth courts issues and carefully examines the relevance and potential impact of government initiatives aimed at reducing youth crime and speeding up youth justice.

All the committee members work hard for members and their efforts over the past year have impacted in many ways, demonstrated in the following pages.

Influence

- ● Vigorously responded to proposals in the Criminal Justice and Immigration Bill (now the Criminal Justice and Immigration Act 2008), briefing MPs and peers throughout the passage of the Bill. Succeeded in preventing reduction in the use of suspended sentence orders and in limiting the powers of designated case workers (properly regulated and trained) to conduct trials of summary non-imprisonable matters only
- ● Vehemently opposed Sentencing Commission proposals that could effect independent sentencing
- Significantly contributed to the national debate which led to the re-classification of cannabis
- Fiercely opposed pressure to change sentencing in response to rising prison population difficulties through TV and radio interviews
- ● ● Represented members throughout the formation of new sentencing guidelines, responding fully at every consultation level
- Reached success after long campaign for magistrates to have parity with other judicial office holders in reporting minor offences
- ● Tirelessly opposed and highlighted whenever possible in the media, the inappropriate use of out-of-court disposals
- Argued for increase in penalty points for providing false information about driver's identity, finally implemented in September 2007
- Constantly guarded our judicial independence in a number of areas
- Gained significant amendments to proposals for sitting arrangements
- Successfully pressed for and achieved changes to policy and practice in order to increase workload in family proceedings courts
- Took a strong stance against a proposal to introduce a new fixed penalty for careless/inconsiderate driving and as a result the Association of Chief Police Officers have also agreed to oppose the extension
- Continued the national debate on looked-after children especially those in residential care homes
- ● ● ● ● Representation on government and national organisation committees, working parties, forums and task forces ensures that the magistrates' voice is heard constantly

● The Family Courts Committee

● The Judicial Policy and Practice Committee

● The Support, Training and Development Committee

● The Road Traffic Committee

● The Sentencing Policy and Practice Committee

● The Youth Courts Committee

Support

- Persuaded HMCS to review the methodologies for justices' allowances thereby securing an increase for magistrates
- Produced a Short Guide to Estate Issues outlining the current situation with suggested questions to be asked
- ● Scrutinised and contributed to various proposed changes, including those resulting from ss49 and 50 on changes to selection of youth and family panels
- Took up with the Judges' Council the issue of counselling for magistrates who have to deal with distressing cases; magistrates' access to the judge with responsibility for judicial welfare is in place and further access to the Judicial Helpline is being discussed
- ● ● ● ● Supported magistrates in representative positions who raise queries, issues and disagreements and when necessary, clarified relevant procedures
- Developed a series of workbooks addressing competence 2 – Working as a Team, which can be downloaded and which are aimed to make wingers more effective

● Approached HMCS about the reports produced by Libra, suggesting amendments and additions to assist magistrates in court

● ● ● ● ● Provided material for members such as updates for Justices' Issues Groups, guidance notes for magistrates' area training committees and road traffic fact files

Introduced Magistrates' Association membership cards and better assessment procedures to ascertain members' needs

Provided confidential advice to individual magistrates on many issues such as disciplinary procedures, employer difficulties, transfer problems and claiming allowances

● ● ● ● ● Maintained effective communication with members through the *Magistrate* magazine, regular Branch briefings to branch officers, Council meetings and seminars.

Expanded and maintained the Association's website, introducing a more secure password entry onto the members' site and branch web pages

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- The Family Courts Committee
 - The Judicial Policy and Practice Committee
 - The Support, Training and Development Committee

- The Road Traffic Committee
- The Sentencing Policy and Practice Committee
- The Youth Courts Committee

Public education

Given over 750 presentations to primary schools, 1,750 to secondary schools and almost 400 to further and higher education students.

Reached 20,000 people at community group presentations so they could learn about magistrates and their role in court via a number of different presentations, most of them being interactive involving decision-making on guilt/innocence and sentencing.

Supported the National Magistrates' Mock Trial Competition which attracted over 400 entries this year and a record number of entries for the Court Reporter and Court Artist Competitions. The winning team was Penyrheol Comprehensive School, Swansea. A Welsh-speaking competition set up a couple of years ago is developing fast with nine schools participating this year.

Initiated or participated in new projects which have included magistrates taking on the role of a 'live' book and answering questions when selected in an interactive library project; joint productions with the police including Your Life You Choose; an interactive presentation on family proceedings courts for journalists; Kick...Crime for primary schools; court breakfast briefings for employers and sixth form drama groups taking on the role-play in court for younger children.

Extended the Local Crime Community Sentence into several new areas with good results in evaluation showing a better understanding of sentencing serious offences and the work of probation and community sentences.

Enabled MIC teams to meet and exchange information and ideas at three national seminars and numerous local induction sessions.

Distributed 7,500 posters, 20,000 leaflets, 450 CDs and information in response to requests from MIC members organising open days and evenings, county show events, Inside Justice Week projects and presentations.

Developed new materials such as the seriousness card sets and new ideas for presentations.



Links

- Collaborated with the Justices' Clerks' Society to develop a revised sentencing form
- ● ● Reviewed various protocols between the Magistrates' Association and partners such as the Judicial Studies Board
- Renegotiated s21 protocol with HMCS to ensure magistrates are fully consulted in local matters
- Committed to ensuring the best quality of training and support for magistrates by participating in Judicial Studies Board working parties and pressing for the best design, the most effective delivery and widest access
- Worked on centralised training programmes with the Judicial Studies Board for family panel magistrates
- Continue to press HMCS for attention to good accessibility to high quality training – nationally and locally
- Established good relationships with agencies involved in the youth justice system

● **The Family Courts Committee**

● **The Judicial Policy and Practice Committee**

● **The Support, Training and Development Committee**

● **The Road Traffic Committee**

● **The Sentencing Policy and Practice Committee**

● **The Youth Courts Committee**

The future – next year we will...

- ● Monitor the new sentencing guidelines
- Work to update *Costing the Earth* to assist magistrates when dealing with environmental matters in court
- Raise concerns with government on the increasing number of foreign driver offences coming into court, especially HGV drivers
- ● Continue to exert pressure to obtain extended powers for magistrates in both criminal and civil jurisdictions

Review and update the Association's website

- Ensure proper implementation of revised s21 protocol with strong emphasis on appropriate facilities for, and safety and security of magistrates
- ● ● ● ● Extend the profile of the magistracy to all agencies and the media
- Celebrate the 100th anniversary of the youth courts by encouraging MIC teams to work with youth panel magistrates to inform the public via a variety of mechanisms so that people of all ages can be better informed about attitudes to law and order over the past 100 years and how youth courts operate today

- Press for appropriate and high quality training for all staff in young offender institutions
- ● ● Monitor the use of diversionary measures from court
- Respond to consultation on proposals to lower the drink-drive limits and considering any resulting change in penalties
- Balance the need to address unacceptable behaviour, including excessive alcohol abuse, in young people against the importance of avoiding criminalisation if at all possible
- Monitor the implementation of the Public Law Outline and Private Law Pathway in family proceedings

Support magistrates in their local outreach work

- ● ● ● ● Respond to members' concerns and queries as efficiently as possible
- ● Increase sentencer confidence in new orders including referral orders and community sentences
- Improve communications with family panel magistrates
- Monitor training and provision of resources

● The Family Courts Committee

● The Judicial Policy and Practice Committee

● The Support, Training and Development Committee

● The Road Traffic Committee

● The Sentencing Policy and Practice Committee

● The Youth Courts Committee

Finances and financial management

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for the financial year which give a true and fair view of the Association's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 Association will continue in operation.

Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Association and which enable them to ascertain the financial position of the Association and which enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditors for the purposes of the audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

Further information relating to the Association's finances can be found in the Honorary Treasurer's Report.

L J Barnett JP, *Chairman*

Treasurer's report for the year ended 30 June 2008

Income and Expenditure

The Association's income arose principally from membership subscriptions, grants, tax recoveries under the gift aid scheme, dividends and interest from investments and advertising revenues. Inflationary increases in overhead expenses have been a challenge during the year and advertising revenue from the magazine has continued to be disappointing. However, the increase in subscriptions from 1 January 2008 and good control over the Association's overheads has resulted in a satisfactory operating result.

Due to dramatic falls in world financial markets there was a reduction of £306,234 in the value of the Association's net assets, compared to the increase of £135,609 shown by the previous year's accounts.

Investments

The investment portfolio provided the cash flow needed to service subscriptions of life members from dividends, interest received and from sales of investments.

During the year the Association appointed new investment advisers, Charles Stanley and Co Limited. A significant percentage of the Association's investments continues to be held in equities. The portfolio continues to be balanced between lower risk fixed interest holdings and equities (mainly UK) which carry a higher risk. There have been significant reductions in the value of the portfolio over the course of the year but the Trustees continue to

be of the opinion that the need to maintain a hedge against long term inflationary pressures makes it necessary to maintain a balanced portfolio. The Board continues to operate within overall investment objectives to maximise the Association's assets, and therefore overall return, from the portfolio within a medium risk strategy.

Reserves

The Trustees policy is to use the Association's resources in carrying out the charitable objectives always ensuring that there are sufficient reserves to fund life members' subscriptions in the future and to ensure the continuation of the Association.

The Trustees have an agreed policy that the level of free reserves should be a minimum of three months' expenditure of unrestricted funds. At 30 June 2008 this would amount to £253,900 whilst the actual figure carried forward is £219,566. Whilst acknowledging that the Board's long term policy has not been met, Trustees recognise that the shortfall has arisen as a result of short term fluctuations in the value of investments. At 30 June 2008, cash held by the association at £409,332 is significantly higher than at the beginning of the year (£147,279) and the Board is satisfied that the shortfall in total reserves will not in any way be detrimental to the efficient running of the Association's finances.

The Association sets aside a sum to meet the current value of future subscriptions of life members. The figure as at 30 June

2008 is calculated at £1,838,496, which is represented, on the Balance Sheet by the aggregate of the designated fund (£1,703,128) and the creditors – amounts falling due after more than a year (£135,368).

Conclusion

The Association's finances continue to be satisfactory. Higher cash balances will allow the Association to ride the current global financial market downturn more successfully than many organisations with lower cash reserves.

The Board has been able to set a balanced budget for the year to 30 June 2008 without the need to increase subscriptions for the coming year.

I would like to thank our auditors and my fellow Honorary Officers and Trustees for the support that they have given me. I would also like to take this opportunity to thank all the staff at 28 Fitzroy Square, and in particular Brian Worboys, for their help and advice and all the commitment shown to the Association.

M J Dodden JP

Honorary Treasurer

What follows are not the statutory accounts but a summary of information relating to both the Statement of Financial Activities and Balance Sheet and as such may not contain sufficient information to allow for a full understanding of the financial affairs of the Association. The full accounts from which these summary financial statements are derived have been audited and there are no concerns expressed in the audit opinion. The annual accounts were approved on 16 September 2008 and are available (free of charge to members) from the Association's national office – The Magistrates' Association, 28 Fitzroy Square, London, W1T 6DD.

Funds not immediately required are invested either on short-term deposit or by our investment managers, who have discretionary powers of investment within the terms laid down in the Charter.

The investment powers of the trustees are laid down in the Supplemental Charter and give the trustees power to invest in shares, stocks, funds, securities, unit trusts and other investments.

No material changes to accounting policies have taken place during the year.

The cash assets of the Association are all held in order to finance ongoing activities.

Statement of financial activities for the year ended 30 June 2008

	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Incoming resources				
<i>Incoming resources from generated funds</i>				
Grants	-	111,504	111,504	119,250
Investment income	93,190	-	93,190	91,830
<i>Incoming resources from charitable activities:</i>				
Annual subscriptions	824,334	-	824,334	804,635
Publications and other income	5,896	-	5,896	6,495
<i>Magistrate – advertising and sales</i>	56,226	-	56,226	74,127
Total incoming resources	979,646	111,504	1,091,150	1,096,337
Resources expended				
Costs of generating funds	13,334	-	13,334	12,260
Charitable activities	958,709	113,080	1,071,789	1,055,958
Governance costs	43,557	-	43,557	54,383
Total resources expended	1,015,600	113,080	1,128,680	1,122,601
Net incoming/(outgoing) resources	(35,954)	(1,576)	(37,530)	(26,264)
Net gain/(loss) on investment assets	(268,704)	-	(268,704)	161,873
Net movement in funds	(304,658)	(1,576)	(306,234)	135,609
Total funds brought forward	2,366,492	13,517	2,380,009	2,244,400
Total funds carried forward	2,061,834	11,941	2,073,775	2,380,009
The above fund balance is analysed as to:				
Designated funds	1,703,128	-	1,703,128	1,712,567
Unrestricted funds	358,706	-	358,706	653,925
Restricted funds	-	11,941	11,941	13,517
	2,061,834	11,941	2,073,775	2,380,009

All amounts relate to continuing activities.

Balance sheet at 30 June 2008

	£	2008 £	£	2007 £
Fixed assets				
Tangible assets		139,140		146,729
Investments		1,641,525		2,202,131
		<u>1,780,665</u>		<u>2,348,860</u>
Current assets				
Stock	3,276		1,989	
Debtors	78,685		91,062	
Cash at bank and in hand	409,332		147,279	
		<u>491,293</u>		<u>240,330</u>
Creditors: amounts falling due within one year		62,815		53,219
		<u>62,815</u>		<u>53,219</u>
Net current assets		428,478		187,111
		<u>428,478</u>		<u>187,111</u>
Total assets less current liabilities		2,209,143		2,535,971
		<u>2,209,143</u>		<u>2,535,971</u>
Creditors: amounts falling due after more than one year		(135,368)		(155,962)
		<u>(135,368)</u>		<u>(155,962)</u>
Net assets		2,073,775		2,380,009
		<u>2,073,775</u>		<u>2,380,009</u>
Unrestricted funds				
– Designated funds		1,703,128		1,712,567
– Other				
Tangible assets		139,140		146,729
Free reserves		219,566		507,196
Restricted funds		11,941		13,517
		<u>11,941</u>		<u>13,517</u>
		2,073,775		2,380,009
		<u>2,073,775</u>		<u>2,380,009</u>

The financial statements were approved by the Trustees and authorised for issue on 16 September 2008 and signed on their behalf by:

L J Barnett JP, *Chairman* **M J Dodden JP**, *Honorary Treasurer*

Independent auditors' statement to the Trustees of The Magistrates' Association

We have examined the summarised financial statements of The Magistrates' Association

Respective responsibilities of the trustees and auditors

The trustees are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities SORP. Our responsibility is to report to you our opinion on the consistency of the summarised financial statements and the Trustees Annual Report. We also read the other information included in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summarised financial statements.

Our report on the statutory accounts has been prepared pursuant to the requirements of the Charities Act 1993 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Charities Act 1993 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby disclaim any and all such liability.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statement' issued by the Auditing Practice Board for use in the United Kingdom.

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements for the year ended 30 June 2008.

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
Epsom, Surrey
16 September 2008

MAGISTRATES
A S S O C I A T I O N



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