

Charity Registration No: 1145708

CMJA Endowment Trust

Report and Accounts

Year ended 31 December 2018

CMJA ENDOWMENT TRUST

Address

Uganda House
58-59 Trafalgar Square
London WC2N 5DX

Charity Registration Number

1145708

Trustees

Sir William Bailhache QC, Bailiff of Jersey (Chairman)
Jurat Charles Blampied
Justice James Dingemans - Retired October 2018
Mr Patrick Latham
His Hon. Judge Tim Workman

Secretary:

Dr Karen Brewer

Treasurer:

Jurat Charles Blampied

Bankers

HSBC Bank plc
PO Box 14
St Helier
Jersey JE4 8NJ

HSBC Bank plc
28 High Street
Oakham
Rutland LE15 6AR

Independent Examiner:

Jurat Peter Morgan FCA
L'Abri des Hougues
Cotes Du Nord
Trinity, Jersey, JE3 5BJ

Stockbrokers: (until April 2018)

Canaccord Genuity Wealth Management
PO Box 328
Landes du Marché
Vale, Guernsey GY1 3TY

**CMJA ENDOWMENT TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDING 31 DECEMBER 2018**

Structure, Governance And Management

Constitution and organisation: The Trust is governed by a Trust Deed dated 1 July 2011. The trustees are responsible for the direction and management of the affairs of the Trust. The trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Appointment of Trustees: Under the Trust Deed, trustees may be appointed by resolution of the existing trustees, for a period of not more than four years, renewable. There shall be a minimum of 5 trustees. The Executive Vice-President and Hon Treasurer of the CMJA are ex-officio trustees. Members of the Council of the CMJA must not form a majority of trustees

Induction and Trustee training: Trustees are given a thorough briefing on the aims of the organisation, a copy of the Trust Deed and trustees' duties as outlined by the Charity Commission.

Risk management: The Trust has carried out a comprehensive review of the major risks to which it is exposed and the steps which need to be taken to mitigate those risks.

Charity Governance Code: The trustees are fully aware of the new Code (published 2017) and its guiding principles. The Code has been circulated to and discussed by the Trustees and steps have been taken to ensure compliance where possible. The new Code will be kept under annual review by the trustees.

Objectives and Activities

As stated by the Trust Deed dated 1 July 2011, the object of the Trust is to advance the administration of the law for the public benefit by providing premises or financial or other support to the Commonwealth Magistrates' and Judges' Association (a charity registered in England and Wales with charity number 800367) (the "**CMJA**") for as long as the CMJA shall remain a charity.

During the year, the trustees made a donation of £2,000 towards the CMJA Training Development Fund. In making this grant, the trustees have had due regard to the public benefit guidance of the Charity Commission.

Administration and Agreement with the CMJA

The trustees meet every six months at Uganda House. On 25th April 2014 the trustees entered into an agreement with the CMJA whereby the CMJA provides the necessary logistical and administrative support through its office to support the Trust. The Secretary General of the CMJA (Dr. Karen Brewer) is also the Secretary to the Trustees of the Endowment Trust. In effect, the Secretary General of the CMJA and her staff provide logistical and administrative support to the trustees. The CMJA is entitled to render accounts for these services and £650 (£500 in 2017) was paid to the CMJA in the year.

Achievements and Performance

The trustees have not received any significant donations towards their target of raising £1M for the Endowment Fund. This has limited the ability of the trustees to make any meaningful grants in furtherance of the fund's objectives. Nevertheless, individual members of the judiciary have continued to make donations, for which the Trustees are very grateful.

The Trustees have actively promoted the Charity through a free advert in the CMJA's Conference programme for their Triennial Conference held in Brisbane in September 2018 and information has been placed on a page on the CMJA's website: www.cmja.org. The Chairman also spoke at the Brisbane Conference about the CMJA Endowment Fund. As a result, there were a number of donations made to the Fund.

In addition, the Secretary arranged for an advertisement to be placed in publications of the CMJA as well as the CMJA's website. The Chairman and Trustees have actively promoted the Charity to donors. The Trustees have continued to promote the Trust to judicial officers, legal academics and philanthropists interested in supporting the rule of law and good governance across the Commonwealth.

In previous years the trustees have made grants towards the cost of updating the Commonwealth training manual for magistrates. This update was completed and the revised manual was published in January 2017. "The Guide for the Magistrate in the Commonwealth: Fundamental Principles and Recommended Practices" was distributed to all Member Associations, Chief Justices and individual magistrates who are members of the CMJA. It is a tool being used by Judicial Officers throughout the Commonwealth when no training courses are available and has been used to enhance the standards within the judiciary to better support the rule of law. It was also distributed at training courses run by the CMJA in 2017 and continues to be reprinted. In 2018, copies were provided to judicial officers of the Higher Courts and Principal Magistrates of the Gambia to enhance their understanding of their duties as judicial officers and in 2019 copies were provided during a training course for Magistrates in the Gambia. It will also feature as an important support to the induction course for Magistrates being developed with the assistance of the CMJA and the Judicial College of England and Wales for Magistrates in the Gambia. In addition, copies were distributed to all magistrates in Zambia at the request of the Chief Justice and the CMJA has provided copies of the Guide to participants at its Conferences since publication.

In 2018, the trustees made a grant of £2,000 towards the CMJA's Training and Development Fund which assists training around the Commonwealth.

Financial Review

The trustees' policy is to add all donations and except where distributed, income to the portfolio of investments and to make distributions only from income generated by the portfolio. Thus, the trustees' ability to make distributions in support of its objectives is entirely dependent on the income generated by the investment portfolio, and they are looking for the receipt of additional donations to build up the endowment.

The trustees' objective is to build up an endowment of £1M by way of donations to the Trust, but so far, the donations received only amount to £96,438 (including tax repaid) since the Trust was set up. As a consequence, the trustees have limited means for making distributions to further the objectives of the Trust.

In the year donations totaling £1,530 were added to the Endowment Fund. The cost of grant making totaled £2,650 leaving a balance of £1,622 from income which was also added to the Endowment Fund

At the year end the portfolio was valued at £81,658 as compared to its cost of £92,800. This short -term performance of the portfolio is considered below.

Investment Policy and Performance

Previously the trustees operated an "Advisory Stockbroking" account with Canaccord Genuity Wealth Management in Jersey.

During the year the Trustees resolved to liquidate the portfolio and on 8th May 2018 invested £92,800 in The Equities Investment Fund for Charities (Charifund). This is a long -standing unit trust product for charities seeking rising income and growth through an actively managed fund invested in company shares with a risk indicator of 3 out of 7. This risk is significantly less than the risk profile of the Canaccord portfolio. The account with Canaccord was closed on 24th April 2018. The sale of the Canaccord portfolio resulted in a net gain of £1,896 based on cost, and a loss of £3,030 based on 31st December 2017 market value.

At the year end the Charifund investment was valued at £81,659 which was an unrealized loss of £11,141. In the calendar year the Charifund Income units showed a loss of 5.5% which compares to the FTSE All share Index (capital growth only) which showed a loss of 5.2%. Accordingly, the Charifund investment has performed in line with the market.

The Charifund investment was valued at £88,251 at 31st March 2019

Plans for Future Periods

Over the forthcoming twelve months, the trustees will continue to encourage donations to add to the endowment fund. The Trustees originally set a target of £5m for the endowment fund which was subsequently reduced to £1m with a view to encouraging some significant donations towards a more realistic target. It is essential to build up the endowment fund to this level if the Trust is going to provide significant support to the CMJA.

Approved and signed on behalf of the Trustees on 29th April 2019


.....William Bailhache, Chairman


.....Charles Blampied, Hon.Treasurer

**CMJA ENDOWMENT TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

Statement of the Trustees' Responsibilities

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

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, including the income and expenditure, 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements ; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts & Reports) Regulations, 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

In so far as the trustees are aware:

- There is no relevant audit information of which the charity's independent examiner is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the independent examiner is aware of that information.

The trustees are responsible for the maintenance and integrity of the charity and financial information included in the charity's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements.

APPROVED AND SIGNED ON BEHALF OF THE TRUSTEES ON 29th April 2019


..... William Bailhache, Chairman


..... Charles Blampied, Hon. Treasurer

CMJA ENDOWMENT TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Income from donations			
<i>Donations and legacies</i>			
Gift of expendable endowment		749	648
Gift of permanent endowment		781	13,542
Investment income	3	4,272	4,025
Total income		<u>5,802</u>	<u>18,215</u>
Expenditure			
<i>Costs of raising funds</i>			
Investment management costs	4	48	350
		<u>48</u>	<u>350</u>
<i>Expenditure on charitable activities</i>			
Education	5	2,000	2,500
Logistical and administrative support		650	500
Cost of grant making		<u>2,650</u>	<u>3,000</u>
Total expenditure		<u>2,698</u>	<u>3,350</u>
Net income before gains/(losses) on investments		3,104	14,865
Net gains /(losses) on investment assets	6	<u>(14,171)</u>	3,522
Net movement in funds		(11,067)	18,387
<i>Reconciliation of funds</i>			
Total funds brought forward		99,697	81,310
Total funds carried forward		<u>88,630</u>	<u>99,697</u>

**CMJA ENDOWMENT TRUST
BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
Fixed Assets			
Investments	6	81,658	94,190
Total Fixed Assets		81,658	94,190
Current Assets			
Tax repayments on donations		-	2,200
Accrued Interest		-	97
Cash at bank		9,622	1,188
Cash at Canaccord		-	2,244
Total Current Assets		9,622	5,729
Liabilities			
Creditors falling due within one year	7	2,650	222
Net Current Assets		6,972	5,507
Total assets less current liabilities		88,630	99,697
Net Assets		88,630	99,697
 The Funds of the charity:			
Endowment funds	8		
Permanent endowment		86,095	97,911
Expendable endowment		2,535	1,786
Total Charity Funds		88,630	99,697

The notes at pages 9 to 12 form part of these accounts

Approved by the Trustees on 29th April 2019 and signed on their behalf by:



W J Bailhache
Chair of Trustees

**CMJA ENDOWMENT TRUST
NOTES TO THE ACCOUNTS**

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102- effective 1 January 2015) – (Charities SORP FRS 102).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(b) Income recognition

All income is recognized once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations are recognized when they have been communicated and received in writing with notification of both the amount and settlement date.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognized once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio. Interest on funds invested in fixed interest securities is accrued on a daily basis.

(c) Expenditure recognition

Liabilities are recognized as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award.

(d) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(e) **Cost of raising funds**

The costs of generating funds consist of investment management and custody charges.

(f) **Charitable activities**

The expenditure on charitable activities includes grants made and trustees' travel expenditure.

(g) **Fixed asset investments**

Investments are initially recognized at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire or use put options, derivatives or other complex financial instruments.

(h) **Realised gains and losses**

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.

2. Related party transactions and trustees' expenses and remuneration

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind. (2017 £nil). No expenses were paid to the trustees in the year (2017 £nil)

3. Investment income

	2018	2017
	£	£
Dividends – equities	3,848	2,902
Interest – fixed interest securities	141	699
Dividends – convertible securities	283	424
	<u>4,272</u>	<u>4,025</u>

4. Investment management costs

	2018	2017
	£	£
Canaccord annual fees	-	222
Custody fees	48	128
	<u>48</u>	<u>350</u>

5. Analysis of grants

	2018	2017
	£	£
Grants to institutions		
Education:	<u>2,000</u>	<u>2,500</u>
To fund the CMJA Training and Development Fund		

6. Fixed Asset Investments

Movement in fixed asset investments

	2018	2017
	£	£
Market value brought forward at 1 January	94,190	75,509
Add: additions to investments at cost	1,639	23,449
Add: net gain/(loss) on revaluation	(11,141)	3,032
Add: gain on sale of Premier Oil bond	-	490
Less: Sale of Premier Oil bond	-	(8,290)
Loss on sale of portfolio (based on 31/12/17 market value)	(3,030)	
Market value as at 31 st December	<u>81,658</u>	<u>94,190</u>

Investments at market value comprised:

	2018	2017
	£	£
Equities	81,658	71,029
Convertible Securities	-	12,146
Fixed interest securities	-	11,015
Total	<u>81,658</u>	<u>94,190</u>

All investments are carried at their market value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. Asset sales and purchases are recognized at the end of trade at cost (that is their transaction value).

7. Analysis of current liabilities

	2018	2017
	£	£
Creditors under 1 year		
Canaccord – annual fee	-	222
CMJA	2,650	-
	<u>2,650</u>	<u>222</u>

8. Analysis of charitable funds

Analysis of fund movements	Balance b/fwd £	Income £	Expenditure £	Gains £	Fund c/fwd £
(a) Permanent endowment	97,911	5,053	(2,698)	(14,171)	86,095
(b) Expendable endowment	1,786	749	-	-	2,535
Total	99,697	5,802	(2,698)	(14,171)	88,630

- (a) The Permanent Endowment comprises funds solicited from individuals and institutions on the basis that the donations would form a permanent endowment
- (b) The Expendable Endowment comprises donations solicited at the annual CMJA conference

C M J A Endowment Trust – (Charity Registration No. 1145708)

Independent examiner's report to the trustees

I report to the trustees on my examination of the accounts of the C M J A Endowment Trust (the Trust) for the year ended 31 December 2018.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

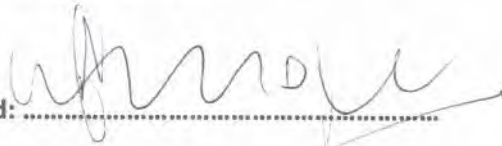
Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Date.....

04 June 2019

Peter John Morgan (Fellow of the Institute of Chartered Accountants in England and Wales)

L'Abri des Hougues, Côtes du Nord, Trinity, Jersey, JE3 5BJ