

Charity Registration No: 1145708

**CMJA Endowment Trust**

**Report and Accounts**

**Year ended 31 December 2021**

**CMJA ENDOWMENT TRUST**

**Address**

Uganda House  
58-59 Trafalgar Square  
London WC2N 5DX

**Charity Registration Number** 1145708

**Trustees**

Sir William Bailhache, (Chairman)

Jurat Charles Blampied

Mr Richard McMahon, Bailiff of Guernsey

Mr Patrick Latham (ex officio as Hon Treasurer of the CMJA who resigned from the Trust on 19<sup>th</sup> March 2021)

Mr Tim Workman (ex officio as Executive Vice President of CMJA)

His Honour Judge Richard Foster

His Honour John Z Vertes (from 12<sup>th</sup> September 2021)

**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

## CMJA ENDOWMENT TRUST

### REPORT OF THE TRUSTEES

#### FOR THE YEAR ENDING 31 DECEMBER 2021

#### Structure, Governance and Management

**Constitution and organisation:** The Trust is governed by a Trust Deed dated 1 July 2011, and varied on 26<sup>th</sup> February 2021. 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. Should one or other, or both, be unwilling or unable to serve, the Council of the CMJA shall be entitled to nominate replacement Trustees from the Council of the CMJA. 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.

The Trustees made a contribution to CMJA administration costs (see below) and made a grant of £7,000 to the CMJA in 2021.

#### Administration and Agreement with the CMJA

The Trustees meet every six months. On 25<sup>th</sup> 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 provides logistical and administrative support to the trustees. The CMJA is entitled to render accounts for these services and £700 (£650 in 2020) was due to the CMJA for support given in the year.

## **Achievements and Performance**

The Trustees are some way short of reaching 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 email circulars to delegates who registered for the CMJA Annual conference and were able to have a free advert in the CMJA's Conference programme during their Annual Conference held in Port Moresby, Papua New Guinea in September 2019 and in the documentation provided for the Virtual Conference held in September 2021 and information has been placed on a page on the CMJA's website: [www.cmja.org](http://www.cmja.org). As a result, there were a number of donations made to the Fund.

In addition, the Secretary General 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 they have made grants to the CMJA's Dorothy Winton Travel Bursaries which provides the opportunity for judicial officers in the lower courts to participate in the Annual Education Conferences. In 2019, the Dorothy Winton Travel Bursary was awarded to Magistrate Grade 1, Mrs Naume Sikhoya of Kenya who participated in the CMJA's Conference in Port Moresby, Papua New Guinea and was one of the facilitators in a breakout session on Sexual Harassment in the Judiciary.

In 2019, the Trustees made a grant of £4,000 towards the CMJA's Dorothy Winton Travel Bursaries, but no grant was made in 2020 because the Covid 19 pandemic caused the cancellation of the CMJA conference in Cardiff. In 2021, the Trustees made a grant of £7,000 to the CMJA general reserve.

## **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 £98,823 (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 totalling £2,385 were added to the Endowment Fund and the investment generated income of £4,584. The cost of grant making totalled £7,700 creating a deficit for the year of £731.

At the year end the portfolio was valued at £98,190 as compared to its cost of £101,800.

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.

On 8<sup>th</sup> May 2018 the Trustees 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. On 25<sup>th</sup> June 2019 and 2<sup>nd</sup> July 2021, the Trustees added £5,000 and £4,000 respectively to this investment.

At the year end the Charifund investment was valued at £98,190 representing a gain of £11,123 on revaluation.

The Trustees have had a policy of seeking to maximise income so that the grants to the CMJA would be sufficiently visible that donors, especially from the judiciary, would be encouraged to see the worthwhile nature of the charity. Charifund is invested in UK equities to generate income. In 2020 many companies, including a number held by Charifund have had to cut dividends as a result of the Covid 19 pandemic. As a result, dividend income from Charifund was £3,910 in 2020 compared to £4,918 in the previous year. However, in 2021 income increased to £4,584 reflecting some return to normality as the effects of the pandemic reduced.

The investment manager for Charifund is M&G Investment Management Limited. An independent advisory committee comprising seven experienced persons acts as a consultative committee to the investment manager. The Chairman of the Advisory Committee reports the following benefits for charities investing in Charifund:

- The administrative burden of investing is minimized via this collective investment scheme;
- The fund has a clear, consistent strategy comprising more than 100 holdings thereby limiting risk;
- There is no initial charge, and the annual management fee is low at only 0.45%;
- There are no minimum restrictions to the size of a holding to Charifund so that all qualifying charities, regardless of size, can access Charifund on equal terms.

As the value of the Endowment Fund is under £100,000, the choice of investment managers is limited to collective investment schemes such as Charifund.

The Trustees have resolved to continue with this investment as they believe that this remains an appropriate investment for this charity.

## **Going Concern**

The Trustees have considered what if any material uncertainties could affect the Trust’s ability to continue as a going concern in the next twelve months. The performance of the investment via Charifund is the only uncertainty that could affect this ability. Given the nature of the Charifund investment, it is unlikely that income from Charifund will fall significantly and therefore the Trustees are confident that the Trust will continue to meet its objectives even if there are no significant donations to add to the trust fund.

### **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 long term significant support to the CMJA.

**CMJA ENDOWMENT TRUST**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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

The Independent examiner of these financial statements in prior years has resigned. He carried out his functions as independent examiner without charge, but professional regulatory rules would require him to commit to membership contributions which, given his retirement as a chartered accountant in business, could not be justified. Consequently these financial statements have not been independently examined. The Trustees are very grateful to Peter Morgan for carrying out this task in prior periods. The Trustees have agreed that since the gross income is less than £25,000, neither an external audit nor an independent examination is required.

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 26<sup>th</sup> May 2022

  
..... William Bailhache, Chairman

..... Charles Blampied, Hon. Treasurer



**CMJA ENDOWMENT TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Income from donations</b>			
<i>Donations and legacies</i>			
Gift of expendable endowment		385	1,150
Gift of permanent endowment		2,000	-
<b>Investment income</b>	3	4,584	3,910
<b>Total income</b>		<b>6,969</b>	<b>5,060</b>
<b>Expenditure</b>			
<i>Costs of raising funds</i>			
Legal fees		-	840
		-	<b>840</b>
<i>Expenditure on charitable activities</i>			
Grant to CMJA	4	7,000	-
Logistical and administrative support		700	650
<b>Cost of grant making</b>		<b>7,700</b>	<b>650</b>
<b>Total expenditure</b>		<b>7,700</b>	<b>1,490</b>
<b>Net income before gains/(losses) on investments</b>		<b>(731)</b>	<b>3,570</b>
Net gains /(losses) on investment assets	5	11,123	(17,437)
<b>Net movement in funds</b>		<b>10,392</b>	<b>(13,867)</b>
<i>Reconciliation of funds</i>			
Total funds brought forward		90,438	104,305
<b>Total funds carried forward</b>		<b>100,830</b>	<b>90,438</b>

**CMJA ENDOWMENT TRUST  
BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed Assets</b>			
Investments	5	98,190	83,067
<b>Total Fixed Assets</b>		<b>98,190</b>	<b>83,067</b>
<b>Current Assets</b>			
Cash at bank		3,340	8,021
<b>Total Current Assets</b>		<b>3,340</b>	<b>8,021</b>
<b>Liabilities</b>			
Creditors falling due within one year	6	700	650
<b>Net Current Assets</b>		<b>2,640</b>	<b>7,371</b>
<b>Total assets less current liabilities</b>		<b>100,830</b>	<b>90,438</b>
<b>Net Assets</b>		<b>100,830</b>	<b>90,438</b>
<b>The Funds of the charity:</b>	7		
Endowment funds			
Permanent endowment		95,555	85,548
Expendable endowment		5,275	4,890
<b>Total Charity Funds</b>		<b>100,830</b>	<b>90,438</b>

The notes at pages 10 to 12 form part of these accounts

Approved by the Trustees on 26th May 2022 and signed on their behalf by:

W J Bailhache

*W. J. Bailhache*

Chair of Trustees

*Chairman 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 recognised 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 accrual's 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 recognised 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. (2020 £nil). No expenses were paid to the trustees in the year (2020 £nil)

**3. Investment income**

	<b>2020</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dividends – Charifund	<u>4,584</u>	<u>3,910</u>

**4. Analysis of grants**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grants to institutions		
CMJA	<u>7,000</u>	-

**5. Fixed Asset Investments**

**Movement in fixed asset investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Market value brought forward at 1 January	83,067	100,504
Add: additions to investments at cost	4,000	-
Add: net gain/(loss) on revaluation	11,123	(17,437)
Market value as at 31 <sup>st</sup> December	<u>98,190</u>	<u>83,067</u>

<b>Investments at market value comprised:</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
M&G Charifund Income Units- equities	98,190	83,067
<b>Total</b>	<b><u>98,190</u></b>	<b><u>83,067</u></b>

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 recognised at the end of trade at cost (that is their transaction value).

#### 6. Analysis of current liabilities

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Creditors under 1 year</b>		
CMJA	700	650
	<b><u>700</u></b>	<b><u>650</u></b>

#### 7. Analysis of charitable funds

<b>Analysis of fund movements</b>	<b>Balance b/fwd £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Investment Gains £</b>	<b>Fund c/fwd £</b>
(a) Permanent endowment	85,548	6,584	(7,700)	11,123	95,555
(b) Expendable endowment	4,890	385	-	-	5,275
<b>Total</b>	<b>90,438</b>	<b>6,969</b>	<b>(7,700)</b>	<b>11,123</b>	<b>100,830</b>

- (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