

TRANSFORM JUSTICE
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also Directors of the charitable company, present their report and the financial statements for Transform Justice for the year ended 31 March 2022.

COMPANY INFORMATION

Registration	Company Number: 08031781 Charity Number: 1150989
Board of Trustees	The following persons have served as members of the Board during the period and up to the date of this report: Mr Chris Stanley Ms Philippa Budgen Mr Jason Yule (resigned 3 rd Feb 2022) Dr Hannah Quirk Nicola Lowit Simon Wolfensohn Darryn Frost Marie Ann Sheldon Sarah Waite Sarah Lombard (appointed 3 Feb 2022)
Registered Office	43 Lawford Road London NW5 2LG
Bankers	Co-operative Bank PO Box 250 Skelmersdale WN8 6WT Metro Bank One Southampton Row London WC1B 5HA

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TRANSFORM JUSTICE
TRUSTEES REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND GOVERNING STATEMENTS

The charitable company was incorporated on 16 April 2012, and achieved charitable status on 27 February 2013. It is governed by its Memorandum and Articles of Association

Objects

The charitable company was set up to advance education and research into the administration of the law, advance the sound administration of the law and promote human rights. Transform Justice uses research and advocacy to achieve these ends.

Activities/public benefit

Summary

In the year ending March 2022 Transform Justice advocated on a number of issues, focussing particularly on barriers to access to justice and on supporting statutory authorities to take a less punitive approach to minor crimes. Major highlights were a conference on reducing the remand of children in London in September 2021, the publication of research on justice during the pandemic in partnership with the Magistrates' Association (March 2022) and the relaunch of the FairChecks campaign in February 2022.

Parliamentary advocacy

Two criminal justice bills were debated in parliament in this period – the Police, Crime, Sentencing and Courts Bill and the Judicial Review and Courts Bill. Transform Justice worked with other third sector organisations on both bills. We sought greater consideration of the barriers to justice posed by digital justice, opposed criminal records for cautions and supported measures to reduce unnecessary child remand and to reduce the length of some criminal records. Transform Justice produced expert briefings and met with parliamentarians across all parties to brief them on the relevant issues. The legislative proposals on child custodial remand and on the shortening of “rehabilitation periods” (when a record must be declared to any employer who requests a basic check) proposals passed without any dissent. This represented significant progress on these matters.

Resolving crime without going to court

Transform Justice continued to make progress in its three year programme to promote effective diversion from prosecution, focussing advocacy and support on police forces themselves and on influencing new legislation (introduced in the PCSC bill) and its associated guidance. We published a well-received guide on how to communicate effectively on diversion from prosecution and held an online webinar to launch the guide. We supported a number of police forces (Sussex, Derbyshire, Norfolk and Suffolk, West Midlands, West Yorkshire and Lancashire) conducting research on attitudes to diversion amongst their workforce and suggesting how they might address the barriers to diversion. Our provision of compelling evidence and spreading of best practice succeeded in supporting police to increase effective diversion from prosecution. The proportion of actionable cases resolved with diversion or OOCs versus charge has increased year on year since the start of our project, with greater than average increases in most of our target forces.

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Child remand

Our goal is to reduce the use of remand for children nationally. We advocated for the tabling of legislation to reduce the use of remand for children (PCSC bill). Transform Justice has also campaigned locally in London to reduce child remand in that area. The charity has engaged with local stakeholders, particularly youth justice services, to support them to adopt best practice in reducing remand. In September 2021 we held a free conference in London which was attended by a wide range of stakeholders including police, defence lawyers, CPS, youth justice service staff, magistrates and civil servants. The conference succeeded in creating a London focus on the overuse of remand for children, particularly for Black children. Transform Justice followed up the conference by meeting with eleven individual youth justice service teams and by publishing and disseminating a good practice guide based on the conference

FairChecks

Transform Justice works in partnership with the charity Unlock to run the FairChecks campaign for the reform of criminal records. This year we relaunched the campaign with a new website, a push for new members and a media campaign. As a result of the relaunch, we more than doubled the membership and engaged members in actions such as signing a petition, writing to their MP and advocating for improvements to the PCSC bill. We also supported members to contribute to media work and write their own articles about the need for criminal record reform. As a result of our advocacy, Lord Paddick tabled our amendment to remove criminal records for cautions when the PCSC bill was being read in the House of Lords in November 2021. The amendment was ultimately withdrawn, but several peers voiced support for more progressive policy in this area. Afterwards, we engaged with Thom Campion, a Liberal Democrat Councillor, who subsequently proposed and passed a motion to include progressive criminal record reform in Liberal Democrat party policy at the Spring conference in March 2022.

Courts and sentencing

During the pandemic, huge changes occurred in the magistrates' courts. At one point most court hearings were online, and some on the telephone. These changes were not properly documented. Transform Justice worked with the Magistrates' Association to research magistrates' attitudes to and experience of justice during Covid and published this report in March 2022. This report was based on the responses of over 800 magistrates and presented a unique insight into justice during the pandemic. It provides a strong evidence base to support Transform Justice's long-standing concerns about the negative impact of digital justice on defendants, particularly those with mental health vulnerabilities.

Remote legal advice whilst in custody

Transform Justice has continued to advocate on behalf of suspects against the use of remote (telephone or online) legal advice in police custody. This was introduced with no consultation or new legislation in April 2021. We have worked in partnership with FairTrials charity and achieved considerable success in highlighting how remote advice can compromise the effective participation and fair trial rights of suspects. Despite some pressures to continue remote advice post pandemic, remote advice is now hardly being used. Our efforts to evidence the harm caused and to suggest the weakness of the legal basis of remote advice, has contributed to this reduction in use.

A note to donors, volunteers, and supporters

Transform justice is immensely grateful to receive ongoing support from many donors, volunteers and supporters who have contributed to our work. This includes pro bono advice from Clare Mathys at Policy Impacts, and several legal organisations who have enabled Transform Justice to utilise their workspaces on a pro bono basis: 23ES Barristers' Chambers; Mountford Chambers; and Burgess Salmon LLP.

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FINANCIAL REVIEW

Result for the period

The Board of Trustees reports an excess of income over expenditure £12,251, which is added to other funds and carried forward for future use.

Reserves

The accounts show total funds carried forward of £149,028. This includes restricted funds of £46,249 as shown in Note 15 to the financial pages. These funds will be expended in 2022/23 and onwards on various projects in line with the objectives of the charity, and the intention of the funders. Unrestricted funds totalled £102,779 including approx. £37,000 from the Hadley Trust that will be spent on advocacy work including around reduction of court backlogs, reducing unnecessary child remand, digital justice, more effective sentencing policy, and a new project on how to deal with hate crime.

Statement of Trustee responsibilities

Company law requires the Trustees (who are also the directors of Transform Justice for the purpose of company law) to prepare the financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

This report has been delivered in accordance with the provisions in part 15 of the Companies Act 2006 applicable to companies subject to the small companies' regime.

Signed: Nicola Lowit

Date: 13/12/2022

Nicola Lowit
On behalf of the Board

Independent Examiner's Report to the Trustees of Transform Justice

Report to the trustees of Transform Justice on the accounts for the year ended 31 March 2022 set out on pages 6 to 12.

Respective responsibilities of the trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year (under section 144 (2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for an independent examination. It is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Act),
- and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My work was conducted in accordance with the General Directions given by the Charity Commissioners. My procedures consisted of comparing the accounts with the accounting records kept by the charitable company, and making such limited enquiries of the officers of the charitable company as I considered necessary for the purposes of this report. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In the course of my examination, no matter has come to my attention

- 1 which gives me reasonable cause to believe that in any material respect, the requirements to keep accounting records in accordance with section 386 of the Companies Act 2006; and to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- 2 have not been met; or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Debbie Mace
23 Forgebank Walk
Halton
LA2 6FD

Debbie Mace

Independent Examiner

TRANSFORM JUSTICE
Statement of Financial Activities
(incorporating an income and expenditure account)
For year ended 31 March 2022

		2022	2022	2022	2021
		<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
		<u>funds</u>	<u>funds</u>	<u>FUNDS</u>	<u>FUNDS</u>
Income	Not	£	£	£	£
	e				
Donations	2	85,344	94,646	179,990	122,750
<i>Income from charitable activities:</i>					
Income from charitable activities		0	0	0	500
Total Income		<u>85,344</u>	<u>94,646</u>	<u>179,990</u>	<u>123,250</u>
 Expenditure					
Expenditure on Charitable activities	3	74,728	93,011	167,739	120,866
Total expenditure		<u>74,728</u>	<u>93,011</u>	<u>167,739</u>	<u>120,866</u>
 Net Income/(Expenditure)		10,616	1,635	12,251	2,384
Other recognised gains/(losses)		0	0	0	0
Net movement in funds for the year		10,616	1,635	12,251	2,384
 RECONCILIATION OF FUNDS					
Total funds brought forward		92,163	44,614	136,777	134,393
Total funds carried forward		<u>102,779</u>	<u>46,249</u>	<u>149,028</u>	<u>136,777</u>

The statement of financial activities includes all gains and losses recognised in the period
All income and expenditure derive from continuing activities.

The notes on pages 8 to 12 form part of these accounts

TRANSFORM JUSTICE
Registered Charity no. 1150989 and Company Limited by Guarantee - Reg. no 08031781
Balance Sheet as at 31 March 2022

	Note	31.3.2022		31.3.2021	
		£	£	£	£
Current Assets					
Debtors	11	222		142	
Cash at bank		<u>156,587</u>		<u>172,457</u>	
		156,809		172,599	
Current Liabilities					
Creditors falling due within one year	12	<u>7,781</u>		<u>35,822</u>	
Net Current assets			<u>149,028</u>		<u>136,777</u>
Total assets less current liabilities			<u>149,028</u>		<u>136,777</u>
The funds of the charity:	15				
Unrestricted funds			102,779		92,163
Restricted funds			46,249		44,614
			<u>149,028</u>		<u>136,777</u>

For the financial period ended 31 March 2022 the directors are satisfied that the charitable company was entitled to exemption from audit under Section 477 of the Companies Act 2006 and no notice has been deposited under Section 476. The accounts have been examined by an Independent Examiner, in accordance with section 145 of the Charities Act 2011. Her report appears on page 7.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss (surplus or deficit) for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006.

Signed: Nicola Lowit

Date: 13/12/2022

Nicola Lowit
On behalf of the Board

The notes on pages 8 to 12 form part of these accounts

TRANSFORM JUSTICE

Notes to the accounts

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the charitable company's memorandum and articles of association, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice – Accounting and Reporting by Charities (SORP (FRS102), second edition issued in January 2019)", the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Transform Justice meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) have been met, it is probable that the income will be received and the amount can be measured reliably.

d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised but is referred to in the trustee's annual report.

e) Fund accounting

Unrestricted funds are funds received which have no restrictions placed on their use and are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds of the charity which the trustees have decided to set aside to use for a specific purpose.

Restricted funds are funds which are to be used for purposes as specified by the funder.

f) 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.

g) 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.

h) Creditors

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

i) Assets

Expenditure on assets costing less than £1,000 is expensed

TRANSFORM JUSTICE
Notes to the accounts

	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>
	£	£	£	£
2. DONATIONS				
Grants receivable	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
The Hadley Trust	70,000	10,000	80,000	70,000
Barrow Cadbury Trust	0	9,500	9,500	9,500
Lloyds Bank Foundation	0	43,000	43,000	43,000
Lady Edwina Grosvenor	0	30,000	30,000	0
AB Charitable Trust - General Fund	15,000		15,000	0
General donations	344	2,146	2,490	250
	<u>85,344</u>	<u>94,646</u>	<u>179,990</u>	<u>122,750</u>
3. EXPENDITURE ON CHARITABLE ACTIVITIES	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
Scoping, research and dissemination activities on following projects :-				
Reframing criminal justice	0	0	0	5,549
Police Custody	0	0	0	2,260
Podcast project	1,250	0	1,250	1,900
Criminal Records (Fairchecks)	0	12,476	12,476	0
Child remand	2,211	0	2,211	0
Alternatives to Prosecution	0	5,565	5,565	10,566
Magistrates survey	560	2,000	2,560	0
Grants made (note 4)	0	14,000	14,000	0
Other costs				
Support costs (note 5)	70,031	58,616	128,647	98,055
Governance costs (note 6)	519	433	952	2,536
	<u>74,571</u>	<u>93,090</u>	<u>167,661</u>	<u>120,866</u>
4. GRANT-MAKING	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
Grants to organisations				
For Magistrates Survey project	0	8,000	8,000	0
For Fairchecks project	0	6,000	6,000	0
TOTAL grants made to organisations	<u>0</u>	<u>14,000</u>	<u>14,000</u>	<u>0</u>
5. SUPPORT COSTS	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
Staff costs (note 7)	52,647	43,957	96,605	64,230
Administrative and research support	15,264	12,745	28,009	31,097
Office and general expenses	2,115	1,909	4,024	1,768
Website update	0	0	0	960
Bank charges	5	5	10	0
	<u>70,031</u>	<u>58,616</u>	<u>128,647</u>	<u>98,055</u>
6. GOVERNANCE COSTS	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>	<u>TOTAL</u>
Strategy workshop	0	0	0	1,400
Independent examination	498	416	914	1,106
Trustee expenses	21	17	38	30
	<u>519</u>	<u>433</u>	<u>952</u>	<u>2,536</u>

TRANSFORM JUSTICE

Notes to the accounts

7. ANALYSIS OF STAFF COSTS, AND TRUSTEE REMUNERATION AND EXPENSES

	<u>2022</u>	<u>2021</u>
	£	£
Gross salary costs	52,173	23,077
Employer's National Insurance Contributions	4,149	1,871
Employment Allowance	(4,000)	(1,871)
Staff training and other costs	3,803	752
Pension contribution - auto enrolment (see Note 8)	480	401
Pension contribution (salary sacrifice)	40,000	40,000
	<u>96,605</u>	<u>64,230</u>

No employees received employee benefits exceeding £60,000 (2021 none over £60,000).

Trustee remuneration and expenses

The trustees all give freely their time without any form of remuneration or other benefit in cash or in kind.

One trustee received reimbursement of expenses £38 during the period (2021 one received £30).

8. STAFF NUMBERS

The average monthly head count was two during the period (2021 - one).

9. PENSIONS

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 6. The costs of the defined contribution scheme are included within support costs. Contributions for March 2022 were outstanding at the year end.

The designated money purchase plan is managed by NEST. The plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The total expense ratio of the NEST plan is 0.3 % and this is deducted from the investment fund annually. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

£40,000 of one salary was paid to the employee's pension scheme, under a salary sacrifice arrangement, as agreed in a variation of contract (2021 £40,000).

	<u>2022</u>	<u>2021</u>
	£	£
10. NET OUTGOING RESOURCES		
The Operating Surplus is stated after charging		
:-		
Independent Examination	914	1,106
Trustee Emoluments	<u>0</u>	<u>0</u>

11. DEBTORS

Other debtors	<u>222</u>	<u>142</u>
	222	142

12. CREDITORS

Trade creditors	5,754	3,205
Taxation and social security	199	973
Deferred income (see Note 13)	0	23,274
Other creditors	821	7,270
Accruals	<u>1,007</u>	<u>1,100</u>
	7,781	35,822

13. DEFERRED INCOME

Balance as at 1 April	23,274	0
Funds released to Grant Income in the year	(23,274)	0
Amount deferred in year	<u>0</u>	<u>23,274</u>
Balance as at 31 March	<u>0</u>	<u>23,274</u>

Deferred Income in 2021 comprised a grant instalment received from Lloyds Bank Foundation for 21/22.

TRANSFORM JUSTICE

Notes to the accounts

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (FOR YEAR ENDED 31 MARCH 2021)

	£	£	£
	Unrestricted	Restricted	TOTAL
Income			2020
Income from Donations	70,250	52,500	122,750
Income from charitable activities	500	0	500
Total Income	70,750	52,500	123,250
Expenditure			
Cost of raising funds	0	0	0
Expenditure on Charitable activities	28,987	91,879	120,866
Total expenditure	28,987	91,879	120,866
Net Income/(Expenditure)	41,763	(39,379)	2,384
Other recognised gains/(losses)	0	0	0
Net movement in funds for the year	41,763	(39,379)	2,384
Transfers between funds	(750)	750	0
RECONCILIATION OF FUNDS			
Total funds brought forward	51,150	83,243	134,393
Total funds carried forward	92,163	44,614	136,777

15. STATEMENT OF FUNDS

	Balance at 31 March 2021	Incoming Resources	Resources Expended	Transfers between funds	Balance at 31 March 2022
	£	£	£	£	£
Unrestricted funds					
General funds	92,163	85,344	74,728	0	102,779
Sub total unrestricted funds	92,163	85,344	74,728	0	102,779
Restricted funds					
Lady Edwina Grosvenor/donation - Fairchecks	0	32,146	32,146	0	0
Lloyds Bank Foundation - Alternatives to Prosecution	35,114	43,000	33,565	0	44,549
Barrow Cadbury Trust - Mental Health Crisis	9,500	9,500	17,300	0	1,700
Hadley Trust - Magistrates Survey	0	10,000	10,000	0	0
Sub total restricted funds	44,614	94,646	93,011	0	46,249
TOTAL FUNDS	136,777	179,990	167,739	0	149,028

All unrestricted funds are available to be spent for any of the purposes of the charity.

Restricted funds carried forward

Funding from The Barrow Cadbury Trust were used for researching the impacts of prosecutions of those with mental illness for assaulting emergency workers. The project will be completed in 22/23.

The Lloyds Bank Foundation funding for Alternatives to Prosecution will be utilised in 2022/23.

TRANSFORM JUSTICE
Notes to the accounts

16. COMPANY STATUS

The charitable company is limited by guarantee and therefore has no share capital.
The member's liability under the guarantee is restricted to a maximum of £1.

17. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

18. CONTINGENT LIABILITIES

The charitable company had no material contingent liabilities at 31 March 2022 (31 March 2021 - none).

19. RELATED PARTIES

There were no disclosable related party transactions during the period (2021 - none).