

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**  
**(A Company Limited by Guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### COMPANY INFORMATION

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<b>Directors</b>	Sarah Virginia Brinton Amy Dalrymple Alison Rachel Goldsworthy Christopher John Greenfield Nicholas Barton Harvey (Sir) (resigned 31 December 2017) Julian Leon Huppert Susan Lesley Mendus Andrew Colin Neal Lisa Smart
<b>Chief executive officer</b>	Fiona Weir
<b>Company secretary</b>	James K Wallace
<b>Registered number</b>	00357963
<b>Registered office</b>	The Garden House Water End York North Yorkshire YO30 6WQ
<b>Independent auditor</b>	BHP LLP Rievaulx House 1 St Marys Court Blossom Street York YO24 1AH
<b>Bankers</b>	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB
<b>Investment advisors</b>	Rathbone Greenbank 10 Queen Square Bristol BS1 4NT
<b>Legal Advisors</b>	Stone King LLP Boundary House 91 Charterhouse St Clerkenwell London EC1M 6HR

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## **THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors**

The directors who served during the year were:

Sarah Virginia Brinton  
Amy Dalrymple  
Alison Rachel Goldsworthy  
Christopher John Greenfield  
Nicholas Barton Harvey (Sir) (resigned 31 December 2017)  
Julian Leon Huppert  
Susan Lesley Mendus  
Andrew Colin Neal  
Lisa Smart

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Principal activity**

What we do

The Joseph Rowntree Reform Trust Ltd is a limited company, paying tax on its income, which makes grants for **political, campaigning or lobbying purposes** that are ineligible for charitable funding.

Our values

Our values are rooted in liberalism and Quakerism. Recognising the equal worth of every person, we stand for the defence of liberty, freedom of expression, freedom of conscience and freedom from all forms of oppression, be that political, religious, economic or social.

Our strategic vision

We seek to bring about significant changes in the political system, making it more accountable, democratic and transparent and to rebalance power for the well-being of society.

The Joseph Rowntree Reform Trust Ltd is not a charity. It is a limited company, paying tax on its income, which makes grants for political campaigning or lobbying purposes that are ineligible for charitable funding. The Trust funds campaigns in the UK to promote democratic reform, civil liberties and social justice.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Summary of achievements 2017

*"By providing support to small, often specialist groups who would otherwise struggle to find funding and who therefore have a greater capacity to raise challenging or marginalised views, JRRT enables its grantees to essentially "punch above their weight" - by combining significant but relatively low levels of funding with the energy and passion of groups who have overtly campaigning and political objectives." Grantee 2017*

#### Grantmaking

In 2017 the Trust paid a total of £1.43 million on grants and approved £1.28 million expenditure on new grants. Grant expenditure of £1.10 million (86%) was agreed by the Board following application rounds and £179k (14%) was agreed through the small grants procedure between meetings. In application rounds the average grant size was £53k with 56% of applications submitted approved, 75% of small grant applications were agreed.

#### Grantee achievements 2017

##### Democracy

The examples below give a flavour of the diversity of the Trust's work on democracy in 2017.

Make Votes Matter a small campaign group were funded to promote proportional representation for the House of Commons, a sound campaign plan yielding early signs of success with MPs and at constituency party level and across the Labour party spectrum.

Recognising that the UK has a long way to go before our representatives reflect the diversity of society, the Trust supported Operation Black Vote to offer a mentoring scheme, with training and a chance to shadow a high-profile politician, and Parliament Project to encourage and support women to run for political office in the UK.

The Small Axe build a residents-led movement, to ensure ordinary people make their voices heard at the City of London Corporation elections and helped to get five 'grassroots' candidates elected to the Common Council of the City of London Corporation, on a Labour ticket with turnout up by 15%, and the highest turnout for decades at the 'ward motes' – traditional hustings meetings held the day before Corporation elections.

The Trust funded publication of The Alternative, a collection of essays on how progressive forces in British politics can work together, edited by Lisa Nandy MP, Caroline Lucas MP and Chris Bowers.

Global Justice Now and Another Europe Is Possible were funded to work together to campaign against a 'hard Brexit' and work for the most progressive outcomes possible on key issues. They have achieved a high level of media coverage on issues within the Labour party.

##### The General election

The snap election in June gave election campaigners little time to prepare. Some grants were already in place, and JRRT's small grants programme enabled fast turnaround of bids up to £7,500, most within a week.

Democracy Volunteers sent volunteers to observe and assess the level of personation and of 'family voting' at polling stations building evidence of this form of electoral malpractice to engage the Electoral Commission and parliamentarians.

Women's Budget Group worked to raise gender equality issues as a priority during the General Election. There are now 207 women MPs following a small 2 percentage point rise in June, leaving the UK ranked a dismal 40th in the world on women's parliamentary representation.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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### DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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Who Targets Me gathered data on how Facebook advertising was used by political parties during the 2017 General Election, engaging 12,000 people who installed software on their PCs to analyse the social media ads to which they were exposed, with reach in almost every constituency. The analysis will be used to try to influence the Electoral Commission to regulate.

JRRT funded a number of progressive alliance initiatives. Campaign Together worked to develop previously inexperienced canvassers to support progressive candidates at the 2017 General Election. They helped to get 2000 canvassers out on the ground, achieved considerable reach via Facebook and video views and were confident their canvassers were able to influence the results in some marginals.

MoreUnited worked to build an online movement to combat extremism in politics and enable millions of people to exert a progressive influence on UK politics. JRRT provided early seed funding to help the organisation get off the ground. More United built a membership of 90,000 and raised over £500,000 from one of the biggest political crowdfunds in British history in support of MoreUnited candidates, from the Liberal Democrats in Richmond Park to Labour in Stoke-on-Trent.

Compass were supported to fund social media and events for the Progressive Alliance in Richmond Upon Thames, Cardiff, Brighton, Oxford, Cumbria, North London, Brighton, Norwich and Liverpool. They achieved 3.7 million audience reach on Facebook, 125,000 website users, succeeded in getting 400 people out campaigning and were sure that their campaign was influential in a number of constituencies.

Newspeak House provided meeting and co-working space for people producing technology to help progressive campaigns, bringing together a very wide range of organisations under one roof, including Who Targets Me (see above).

### Political parties

The Joseph Rowntree Reform Trust Ltd is not a charity and is able to make political grants. The Trust was set up by Joseph Rowntree, a prominent Liberal, and has supported the Liberal Democrats to ensure representation in parliament of MPs committed to promoting liberal values, defending civil liberties and working for democratic reform and also to at least partly offset the balance of financial inequality between the parties. JRRT has provided funding to support liberal voices in other political parties and progressive alliances of political parties and social movements, such as More United and Compass (see above).

In 2017 we funded market research by the Liberal Democrats, election campaigning by the Northern Ireland Alliance Party; and a local campaign development project by the Association of Liberal Democrat Councillors (ALDC).

The Trust also makes grants to individual parliamentarians a practice that has evolved from the days of "chocolate soldiers". In 2017 Caroline Lucas MP, Green party, received support for research capacity on a range of work on democratic reform and Jim McMahon MP, Labour for work on extending the franchise, linked to and following on from his Private Member's Bill on Votes at 16.

All grants to political parties are published on our website and recorded at Companies House, the Electoral Commission and with the Parliamentary Commissioner for Standards.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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### DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Equality

The Trust has funded two key issues to uphold equality before the law.

Equal Civil Partnerships, the campaign to enable the UK's 2.9 million opposite sex couples to enter into civil partnerships equivalent to same sex couples, achieved considerable progress this year, building profile and support from over 100,000 individuals and 100 parliamentarians. The focus next year will be a campaign around Tim Loughton MP's Private Member's Bill.

Alliance for Choice was supported to campaign for abortion law reform. Building on work to promote the Alliance Gold Standard legislation published in May and to campaign through the Trust Women Civil Society Coalition established last year, the Alliance campaign hopes to build on opportunities arising from the Ireland abortion referendum in 2018, influencing Westminster and a Northern Ireland executive if formed.

#### Civil liberties

JRRT's funding supported a range of civil liberties initiatives. The Labour Campaign for Human Rights (LCHR) continued to campaign against mass surveillance in the UK and helped to build Labour opposition to the Government's stated plans to abolish the Human Rights Act. LCHR and other grantees worked to safeguard privacy in the context of the Investigatory Powers Bill. Instrumental in this were Open Rights Group, working with the Don't Spy on Us Coalition of NGOs to campaign against mass surveillance in the context of the Communications Data Bill. While subsequent legislation increased surveillance powers, campaigning helped to win concessions on powers to spy on trade unions conducting legitimate activity, and requirements for increased judicial oversight for granting intercept warrants.

Fabian Society worked with LCHR to disseminate a new booklet, Fair and Free, seeking to foster debate in the centre-left on civil liberties and human rights, with contributions from MPs Lisa Nandy and Louise Haigh, academics Jason Brock and Virginia Mantouvalou and Robert Sharp of English PEN.

The Trust continued to support Spiked's production of national league table, the Free Speech University Rankings. Its third annual report showed that 63.5% of universities actively censor speech, generating controversy, debate. This year there have been responses from the Joint Committee on Human Rights, launching its own inquiry, and the University Minister announcing penalties for universities that do not support free speech.

Open Democracy worked on an economic case against NHS privatization in the run up to a House of Lords Committee on the sustainability of the NHS held in the Spring of 2017, while also building a dataset with a longer-term legacy on NHS expenditure and contracting out of services.

With the increasing dominance of the internet and concerns about growing digital abuse, JRRT supported several organisations including Digital Trust to campaign for more effective use of privacy, data protection legislation for victims, and redress for abusive content in relation to the Digital Crimes Consolidation Bill.

MedConfidential was supported to identify and lobby against institutional and corporate misuse of NHS patients' data involving patient records in the health sector, including through the passage of the Digital Economy Bill. Similarly Defend Digital Me campaigned for safe, fair and transparent use of children's personal confidential data in the education sector.

Black Mental Health's campaigning brought parliamentary attention to the use of taser guns in health care settings and a Government commitment to address disproportionate use of state force against ethnic minorities detained by the state, with a commitment to legislate if necessary. A push for a taser ban during the Policing and Crime Bill was not supported. However, there may be new opportunities for change through proposed mental health legislation.

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Harry Fletcher, has been continuing work done on victims to campaign to: prevent abuse of process where a victim of a crime such as stalking or domestic abuse is contacted by the perpetrator online or by a vexatious court application to cause harm and distress; stop the cross examination of rape victims on their sexual history; scrutinize the government's code on social media in relation to digital abuse; and secure victims' rights in legislation.

#### **Military and police**

In recent years JRRT has made a wide range of grants relating to abuses of power concerning the military and police.

Police Spies Out of Lives was supported in its ongoing campaign to achieve an end to the sexual abuse of campaigners and others by undercover police officers. They have been pressing the Undercover Policing Inquiry (established in 2015 and now chaired by Sir John Mitting) for a thorough investigation, and steps to prevent such abuses happening again. Alongside this, Undercover Research was supported to uncover new cases of police surveillance, generating public information and publishing profiles on police officers and units and to influence the Inquiry to demand release of historic undercover names, so that targeted activists can establish what happened to them.

Network for Police Monitoring or Netpol has been supported in its work on policing of anti-fracking protests and surveillance of environmental activists, training observers to monitor policing approaches and pressing for transparency and protection of the rights of those engaged in political dissent.

JRRT has supported Campaign Against Arms Trade (CAAT) to challenge Government support to the UK arms industry, focusing on the Defence & Security Equipment International (DSEI) arms fair held in September and Forceswatch to campaign to raise the age of armed forces recruitment in the UK from 16 to 18, a policy the SNP voted to adopt this year. In Wales there was agreement on oversight and regulation of armed forces visits to schools, due to concerns about promotion of a military ethos in education settings.

#### **Social justice**

JRRT funded a number of initiatives including:

Generation Rent to campaign for on security of tenure for private renters, seeking to use forthcoming legislation on banning letting fees to protect renters from no fault evictions. It continues to seek to strengthen the campaigning infrastructure of the renters' movement.

Women Against State Pension Inequality - WASPI to seek fair transitional arrangements and redress for women born in the 1950s, affected by changes in the state pension age. The campaign has achieved a high profile and has built support in Westminster, including a debate based on an early day motion by Grahame Morris MP, and a Private Members Bill by Maria Caulfield due a second reading in April 2018.

Seed funding was provided to Tax Justice UK a new group established to campaign against tax avoidance and for a more progressive tax system. Their work on company tax contributions and ensuring that large companies pay what they owe is a topical issue and they are identifying a series of proposals for a better tax system which will generate further campaigning activity.

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FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2017 grants physically paid

##### Political grants

Alliance Party of Northern Ireland	£80,000	Supporting liberal change at Stormont
Assoc. of Scottish LibDem Cllrs & Campaigners	£14,700	Developing the campaign infrastructure
Association of Liberal Democrat Councillors (ALDC)	£95,172	Developing the campaign infrastructure
Cambridge Liberal Democrats	£5,000	2017 General Election campaign
Green Party	£10,000	Support the office of Caroline Lucas MP
Hazel Grove Liberal Democrats	£5,000	2017 General Election campaign
Liberal Democrats	£230,000	2017 General Election campaign
Liberal Democrats - Yorkshire & Humberside	£18,000	Support for LibDems in the region
North Devon Liberal Democrats	£5,000	2017 General Election campaign
Other	£6,096	
<b>Total Political Grants Paid</b>	<b>£468,968</b>	

##### Non political Grants

89Up	£11,000	Digital campaigning
Alliance for Choice	£51,105	Abortion rights for Northern Ireland
APPG on Extraordinary Rendition	£13,500	Establish the truth about UK involvement
Bernard Greaves/David Howarth	£7,325	Liberal Democrat identity
Black Mental Health	£39,717	Black people and the Mental Health Act
Bowers, Chris	£12,500	Project on Party Political funding
Bristol Cable	£7,200	Disclosure of data on IMSI-catcher use
Campaign Against Arms Trade	£13,800	To reduce the influence of arms companies
Campaign for Nuclear Disarmament (CND)	£6,875	Campaign against replacing Trident
Campaign Together	£7,300	Tactical canvassing amongst progressives
Compass	£19,000	Progressive alliance
Defend Digital Me	£21,349	Use of children's personal confidential data
Democracy Volunteers	£10,700	Electoral fraud & 'family voting'
Digital-Trust	£8,825	Digital crime and the Policing & Crime Bill
Energy Democracy Project	£7,500	Divest Politics Pledge'
Equal Civil Partnerships Campaign	£15,834	For mixed sex civil partnerships
Fabian Society	£4,500	Civil liberties and human rights
Fair Business Banking	£7,460	Prevent the abuse of businesses
Fair Funding for our Kids	£3,500	Scotland's free childcare commitment
ForcesWatch	£10,344	Armed forces recruitment to age 18

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Generation Rent	£43,500	Secure tenure for private renters
GeneWatch UK	£12,210	NHS use of genetic data
Global Justice Now/AEIP	£75,000	For progressive 'Brexit' outcomes
Harry Fletcher	£6,000	Abuse of process, 'Victims' bill of rights
Labour Campaign for Human Rights	£46,667	Defending the Human Rights Act
Localis	£6,300	Neo-localism as a political concept
Make Votes Matter	£33,492	Campaign for Proportional Representation
Manifesto Club Ltd	£14,500	Public spaces protection orders
MedConfidential	£51,477	To protect medical confidentiality
MoreUnited.uk	£58,636	For a progressive influence on UK Politics
NEON	£4,665	Learning from the 2017 election
Network for Police Monitoring	£22,147	'Protecting the Anti-Fracking Protesters'
New Internationalist	£7,500	An alternative media platform
Newspeak House	£7,500	Assisting progressive campaigns
Not Buying It	£10,888	Campaign against objectification of women
Open Rights Group	£12,800	Online speech controls & 'official data'
OpenDemocracy	£7,463	Economic case against NHS privatisation
Operation Black Vote	£7,200	MP Shadowing scheme
Parliament Project	£9,000	Support women to run for UK political office
PII/Spinwatch	£7,500	Lobbying by business interests around GRB
Police Spies Out of Lives	£23,630	End sexual abuse by undercover police
Quilliam Foundation	£6,773	Liberalism in counter-extremism legislation
Recovering Justice	£7,500	Campaign for drug reform
Represent Us Ltd	£7,760	Parliamentary approval of Brexit exit terms
Spiked	£24,612	Free Speech University Rankings
Standing Committee for Youth Justice	£40,000	Youth justice system in England & Wales
Tax Justice UK	£7,350	For a more progressive tax system
The Small Axe	£7,000	City of London Corporation's elections
Think Yorkshire	£1,000	Think Tank for Yorkshire
Twenty-Twenty Project	£12,000	Progressive alliances
Undercover Research Group	£24,525	Undercover police spying on activists
Unlock Democracy	£9,000	Great Repeal Bill civil society co-ordination
Voice4Victims	£29,200	Victims' Bill of Rights & Abuse of Process
Who Targets Me	£7,500	Use of Facebook ads in the 2017 GE
Women v. State Pension Inequality	£35,868	Towards their political campaign
Women's Budget Group	£7,500	Gender equality issues during the 2017 GE
Net Grants returned	<u>-£11,504</u>	
<b>Total Non Political Grants Paid</b>	<b><u>£963,493</u></b>	
<b>TOTAL</b>	<b><u>£1,432,461</u></b>	

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## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017

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### JRRT activities and projects

#### Electoral Reform

##### Labour Party fringe on proportional representation

JRRT sponsored a fringe meeting at the Labour Party conference in September, organized by grantees Make Votes Matter and the Labour Campaign for Human Rights. Chaired by Neal Lawson from Compass, speakers included Labour MPs Clive Lewis, Rupa Haq, Rushanara Ali, and Stephen Kinnock and was a lively celebration of the support being built across the Labour party for electoral reform.

##### Party Election Funding

"I hope those who come after me will do their best to maintain the purity of Elections" Joseph Rowntree, 1904 Memorandum.

JRRT commissioned Chris Bowers to produce a report on election spending – Elections for Sale – published in September, to examine recent trends in election spending, and how the law on 'national' (party) and 'local' (candidate) expenditure works. Its recommendations include: altering the balance and definitions of candidate and party spending at elections; lowering the bar for a re-run of elections where rules are broken; and revising the rules on social media spend at elections, as well as reinforcing the case for public funding of political parties.

Polly Toynbee, a member of the advisory group, wrote an excellent piece in the Guardian "Britain is a country where elections can still be brought" and numerous regional articles from the Metro to the Yorkshire Post covered the influence of social media on elections. The report was distributed to all MPs and was cited a number of times during the debate on the second reading of Lord Tyler's Democratic Political Activity (Funding and Expenditure) Bill in the House of Lords on 29 October 2017. In response to a question from Caroline Lucas MP, Minister Chris Skidmore MP confirmed that "The Government has noted the report and keeps issues related to electoral spending rules under review."

#### Parliamentary democracy and Brexit

EU Withdrawal Bill – a funder consortium and civil society Alliance

The Trust was quick to spot the threat to democracy posed by the Great Repeal Bill – now the EU (Withdrawal) Bill. How the Government moves forward with the complex task of transferring the entire edifice of European law into British law, would be a vital test for how UK democracy delivers the process of taking back control.

Amidst growing concerns that vital EU regulations – many shaped by the UK – could be dropped or significantly changed without any clear Government mandate, JRRT convened a meeting to bring together a broad mix of campaigners from different sectors, (including human rights, equality, environment, consumer, workers' rights, food, farming and trade) with funders to explore appetite for collaboration on the Great Repeal Bill.

Building on the considerable appetite to work together, JRRT was instrumental in forming a consortium of seven funders to support a civil society alliance. £110,000 was raised for coordination of work, on a Brexit neutral basis, for a high standards UK and for open democratic processes, robust parliamentary scrutiny and safeguards against transfer of power to the executive. Hosted by Unlock Democracy, by year end, the alliance included 70 campaign and advocacy groups working to ensure that civil society understands the Bill process and can advocate effectively as the Bill makes its way through parliament.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Media reform

"Perhaps the greatest danger of our national life arises from the power of selfish and unscrupulous wealth which influences public opinion largely through the press" Joseph Rowntree, 1904 Memorandum.

#### Section 40 Consultation Response

The Trust made a submission to the Government consultation which closed in January 2017, arguing for Section 40 of the Crime and Courts Act 2013, a key part of the Leveson media reforms, to be commenced immediately, now that IMPRESS has been recognised as a regulator.

Section 40 provides that where a publisher chooses not to sign up to a regulator recognised by the Press Recognition Panel, that publisher can be held liable for their opponents' costs when libel cases are brought against the publication, even if the publication wins a given case. This creates a strong incentive to publishers to join a recognised regulator, living up to the standards set out by Lord Justice Leveson following his extensive, public, judicial inquiry. The Government has broken a cross-party agreement on implementation of the Leveson media reforms by failing to commence Section 40.

#### Liberal Democrats Spring conference fringe

The Trust held a successful spring fringe meeting on "Power of the Press: the greatest danger of our national life" at the Liberal Democrat conference in York in March. The 170-capacity hall was packed to hear speakers including:

Vince Cable MP, on his experience in government attempting to promote media plurality, and battles over the Murdoch press;  
Christopher Jefferies on his direct experience of press abuse; and  
Daisy Cooper, Joint Executive Director of Hacked Off on Section 40 of the Crime and Courts Act and the Leveson agenda.

#### Speaking trust to power

##### Quakers in Britain Yearly meeting – Who guards the guards?

JRRT organized a fringe at the Quakers in Britain Yearly meeting in Warwick chaired by Director Christopher Greenfield. The passionate and informative speakers, all JRRT grantees included:

Matilda MacAttram, Black Mental Health UK, on opposing police use of Taser as a method of restraint on mental health wards;  
Kevin Blowe, Network for Police Monitoring, on supporting anti-fracking protesters to exercise their democratic right to protest; and  
Rhianna Louise, Forceswatch, on British army recruitment practices as intake of under 18s rises.

##### Sheila McKechnie Foundation Campaign Award

The Trust sponsored the Sheila McKechnie Foundation campaign award for Lifetime achievement. Director Amy Dalrymple took part in the judging panel which unanimously selected Margaret Aspinall and the Hillsborough families support group for the award.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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Margaret's 18-year-old son James was one of the 96 football fans who lost their lives in the tragedy in 1989, and she has spent 28 years seeking the truth about what happened at the Sheffield stadium. A founding member, Margaret took on the role of Vice-Chair and finally Chair in 2009 campaigning tirelessly for justice. After campaigning against an original verdict of accidental death, the final inquest gave a verdict, shortly after the 27th anniversary of the disaster, that the fans were unlawfully killed.

#### Strategic Review 2017

Directors invested considerable time this year in a Strategic Review, assessing the recent political context, including the aftermath of the EU Referendum in 2016 and snap election in 2017. It was recognized that the Trust's limited resources could achieve greater impact through more concentrated focus and, given the urgent need for wholesale democratic and political reform, Directors selected this area of work as the focus in the coming years.

Future priorities are likely to include campaigning for:

**electoral reform**, ensuring that citizens' votes count, that turnout is high and elections are fair; an **open and responsive democracy**, with executive power checked by an effective parliament, and power devolved to the nations, regions and communities; and a **thriving democratic culture** built on respect for diversity, collaboration, informed public debate and liberal values.

While the Trust will focus on the above priorities there will continue to be some support for fast response capacity to major political developments or legislative opportunities, and for issues closely linked to the founder's vision which the Trust has a track record of supporting.

#### Grants perceptions survey

As input to the strategic review, the Trust surveyed 70 current and past grantees inviting feedback: 43 completed the survey – a response rate of 61%. Nearly two thirds reported significant positive impact of JRRT funding on their organization:

"JRRT is about the only organisation in the UK that consistently funds the sort of tiny 'force multiplier' outfits that work at the vanguard - so its influence is disproportionately significant" Grantee, 2017.

Grantees rated highly the speed and ease of application process and approachability of the Trust in the event of a problem. Areas that were broadly positive, but identified as ones to focus on improving include feedback on applications and advice about strategic fit following development of the new strategy. A number of grantees were keen to see the Trust play a more active role, for example, using its convening power, organizing events, and a number supported a capacity building role, particularly in enabling grantees to secure funds from other sources.

Directors greatly appreciated the quality and quantity of feedback. There was lively debate on issue breadth and priorities, Brexit, inequality and human rights, the need for a theory of change or plan to achieve overall impact, relationships with political parties, the Liberal Democrats, Progressive alliances and civil society, among the many varied contributions.

"JRRT provided a small grant that enabled us to launch a political campaign that was difficult to get launch funding for due to its political nature. As a result of the success of the campaign JRRT's support has enabled us to launch an organisation and gain more funding." Grantee, 2017

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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#### **Financial performance**

Income for the year of £1.06 million increased by £87k (9%) due to higher dividend income from the company's investment portfolio which achieved an overall yield of 2.8% during 2017.

Expenditure on grants in 2017 decreased by £110k to £1.06 million, whilst overheads of £522k were marginally below the prior year.

In addition there was a gain on sale of investments of £81k.

The company therefore generated a loss of £331k before tax (2016: £298k loss) reflecting the lower gains on sale of investments.

The company's net assets increased by £3.8 million to £38.8 million due to the excellent performance from its Investment portfolio, the gains from which part fund our grant making.

#### Investment policy

The Trust has reviewed its investment policy during 2017 and an updated policy was approved by the board effective January 1st 2018. The new policy consolidates the various previous versions and addendums and is also updated for considerations on Environmental, Social and Governance issues (ESG) through both negative & positive screening and a focus on sustainability. The Trusts approach remains to invest for long term growth with suitable diversification, including property, that provides an annual income to meet the Trusts continued grant making.

#### Structure, governance and management

The Board of Directors is responsible for the overall strategy and direction of the trust. Directors give their time on a voluntary, unpaid basis. There are a maximum of 10 Directors, recruited through an open process. Directors take part in a full induction day.

The Board has a Finance Committee and a Nominations Committee. Day to day management of the Trust is the responsibility of the paid Chief Executive, who reports to the Board of Directors, supported by a small staff team.

The Trust is currently reviewing its Memorandum & Articles to update them at an EGM in 2018.

JRRT is committed to salaries that are fair, transparent, based on market rates and enable us to recruit and retain expert staff.

#### **Risk management**

The Directors have reviewed the major risks faced by the organization as well as the controls, procedures and actions in place to manage those risks. These are documented in a risk register that is reviewed annually by the Board of Directors.

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**  
**(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, BHP LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 March 2018 and signed on its behalf.

James K Wallace  
Secretary



## **THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

(A Company Limited by Guarantee)

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

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#### **Opinion**

We have audited the financial statements of The Joseph Rowntree Reform Trust Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

## **THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

**(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JOSEPH ROWNTREE REFORM TRUST LIMITED (CONTINUED)**

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knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JOSEPH ROWNTREE REFORM TRUST LIMITED (CONTINUED)

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#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Marshall (Senior Statutory Auditor)

for and on behalf of

**BHP LLP**

Statutory Auditors

Rievaulx House  
1 St Marys Court  
Blossom Street  
York  
YO24 1AH

Date:

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED****(A Company Limited by Guarantee)****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Note	2017 £	<i>As restated</i> 2016 £
Turnover		1,064,991	978,387
<b>Gross profit</b>		<b>1,064,991</b>	<b>978,387</b>
Administrative expenses		(521,827)	(542,258)
Other operating income		110,000	127,250
<b>Operating profit</b>	3	<b>653,164</b>	<b>563,379</b>
Gain/ (Loss) on sale of investments		80,896	310,098
Interest payable and expenses		(2,000)	(3,000)
Grants payable		(1,063,299)	(1,167,985)
<b>Loss before tax</b>		<b>(331,239)</b>	<b>(297,508)</b>
Tax on profit		(154,648)	(74,876)
<b>Loss for the financial year</b>		<b>(485,887)</b>	<b>(372,384)</b>
<b>Other comprehensive income for the year</b>			
Unrealised surplus on revaluation of tangible fixed assets		4,619,667	3,527,535
Actuarial losses on defined benefit pension scheme		(1,000)	(7,000)
Movement of deferred tax relating to investments		(316,358)	(537,697)
<b>Other comprehensive income for the year</b>		<b>4,302,309</b>	<b>2,982,838</b>
<b>Total comprehensive income for the year</b>		<b>3,816,422</b>	<b>2,610,454</b>

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**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

(A Company Limited by Guarantee)  
REGISTERED NUMBER:00357963

**BALANCE SHEET  
AS AT 31 DECEMBER 2017**

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	Note	2017 £	As restated 2016 £
<b>Fixed assets</b>			
Tangible assets	5	2,949	4,790
Investments	6	41,326,714	37,309,715
		<u>41,329,663</u>	<u>37,314,505</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	1,206,081	1,818,300
Cash at bank and in hand	9	854,823	343,449
		<u>2,060,904</u>	<u>2,161,749</u>
Creditors: amounts falling due within one year	10	(644,096)	(664,445)
<b>Net current assets</b>		<u>1,416,808</u>	<u>1,497,304</u>
<b>Total assets less current liabilities</b>		<u>42,746,471</u>	<u>38,811,809</u>
Creditors: amounts falling due after more than one year	11	(145,500)	(343,618)
<b>Provisions for liabilities</b>			
Deferred tax	13	(3,799,434)	(3,483,076)
		<u>(3,799,434)</u>	<u>(3,483,076)</u>
<b>Net assets</b>		<u><u>38,801,537</u></u>	<u><u>34,985,115</u></u>

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

(A Company Limited by Guarantee)  
REGISTERED NUMBER:00357963

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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	Note	2017 £	2016 £
<b>Capital and reserves</b>			
Revaluation reserve		20,430,691	17,433,342
Other reserves		4,606,760	4,606,760
Profit and loss account		13,764,086	12,945,013
		<u>38,801,537</u>	<u>34,985,115</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 March 2018.

**Alison Goldsworthy**  
Director

**Andrew C Neal**  
Director

The notes on pages 22 to 32 form part of these financial statements.

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED****(A Company Limited by Guarantee)****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	<b>Revaluation reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 January 2017 (as previously stated)	<b>17,433,342</b>	<b>4,606,760</b>	<b>13,788,203</b>	<b>35,828,305</b>
Prior year adjustment	-	-	<b>(843,190)</b>	<b>(843,190)</b>
At 1 January 2017 (as restated)	<b>17,433,342</b>	<b>4,606,760</b>	<b>12,945,013</b>	<b>34,985,115</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	<b>(485,887)</b>	<b>(485,887)</b>
Actuarial losses on pension scheme	-	-	<b>(1,000)</b>	<b>(1,000)</b>
Surplus on revaluation of other fixed assets	<b>4,619,667</b>	-	-	<b>4,619,667</b>
Deferred tax movement	<b>(316,358)</b>	-	-	<b>(316,358)</b>
<b>Other comprehensive income for the year</b>	<b>4,303,309</b>	-	<b>(1,000)</b>	<b>4,302,309</b>
<b>Total comprehensive income for the year</b>	<b>4,303,309</b>	-	<b>(486,887)</b>	<b>3,816,422</b>
<b>Transfer to/from profit and loss account</b>	<b>(1,305,960)</b>	-	<b>1,305,960</b>	-
<b>At 31 December 2017</b>	<b>20,430,691</b>	<b>4,606,760</b>	<b>13,764,086</b>	<b>38,801,537</b>

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**THE JOSEPH ROWNTREE REFORM TRUST LIMITED****(A Company Limited by Guarantee)****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>Revaluation reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2016 (as previously stated)	<b>14,923,370</b>	<b>4,606,760</b>	<b>13,797,002</b>	<b>33,327,132</b>
Prior year adjustment	-	-	<b>(952,471)</b>	<b>(952,471)</b>
At 1 January 2016 (as restated)	<b>14,923,370</b>	<b>4,606,760</b>	<b>12,844,531</b>	<b>32,374,661</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	<b>(372,384)</b>	<b>(372,384)</b>
Actuarial losses on pension scheme	-	-	<b>(7,000)</b>	<b>(7,000)</b>
Surplus on revaluation of other fixed assets	<b>3,527,535</b>	-	-	<b>3,527,535</b>
Deferred tax movement	<b>(537,697)</b>	-	-	<b>(537,697)</b>
<b>Other comprehensive income for the year</b>	<b>2,989,838</b>	-	<b>(7,000)</b>	<b>2,982,838</b>
<b>Total comprehensive income for the year</b>	<b>2,989,838</b>	-	<b>(379,384)</b>	<b>2,610,454</b>
<b>Transfer to/from profit and loss account</b>	<b>(479,866)</b>	-	<b>479,866</b>	-
<b>At 31 December 2016</b>	<b>17,433,342</b>	<b>4,606,760</b>	<b>12,945,013</b>	<b>34,985,115</b>

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The notes on pages 22 to 32 form part of these financial statements.



# THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1. General information

The Joseph Rowntree Reform Trust Limited is a company limited by guarantee incorporated in England and Wales. The registered office is The Garden House, Water End, York, North Yorkshire, YO30 6WQ. The company's principal activity is investing in securities, the making of grants and undertaking projects for political and other purposes in accordance with the terms of the Memorandum of Association.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

#### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### 2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment	- 5 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 2. Accounting policies (continued)

### 2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period.

### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 2. Accounting policies (continued)

### 2.10 Pensions

The Company participates in the 'TPT Retirement Solution - Scottish Voluntary Sector Pension Scheme', a multi-employer scheme which provides benefits to some 94 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Under the terms of FRS102, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme. The present value of the Company's deficit contribution is recognised as a liability as a result of the transition to FRS102.

Under FRS 102 where a company has been advised of future deficit contributions on a defined benefit multi-employer pension scheme these are recognised within the balance sheet, and then discounted.

### 2.11 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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## 2. Accounting policies (continued)

### 2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.14 Critical accounting estimates and areas of judgement

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (i) Pension deficit contribution

The company has entered into a commitment to provide deficit funding to the 'TPT Retirement Solution - Scottish Voluntary Pension Scheme', of which it is a contributing employer. Under FRS 102, the fair value of the commitment is recognised. The calculation of fair value of the commitment is subject to an assumption of the discount rate. The discount rate is determined by reference to market yields at the reporting date on high quality corporate bonds.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 3. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	1,841	1,847
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	2,565	3,570
Fees payable to the Company's auditor and its associates for other services	4,185	5,730
Defined contribution pension cost	<u>28,608</u>	<u>96,324</u>

During the year, no director received any emoluments (2016 - £Nil).

#### 4. Employees

The average monthly number of employees, other than the directors, during the year was 3 (2016 - 2).

#### 5. Tangible fixed assets

	Office equipment £
<b>Cost or valuation</b>	
At 1 January 2017	27,646
At 31 December 2017	<u>27,646</u>
<b>Depreciation</b>	
At 1 January 2017	22,856
Charge for the year on owned assets	1,841
At 31 December 2017	<u>24,697</u>
<b>Net book value</b>	
At 31 December 2017	<u>2,949</u>
At 31 December 2016	<u>4,790</u>

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**THE JOSEPH ROWNTREE REFORM TRUST LIMITED****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017****6. Fixed asset investments**

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
<b>Cost or valuation</b>				
At 1 January 2017	5,000	35,195,387	2,109,328	37,309,715
Additions	-	1,478,372	-	1,478,372
Disposals	-	(1,919,624)	(161,416)	(2,081,040)
Revaluations	-	5,121,211	(501,544)	4,619,667
At 31 December 2017	<u>5,000</u>	<u>39,875,346</u>	<u>1,446,368</u>	<u>41,326,714</u>
<b>Net book value</b>				
At 31 December 2017	<u>5,000</u>	<u>39,875,346</u>	<u>1,446,368</u>	<u>41,326,714</u>
At 31 December 2016	<u>5,000</u>	<u>35,195,387</u>	<u>2,109,328</u>	<u>37,309,715</u>

**Listed investments**

The market value of listed investments at 31 December 2017 was £39,875,346 (2016: £35,195,387).

The historic cost of listed investments is £16,023,714 (2016: £15,242,206) and unlisted investments is £1,167,822 (2016: £1,246,039). Unlisted investments are included at market value where a market price is readily available.

The remaining unlisted investments are reviewed annually by the directors. The carrying value of unlisted investments at 31 December 2017, where no market value is readily available amounts to £5,002 (2016: £5,002).

The tax charge, should the investments be sold at the values stated above, would be £3,799,434 (2016: £3,483,076). This has been included in full in the Balance Sheet.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 7. Subsidiaries and associates

The following were subsidiary and associate undertakings of the Company:

Name	Holding	Principal activity
JRRT (Investments) Ltd	100 %	Dormant
JRRT (Properties) Ltd	100 %	Property Letting
VisionOnTV	26 %	TV and Media

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
JRRT (Investments) Ltd	5,000	-
JRRT (Properties) Ltd	9,235,586	415,994
	<u>9,240,586</u>	<u>415,994</u>

#### 8. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	1,203,491	1,786,323
Other debtors	-	30,255
Prepayments and accrued income	2,590	1,722
	<u>1,206,081</u>	<u>1,818,300</u>

Amounts owed by group undertakings in which the company has a participating interest relates to amounts due from The JRSST Charitable Trust of £nil (2016: £70,038) which is an associated charity and amounts due from JRRT (Properties) Limited of £1,203,491 (2016: £1,716,285), which is a subsidiary company.

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED****(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017****9. Cash and cash equivalents**

	<b>2017</b>	<i>2016</i>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>854,823</b>	<i>343,449</i>
	<b>854,823</b>	<i>343,449</i>

**10. Creditors: Amounts falling due within one year**

	<b>2017</b>	<i>As restated</i> <i>2016</i>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>19,123</b>	<i>5,000</i>
Corporation tax	<b>147,845</b>	<i>-</i>
Other taxation and social security	<b>4,986</b>	<i>6,176</i>
Other creditors	<b>472,142</b>	<i>653,269</i>
	<b>644,096</b>	<i>664,445</i>

Amounts owed to group undertakings in which the company has a participating interest relates to amounts due to JRRT (Properties) Limited of £14,123 (2016: £nil) and JRRT (Investments) Limited of £5,000 (2016: £5,000), which are this company's subsidiary companies.

Accruals includes £Nil (2016: £3,877) of pension costs outstanding at the year end.

**11. Creditors: Amounts falling due after more than one year**

	<b>2017</b>	<i>As restated</i> <i>2016</i>
	<b>£</b>	<b>£</b>
Grants payable	<b>52,500</b>	<i>239,618</i>
Defined benefit scheme funding deficit liability	<b>93,000</b>	<i>104,000</i>
	<b>145,500</b>	<i>343,618</i>



## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 12. Pensions

The company participates in the 'TPT Retirement Solution – Scottish Voluntary Sector Pension Scheme', a multi-employer scheme which provides benefits to some 95 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out as at 30 September 2014. This valuation showed assets of £88.22m, liabilities of £122.15m and a deficit of £33.93m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions.

The company has agreed to a deficit funding arrangement to pay additional contributions from 1 April 2017 to 31 October 2029 of £643 payable monthly and increasing by 3% on 1st April each year, and of £624 monthly prior to 1 April 2017. The company therefore recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement, calculated using a discount rate of 1.77%. The unwinding of the discount rate is recognised as a finance cost.

#### 13. Deferred taxation

	2017 £
At beginning of year	(3,483,076)
Charged to other comprehensive income	(316,358)
<b>At end of year</b>	<b>(3,799,434)</b>

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 13. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Investments	(3,799,434)	(3,483,076)
	<u>(3,799,434)</u>	<u>(3,483,076)</u>

#### 14. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £0.50 towards the assets of the company in the event of liquidation during the time that he/she is a member or within one year afterwards.

#### 15. Contingent liabilities

Grants and project expenditure are recognised in the profit and loss account when paid. The directors have authorised a further £438,818 (2016: £321,264) for payment, which is not reflected in the accounts, as no binding agreement has been entered into. Under an arrangement with the Trustees of The JRSST Charitable Trust, the company would reimburse the charitable trust in respect of any grants ultimately rejected by the Inland Revenue. There was no potential liability under this arrangement at 31 December 2017 (2016: £nil).

#### 16. Related party transactions

During the year the company received £90,000 (2016: £96,250) of management charges from its subsidiary company, JRRT (Properties) Limited. These charges are included in management charges receivable.

The company also received management charges of £20,000 (2016: £31,000) and incurred £17,813 (2016: £17,355) of charges in respect of rent and premises costs from the JRSST Charitable Trust, an associated charity whose Trustees are the same persons as the directors of The Joseph Rowntree Reform Trust Limited. These charges are included in administration expenses.

During the year amounts of £386,872 were paid to the Liberal Democrats and related organisations. 3 of the Directors are involved with the Liberal Democrats, one being the Chief Executive, one being President and one being President of Cambridge Liberal Democrats.

## THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 17. Prior year adjustment

The directors have undertaken a review of the terms and conditions attaching to the company's grant making activity and have concluded that a liability arises at an earlier point than had previously been the case.

As a result, grants which have been agreed by the directors before the year end, where any conditions attaching to those grants have been met by the year end meet the definition of a liability under FRS 102 ie that the company has an obligation as a result of a past event, it is probable that the company will be required to transfer economic benefits and the amount of the obligation can be estimated reliably.

A prior year adjustment is incorporated in these accounts to restate the comparative figures on the same basis.

#### Reconciliation of equity at 1 January 2016

	£
Equity at 1 January 2016 prior to adjustment	33,327,132
Provision for grants payable	(952,471)
	<hr/>
<b>Equity shareholders funds at 1 January 2016 post adjustment</b>	<b>32,374,661</b>
	<hr/> <hr/>

#### Reconciliation of equity at 31 December 2016

	£
Equity at 31 December 2016 prior to adjustment	35,828,305
Provision for grants payable	(843,190)
	<hr/>
<b>Equity shareholders funds at 31 December 2016 post adjustment</b>	<b>34,985,115</b>
	<hr/> <hr/>

#### Reconciliation of profit and loss account for the year ended 31 December 2016

	£
Loss for the year prior to adjustment	(481,665)
Provision for grants payable	109,281
	<hr/>
<b>Loss for the year ended 31 December 2016 post adjustment</b>	<b>(372,384)</b>
	<hr/> <hr/>

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

**DETAILED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

(A Company Limited by Guarantee)

**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	<b>Note</b>	<b>2017</b> £	<b>2016</b> £
Turnover		<b>1,064,991</b>	978,387
<b>Gross profit</b>		<b>1,064,991</b>	978,387
Other operating income		<b>110,000</b>	127,250
<b>Less: overheads</b>			
Administration expenses		<b>(521,827)</b>	(542,258)
<b>Operating profit</b>		<b>653,164</b>	563,379
Interest payable		<b>(2,000)</b>	(3,000)
Grants Payable		<b>(1,063,299)</b>	(1,167,985)
Gain on sale of investments		<b>80,896</b>	310,098
<b>Loss for the year</b>		<b>(331,239)</b>	(297,508)

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Untaxed interest	<b>11,789</b>	16,887
Dividends receivable - Domestic	<b>975,816</b>	876,751
Dividends receivable - Rest of world	<b>77,386</b>	84,749
	<u><b>1,064,991</b></u>	<u>978,387</u>

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Other operating income</b>		
Management charge receivable from JRRT (Properties) Limited	<b>90,000</b>	96,250
Management charge receivable from JRSST Charitable Trust	<b>20,000</b>	31,000
	<u><b>110,000</b></u>	<u>127,250</u>

**THE JOSEPH ROWNTREE REFORM TRUST LIMITED****(A Company Limited by Guarantee)****SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	2017 £	2016 £
<b>Administration expenses</b>		
Staff salaries	204,434	111,500
Staff national insurance	17,511	9,752
Staff pension costs - defined contribution schemes	28,608	96,324
Staff training	2,104	-
Staff costs	4,934	5,028
Director's travel and meetings	15,248	12,699
Recruitment expenses	1,354	52,578
Commissions payable	132,183	112,738
Hotels, travel and subsistence	16,668	22,036
Printing and stationery	2,775	3,078
Telephone and fax	5,544	4,240
Computer costs	4,315	6,615
Advertising and promotion	12,611	2,462
Legal and professional	14,043	34,310
Auditors' remuneration	2,955	3,570
Auditors' remuneration - non-audit	4,185	6,162
Grants and projects advice	31,065	38,745
Bank charges	233	228
Sundry expenses	1,407	991
Rent	7,456	7,101
Service charges	10,357	10,254
Insurances	(4)	-
Depreciation - office equipment	1,841	1,847
	<u>521,827</u>	<u>542,258</u>
	<u><u>521,827</u></u>	<u><u>542,258</u></u>
	2017 £	2016 £
<b>Interest payable</b>		
Other interest - on defined benefit liability	(2,000)	(3,000)
	<u>2,000</u>	<u>3,000</u>
	<u><u>2,000</u></u>	<u><u>3,000</u></u>

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**THE JOSEPH ROWNTREE REFORM TRUST LIMITED**

(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	<b>2017</b>	<i>2016</i>
	<b>£</b>	<b>£</b>
<b>Grants payable</b>		
Grants payable for non-political purposes	<b>865,371</b>	<i>850,292</i>
Grants payable for political purposes	<b>197,928</b>	<i>317,693</i>
	<b>1,063,299</b>	<i>1,167,985</i>

	<b>2017</b>	<i>2016</i>
	<b>£</b>	<b>£</b>
<b>Investment income</b>		
Gain on sale of listed investments	<b>128,312</b>	<i>310,098</i>
Loss on sale of unlisted investments	<b>(47,416)</b>	<i>-</i>
	<b>80,896</b>	<i>310,098</i>