

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

COMPANY INFORMATION

Directors	Sarah V Brinton (Baroness) Amanda C Cormack (resigned 24 June 2016) Amy Dalrymple (appointed 24 June 2016) Alison R Goldsworthy Christopher J Greenfield Nicholas B Harvey (Sir) Julian L Huppert (appointed 24 June 2016) Susan L Mendus (appointed 24 June 2016) Andrew C Neal Lisa Smart (appointed 24 June 2016)
Company secretary	Tina C Walker
Registered number	00357963
Registered office	The Garden House Water End York North Yorkshire YO30 6WQ
Independent auditors	BHP, Chartered Accountants Bathurst House 86 Micklegate York Y01 6LQ
Bankers	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB
Investment advisors	Rathbone Greenbank 10 Queen Square Bristol BS1 4NT

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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THE JOSEPH ROWNTREE REFORM TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group'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 Group 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 the Group and 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 the Group 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 V Brinton (Baroness)
Amanda C Cormack (resigned 24 June 2016)
Amy Dalrymple (appointed 24 June 2016)
Christopher J Greenfield
Alison R Goldsworthy
Nicholas B Harvey (Sir)
Julian L Huppert (appointed 24 June 2016)
Susan L Mendus (appointed 24 June 2016)
Andrew C Neal
Lisa Smart (appointed 24 June 2016)

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

Political contributions

. **Grants - political purposes**

	£
Alistair Carmichael MP	50,000
Alliance Party of Northern Ireland	35,000
Association of Scottish Liberal Democrat Councillors & Campaigners	29,400
Association of Liberal Democrat Councillors (ALDC)	94,360
Better for Our Future Ltd	35,000
East Devon Alliance	825
Liberal Democrats	50,000
Liberal Democrats - Bath and North East Somerset	200
Liberal Democrats - Cambridge	2,500
Liberal Democrats - Hazel Grove Constituency	2,000
Liberal Democrats - Lancaster & Morecambe	500
Liberal Democrats - North Devon	2,000
Liberal Democrats - North West	100
Liberal Democrats - Scottish	31,250
Liberal Democrats - Welsh	25,000
Liberal Democrats - Yorkshire & Humberside	12,375
Quakers for Europe	1,400
We Are Europe	2,000
	<hr/>
	373,910 <hr/> <hr/>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Grants - non political purposes

	£
89up	21,667
Accountability Lab	2,000
Alliance for Choice	60,864
Another Europe Is Possible	7,500
APPG on Extraordinary Rendition	13,500
Black Mental Health UK	37,681
Bowers, Chris & Lucas, Caroline	3,750
Campaign for Nuclear Disarmament (CND)	27,500
Cole, Matthew	224
Compass	13,030
Conference Organising Group - Beyond Nuclear	2,500
Digital-Trust	41,750
Electoral Reform Society	7,500
Energy Democracy Project	4,500
Equal Civil Partnerships Campaign	7,500
Fabian Society	17,971
ForcesWatch	15,646
Fuel Poverty Action	7,200
Future Housing Review	22,500
Generation Rent	22,750
GeneWatch UK	12,210
George, Andrew	2,000
Grahame, Fiona	5,000
Greater Manchester & District CND	2,000
Hacked Off	42,600
High Pay Centre	5,000
Index on Censorship	7,717
Intern Aware	(8,500)
Labour Campaign for Human Rights	30,833
Liberal Democrat Peers/Lord Tyler	(229)
Liberty	14,665
Manifesto Club Ltd	12,750
MedConfidential	49,563
MoreUnited.uk	7,500
Network for Police Monitoring	21,142
Not Buying It	25,000
Nuclear Information Service	8,605

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Open Rights Group	47,108
OpenDemocracy	24,920
OpenMedia	7,500
Parliament Project	6,700
Parrott, Eluned	6,495
Police Spies Out of Lives	16,130
Quilliam Foundation	33,869
Scottie	5,800
Spiked	20,000
Standing Committee for Youth Justice	3,500
The Constitution Reform Group	60,000
The Guardian	33,335
Twenty-Twenty Project	12,000
Undercover Research Group	7,500
Voice4Victims	23,070
Vote for Policies	6,940
We Own It	5,600
Yorkshire Devolution Movement	7,500
	<hr/>
	903,356
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Total grants

	£
Grants - political purposes	373,910
Grants - non political purposes	903,356
	<hr/>
	1,277,266
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Grants and project expenditure are recognised in the profit and loss account when paid. The directors have authorised a further £1,164,454 (2015: £1,298,439) 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 2016 (2015: £nil).

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Disclosure of information to auditors

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 and the Group'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 and the Group's auditor is aware of that information.

Auditors

The auditors, BHP, Chartered Accountants, 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 31 March 2017 and signed on its behalf.

Tina C Walker
Secretary

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE JOSEPH ROWNTREE REFORM TRUST LIMITED

We have audited the financial statements of The Joseph Rowntree Reform Trust Limited for the year ended 31 December 2016, set out on pages 8 to 30. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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' Section 1A (Small Entities).

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.

Respective responsibilities of Directors and Auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2016 and of the Group's profit or loss 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.

Opinion on other matter 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

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

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE JOSEPH ROWNTREE REFORM TRUST LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Directors' report.

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP, Chartered Accountants

Statutory Auditors

Bathurst House
86 Micklegate
York
Y01 6LQ

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	As restated 2015 £
Turnover		1,449,033	1,404,092
Gross profit		1,449,033	1,404,092
Administrative expenses		(566,483)	(413,841)
Other operating income		32,223	20,500
Operating profit	3	914,773	1,010,751
Gain on sale of investments		310,098	331,773
Interest payable and expenses		(3,000)	(2,911)
Grants paid		(1,277,266)	(1,048,520)
(Loss)/profit before taxation		(55,395)	291,093
Tax on (loss)/profit		(146,195)	(261,998)
(Loss)/profit for the year		(201,590)	29,095
Unrealised surplus on revaluation of fixed asset investments		3,527,535	1,352,083
Actuarial losses on defined benefit pension scheme		(7,000)	(20,000)
Movement of deferred tax relating to investments		(537,697)	142,112
Other comprehensive income for the year		2,982,838	1,474,195
Total comprehensive income for the year		2,781,248	1,503,290
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(201,590)	29,095
		(201,590)	29,095
Total comprehensive income for the year attributable to:			
Owners of the parent Company		2,781,248	1,503,290
		2,781,248	1,503,290

THE JOSEPH ROWNTREE REFORM TRUST LIMITED
REGISTERED NUMBER:00357963

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	As restated 2015 £
Fixed assets			
Tangible assets	6	4,790	3,780
Investments	8	37,304,715	34,035,487
Investment property	7	9,424,633	7,467,577
		<u>46,734,138</u>	<u>41,506,844</u>
Current assets			
Debtors: amounts falling due within one year	10	142,047	988,185
Cash at bank and in hand	11	1,705,437	2,692,818
		<u>1,847,484</u>	<u>3,681,003</u>
Creditors: amounts falling due within one year	12	(346,649)	(273,819)
Net current assets		<u>1,500,835</u>	<u>3,407,184</u>
Total assets less current liabilities		<u>48,234,973</u>	<u>44,914,028</u>
Provisions for liabilities			
Deferred taxation	13	(3,483,076)	(2,945,379)
		<u>(3,483,076)</u>	<u>(2,945,379)</u>
Net assets excluding pension liability		<u>44,751,897</u>	<u>41,968,649</u>
Pension liability	16	(104,000)	(102,000)
Net assets		<u><u>44,647,897</u></u>	<u><u>41,866,649</u></u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED
REGISTERED NUMBER:00357963

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Capital and reserves			
Revaluation reserve		17,433,342	14,923,370
Other reserves		4,606,760	4,606,760
Profit and loss account		22,607,795	22,336,519
Equity attributable to owners of the parent Company		<u>44,647,897</u>	<u>41,866,649</u>
		<u>44,647,897</u>	<u>41,866,649</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 31 March 2017.

Nicholas B Harvey (Sir)
Director

Andrew C Neal
Director

The notes on pages 17 to 30 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED
REGISTERED NUMBER:00357963

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	As restated 2015 £
Fixed assets			
Tangible assets	6	4,790	3,780
Investments	8	37,309,715	34,040,487
		<u>37,314,505</u>	<u>34,044,267</u>
Current assets			
Debtors: amounts falling due within one year	10	1,818,300	988,185
Cash at bank and in hand	11	343,449	2,440,275
		<u>2,161,749</u>	<u>3,428,460</u>
Creditors: amounts falling due within one year	12	(60,873)	(1,098,216)
Net current assets		<u>2,100,876</u>	<u>2,330,244</u>
Total assets less current liabilities		<u>39,415,381</u>	<u>36,374,511</u>
Provisions for liabilities			
Deferred taxation	13	(3,483,076)	(2,945,379)
		<u>(3,483,076)</u>	<u>(2,945,379)</u>
Net assets excluding pension liability		<u>35,932,305</u>	<u>33,429,132</u>
Pension liability	16	(104,000)	(102,000)
Net assets		<u><u>35,828,305</u></u>	<u><u>33,327,132</u></u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED
REGISTERED NUMBER:00357963

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Capital and reserves			
Revaluation reserve		17,433,342	14,923,370
Other reserves		4,606,760	4,606,760
Profit and loss account		13,788,203	13,797,002
		<u>35,828,305</u>	<u>33,327,132</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2017.

Nicholas B Harvey (Sir)
Director

Andrew C Neal
Director

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Revaluation reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2016	14,923,370	4,606,760	22,336,519	41,866,649	41,866,649
Comprehensive income for the year					
Loss for the year	-	-	(201,590)	(201,590)	(201,590)
Actuarial losses on pension scheme	-	-	(7,000)	(7,000)	(7,000)
Surplus on revaluation of other fixed assets	3,527,535	-	-	3,527,535	3,527,535
Deferred tax movement	(537,697)	-	-	(537,697)	(537,697)
Other comprehensive income for the year	2,989,838	-	(7,000)	2,982,838	2,982,838
Total comprehensive income for the year	2,989,838	-	(208,590)	2,781,248	2,781,248
Transfer to/from profit and loss account	(479,866)	-	479,866	-	-
At 31 December 2016	17,433,342	4,606,760	22,607,795	44,647,897	44,647,897

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Revaluation reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2015	14,970,485	4,606,760	20,786,114	40,363,359	40,363,359
Comprehensive income for the year					
Profit for the year	-	-	29,095	29,095	29,095
Actuarial losses on pension scheme	-	-	(20,000)	(20,000)	(20,000)
Surplus on revaluation of other fixed assets	1,352,083	-	-	1,352,083	1,352,083
Deferred tax movement	142,112	-	-	142,112	142,112
Other comprehensive income for the year	1,494,195	-	(20,000)	1,474,195	1,474,195
Total comprehensive income for the year	1,494,195	-	9,095	1,503,290	1,503,290
Transfer to/from profit and loss account	(1,541,310)	-	1,541,310	-	-
At 31 December 2015	14,923,370	4,606,760	22,336,519	41,866,649	41,866,649

The notes on pages 17 to 30 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	14,923,370	4,606,760	13,797,002	33,327,132
Comprehensive income for the year				
Loss for the year	-	-	(481,665)	(481,665)
Actuarial losses on pension scheme	-	-	(7,000)	(7,000)
Surplus on revaluation of other fixed assets	3,527,535	-	-	3,527,535
Deferred tax movement	(537,697)	-	-	(537,697)
Other comprehensive income for the year	2,989,838	-	(7,000)	2,982,838
Total comprehensive income for the year	2,989,838	-	(488,665)	2,501,173
Transfer to/from profit and loss account	(479,866)	-	479,866	-
At 31 December 2016	17,433,342	4,606,760	13,788,203	35,828,305

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	14,970,485	4,606,760	12,185,243	31,762,488
Comprehensive income for the year				
Profit for the year	-	-	90,449	90,449
Actuarial losses on pension scheme	-	-	(20,000)	(20,000)
Surplus on revaluation of other fixed assets	1,352,083	-	-	1,352,083
Deferred tax movement	142,112	-	-	142,112
Other comprehensive income for the year	1,494,195	-	(20,000)	1,474,195
Total comprehensive income for the year	1,494,195	-	70,449	1,564,644
Transfer to/from profit and loss account	(1,541,310)	-	1,541,310	-
At 31 December 2015	14,923,370	4,606,760	13,797,002	33,327,132

The notes on pages 17 to 30 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

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 Memoranda of Association.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets 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.

2.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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.

Depreciation is provided on the following basis:

Office equipment	- Straight line over 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 Consolidated Statement of Comprehensive Income.

2.6 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

2.7 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 Consolidated 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 profit or loss for the period.

2.8 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.

2.9 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. Accounting policies (continued)

2.10 Financial instruments

The Group only enters into basic financial instruments 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.

2.11 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.

2.12 Finance costs

Finance costs are charged to the Consolidated 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.

2.13 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 FRS 102, 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 FRS 102.

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.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated Statement of Comprehensive Income in the year that the Group 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

3. Operating profit

The operating profit is stated after charging:

	2016	<i>As restated</i>
	£	£
Depreciation of tangible fixed assets	1,847	1,273
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	6,465	6,285
Fees payable to the Group's auditor and its associates for the other services	6,785	6,635
Defined contribution pension cost	96,324	28,365

4. Employees

The average monthly number of employees, other than the directors, during the year was 2 (2015 - 2).

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

5. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £481,665 (2015 - profit £90,449).

6. Tangible fixed assets

Group

	Office equipment £
Cost or valuation	
At 1 January 2016	24,789
Additions	2,857
	<hr/>
At 31 December 2016	27,646
	<hr/>
Depreciation	
At 1 January 2016	21,009
Charge for the period on owned assets	1,847
	<hr/>
At 31 December 2016	22,856
	<hr/>
Net book value	
At 31 December 2016	4,790
	<hr/> <hr/>
<i>At 31 December 2015</i>	3,780
	<hr/> <hr/>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

6. Tangible fixed assets (continued)

Company

	Office equipment £
Cost or valuation	
At 1 January 2016	24,789
Additions	2,857
	<hr/>
At 31 December 2016	27,646
	<hr/>
Depreciation	
At 1 January 2016	21,009
Charge for the period on owned assets	1,847
	<hr/>
At 31 December 2016	22,856
	<hr/>
Net book value	
At 31 December 2016	4,790
	<hr/> <hr/>
<i>At 31 December 2015</i>	3,780
	<hr/> <hr/>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7. Investment property

Group

	Freehold investment property £
Valuation	
At 1 January 2016	7,467,577
Additions at cost	1,957,056
At 31 December 2016	9,424,633

The investment properties above were acquired during this and the previous year and are stated at cost. The directors are not aware of any material changes in value since they were acquired.

8. Fixed asset investments

Group

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2016	31,038,479	2,997,008	34,035,487
Additions	1,757,005	-	1,757,005
Disposals	(2,015,312)	-	(2,015,312)
Revaluations	4,415,215	(887,680)	3,527,535
At 31 December 2016	<u>35,195,387</u>	<u>2,109,328</u>	<u>37,304,715</u>
Net book value			
At 31 December 2016	<u>35,195,387</u>	<u>2,109,328</u>	<u>37,304,715</u>
At 31 December 2015	<u>31,038,479</u>	<u>2,997,008</u>	<u>34,035,487</u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
Cost or valuation				
At 1 January 2016	5,000	31,038,479	2,997,008	34,040,487
Additions	-	1,757,005	-	1,757,005
Disposals	-	(2,015,312)	-	(2,015,312)
Revaluations	-	4,415,215	(887,680)	3,527,535
At 31 December 2016	<u>5,000</u>	<u>35,195,387</u>	<u>2,109,328</u>	<u>37,309,715</u>
Net book value				
At 31 December 2016	<u>5,000</u>	<u>35,195,387</u>	<u>2,109,328</u>	<u>37,309,715</u>
<i>At 31 December 2015</i>	<u>5,000</u>	<u>31,038,479</u>	<u>2,997,008</u>	<u>34,040,487</u>

The market value of listed investments at 31 December 2016 was £35,195,387 (2015: £31,038,479).

The historic cost of listed investments is £15,242,206 (2015: £14,920,708) and unlisted investments is £1,246,039 (2015: £1,146,091). 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 2016, where no market value is readily available amounts to £5,002 (2015: £5,002).

The tax charge, should the investments be sold at this value, would be £3,483,076 (2015: £2,945,379).

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

9. Principal subsidiaries and associates

a. Principal subsidiaries

Name	Country of incorporation	Percentage Shareholding	Principal activity
JRRT (Investments) Ltd	United Kingdom	100 %	Dormant
JRRT (Properties) Ltd	United Kingdom	100 %	Property Letting

b. Principal associates

Name	Country of incorporation	Percentage Shareholding	Principal activity
VisionOntv	United Kingdom	26 %	TV and Media

	Aggregate of share capital and reserves £	Profit/(loss) £
JRRT (Investments) Ltd	5,000	-
JRRT (Properties) Ltd	8,819,592	280,075
	<u>8,824,592</u>	<u>280,075</u>

10. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	40,032	-	-	-
Amounts owed by group and associated undertakings	70,038	21,617	1,786,323	21,617
Other debtors	30,255	964,876	30,255	964,876
Prepayments and accrued income	1,722	1,692	1,722	1,692
	<u>142,047</u>	<u>988,185</u>	<u>1,818,300</u>	<u>988,185</u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. Debtors (continued)

Amounts owed by related undertakings relates to a loan of £70,038 (2015: £21,617) in respect of The JRSST Charitable Trust which is an associated charity.

11. Cash and cash equivalents

	Group 2016	<i>Group 2015</i>	Company 2016	<i>Company 2015</i>
	£	£	£	£
Cash at bank and in hand	1,705,437	2,692,818	343,449	2,440,275
	<u>1,705,437</u>	<u>2,692,818</u>	<u>343,449</u>	<u>2,440,275</u>

12. Creditors: Amounts falling due within one year

	Group 2016	<i>Group 2015</i>	Company 2016	<i>Company 2015</i>
	£	£	£	£
Amounts owed to group undertakings	-	-	5,000	947,264
Corporation tax	71,319	114,874	-	92,348
Taxation and social security	25,924	31,749	6,176	3,218
Other creditors	240,350	110,687	40,641	38,877
Accruals and deferred income	9,056	16,509	9,056	16,509
	<u>346,649</u>	<u>273,819</u>	<u>60,873</u>	<u>1,098,216</u>

13. Deferred taxation

Group

	2016 £
At beginning of year	(2,945,379)
Charged to other comprehensive income	(537,697)
At end of year	<u><u>(3,483,076)</u></u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Deferred taxation (continued)

Company

	2016 £
At beginning of year	(2,945,379)
Charged to other comprehensive income	(537,697)
At end of year	(3,483,076)

	Group 2016 £	Company 2016 £
Investments	(3,483,076)	(3,483,076)
	<u>(3,483,076)</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 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 £1,164,454 (2015: £1,298,439) 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 2016 (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

16. Pension commitments

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. 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 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 2016 to 31 October 2029 of £624 payable monthly and increasing by 3% on 1st April each year, and of £615 monthly prior to 1 April 2016. 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 1.9%. The unwinding of the discount rate is recognised as a finance cost.

Reconciliation of present value plan liabilities

	2016	<i>As restated</i>
	£	2015
		£
At the beginning of the year	(102,000)	(86,000)
Contributions	8,000	6,000
Interest cost	(3,000)	(2,000)
Actuarial gains/losses	(7,000)	(20,000)
At the end of the year	<u>(104,000)</u>	<u>(102,000)</u>

17. Related party transactions

The group received management charges of £31,000 (2015: £20,500) and incurred £26,032 (2015: £27,889) 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 management expenses.

At the year end the group was owed £70,038 (2015: £21,617) by The JRSST Charitable Trust.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

18. First time adoption of FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2015

	Note	Group £	Company £
Equity at 1 January 2015 under previous UK GAAP		43,536,850	34,935,979
Provision for pension deficit		(86,000)	(86,000)
Provision for deferred tax on investments		(3,087,491)	(3,087,491)
Equity shareholders funds at 1 January 2015 under FRS 102		40,363,359	31,762,488

Reconciliation of equity at 31 December 2015

	Note	Group £	Company £
Equity at 31 December 2015 under previous UK GAAP		44,914,028	36,374,511
Provision for pension deficit		(102,000)	(102,000)
Provision for deferred tax on investments		(2,945,379)	(2,945,379)
Equity shareholders funds at 31 December 2015 under FRS 102		41,866,649	33,327,132

Reconciliation of profit and loss account for the year ended 31 December 2015

		Group £	Company £
Profit for the year under previous UK GAAP		25,095	86,449
Pension deficit contributions		6,000	6,000
Finance cost of pension deficit provision		(2,000)	(2,000)
Profit for the year ended 31 December 2015 under FRS 102		29,095	90,449

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

18. First time adoption of FRS 102 (continued)

The following were changes in accounting policies arising from the transition to FRS 102:

. **Pension deficit provision**

Under FRS 102 where an entity has been advised of future deficit contributions on a defined benefit multi-employer pension scheme these must be recognised within the balance sheet and then discounted. Under previous GAAP these did not have to be recognised.

. **Deferred tax**

Under FRS 102 deferred taxation must be recognised on assets that have previously been revalued and continue to be carried at a revalued amount. An adjustment has been made in respect of deferred taxation on transition.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

DETAILED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

CONSOLIDATED DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	<i>As restated</i> 2015 £
Turnover		1,449,033	1,404,092
Gross profit		<u>1,449,033</u>	<u>1,404,092</u>
Other operating income		<u>32,223</u>	<u>20,500</u>
Less: overheads			
Administration expenses		(566,483)	(413,841)
Operating profit		<u>914,773</u>	<u>1,010,751</u>
Interest payable		(3,000)	(2,911)
Grants paid		(1,277,266)	(1,048,520)
Gain on the sale of investments		310,098	331,773
(Loss)/Profit for the year		<u>(55,395)</u>	<u>291,093</u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	<i>As restated</i>
	£	2015
		£
Turnover		
Property rental income	469,172	195,029
Interest receivable	18,361	38,912
Investment income - Domestic	876,751	1,020,453
Investment income - Rest of world	84,749	149,698
	<u>1,449,033</u>	<u>1,404,092</u>
	<u><u>1,449,033</u></u>	<u><u>1,404,092</u></u>
	2016	<i>As restated</i>
	£	2015
		£
Other operating income		
Management charges receivable - The JRSST Charitable Trust	31,000	20,500
Commissions receivable	1,223	-
	<u>32,223</u>	<u>20,500</u>
	<u><u>32,223</u></u>	<u><u>20,500</u></u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	<i>As restated</i> 2015 £
Administration expenses		
Staff salaries	111,500	99,235
Staff national insurance	9,752	9,281
Staff pension costs - defined contribution schemes	96,324	28,365
Directors travelling and meetings expenses	12,699	11,947
Staff costs	5,028	5,293
Recruitment expenses	52,578	-
Travelling and meeting expenses	22,036	22,696
Investment management fees	112,738	106,080
Printing and stationery	3,078	2,961
Telephone and internet	4,240	4,160
Computer costs	6,615	7,043
Trust events	2,462	6,205
Review meeting	-	4,097
Legal and professional	45,873	27,316
Grants and project advice	38,745	34,755
Auditors' remuneration	6,465	6,285
Accountancy fees	7,217	7,065
Bank charges	263	165
Sundry expenses	991	1,108
Premises expenses	15,381	17,238
Rent	10,651	10,651
Depreciation - office equipment	1,847	1,273
Profit/loss on sale of tangible assets	-	622
	<u>566,483</u>	<u>413,841</u>
Interest payable		
Bank loan interest payable	-	911
Other interest - on defined benefit liability	3,000	2,000
	<u>3,000</u>	<u>2,911</u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	<i>As restated</i> 2015 £
Grants paid		
Grants paid out for non-political purposes	903,356	714,342
Grants paid out for political purposes	373,910	334,178
	<u>1,277,266</u>	<u>1,048,520</u>
	<u>1,277,266</u>	<u>1,048,520</u>
	2016 £	<i>As restated</i> 2015 £
Investment income		
Profit/loss on disposal of investments	310,098	331,773
	<u>310,098</u>	<u>331,773</u>
	<u>310,098</u>	<u>331,773</u>