

Company number: 00357963

# The Joseph Rowntree Reform Trust Limited

Report and financial statements  
For the year ended 31 December 2023



# The Joseph Rowntree Reform Trust Limited

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### For the year ended 31 December 2023

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# The Joseph Rowntree Reform Trust Limited

## Reference and administrative details

For the year ended 31 December 2023

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| <b>Status</b>                                    | The organisation is a company limited by guarantee, incorporated on 30 November 1939.  |
| <b>Company number</b>                            | 00357963   |
| <b>Registered office and operational address</b> | The Garden House<br>Water End<br>York<br>YO30 6WQ  |
| <b>Directors</b>                                 | Andrew C Neal, Chair<br>Sal V Brinton (Baroness)<br>Roger Clarke<br>Amy Dalrymple<br>Alison R Goldsworthy<br>Duncan Hames (appointed 8 December 2023)<br>Julian L Huppert<br>Benjamin Lyons<br>Susan L Mendus<br>Imran Sanaullah (appointed 8 December 2023)<br>Saba Shafi (appointed 8 December 2023)<br>Lisa Smart<br>Fionna Tod |
| <b>Company secretary</b>                         | Elizabeth F Elsworth   |
| <b>Chief Executive</b>                           | Fiona Weir   |
| <b>Bankers</b>                                   | Unity Trust Bank Plc<br>Nine Brindleyplace<br>Birmingham B1 2HB  |
| <b>Investment managers</b>                       | Rathbone Greenbank<br>10 Queen Square<br>Bristol BS1 4NT   |
| <b>Legal advisors</b>                            | Stone King LLP<br>Boundary House<br>91 Charterhouse St<br>London EC1M 6HR  |
| <b>Auditor</b>                                   | Sayer Vincent LLP<br>Chartered Accountants and Statutory Auditor<br>110 Golden Lane<br>London EC1Y 0TG   |

# **The Joseph Rowntree Reform Trust Limited**

## **Directors' annual report**

**For the year ended 31 December 2023**

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The Directors present their report and the audited financial statements for the year ended 31 December 2023.

## **Principal activities and review**

### **What we do**

The Joseph Rowntree Reform Trust 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 and speak truth to power. The Trust is a limited company paying tax on its income, and is not a charity.

### **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 strategic changes in the political system, making it more accountable, democratic and transparent and to rebalance power for the well-being of society.

## **Summary of achievements 2023**

### **1. Strategy**

Democratic and political reform continues to be strategic focus of the Trust. In the year before an anticipated General Election, and the possibility of new opportunities opening in the event of a change of government, Trust expenditure on grants and projects reached its highest level at just over £2.5m. This was possible due to the Board decision in 2021 to increase the drawdown rate from its investments to enable JRRT to fund both a higher rate of grant expenditure at a crucial period for democracy, and the tax impact of implementing changes to its ethical investment policy.

In 2023, specific opportunities for influence included the Labour Party National Policy Forum process, the Welsh government consultation on the electoral administration and reform White Paper, the Levelling Up Committee Electoral Registration Inquiry, the Covid Inquiry and the implementation of the Election Act 2022, introducing Voter ID provisions for the first time in the May local elections, at which concerns that voters would be disenfranchised appeared well founded.

# The Joseph Rowntree Reform Trust Limited

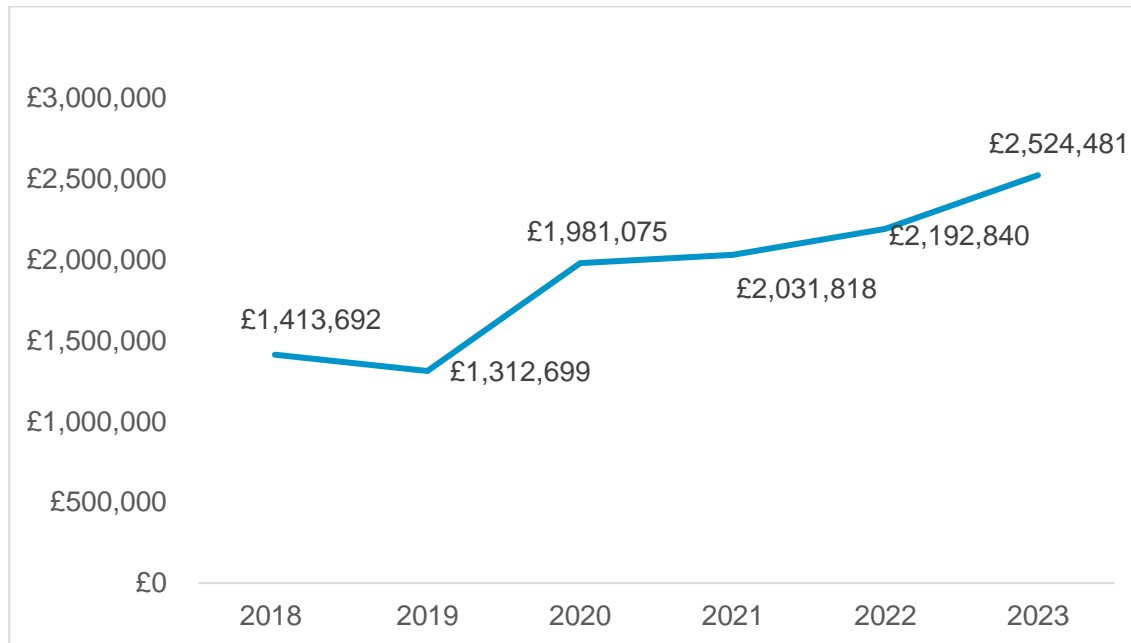
## Directors' annual report

### For the year ended 31 December 2023

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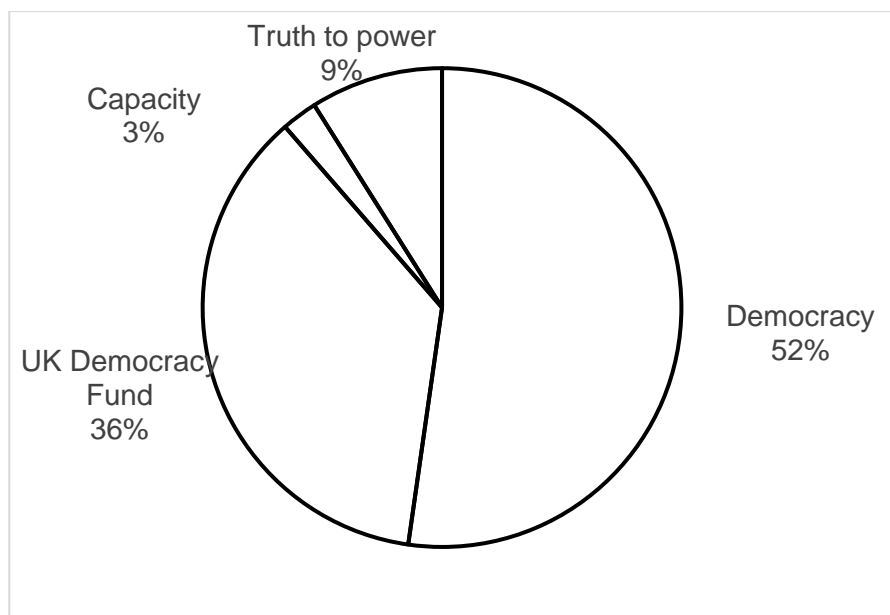
As can be seen from the chart below, grant and project spend since the Board agreed the current strategy in 2018 continues to grow, exceeding £2.5 million in 2023.

#### Grant and project spend JRRT and UK Democracy Fund 2018-23



#### New grant commitments 2023

Democracy grants remained the primary focus at 52% of spend, up to 88% with inclusion of UK Democracy Fund grants. This includes both new commitments and three democracy grants extended to 2025.



# The Joseph Rowntree Reform Trust Limited

## Directors' annual report

For the year ended 31 December 2023

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### 2. Grant-making and grantee achievements

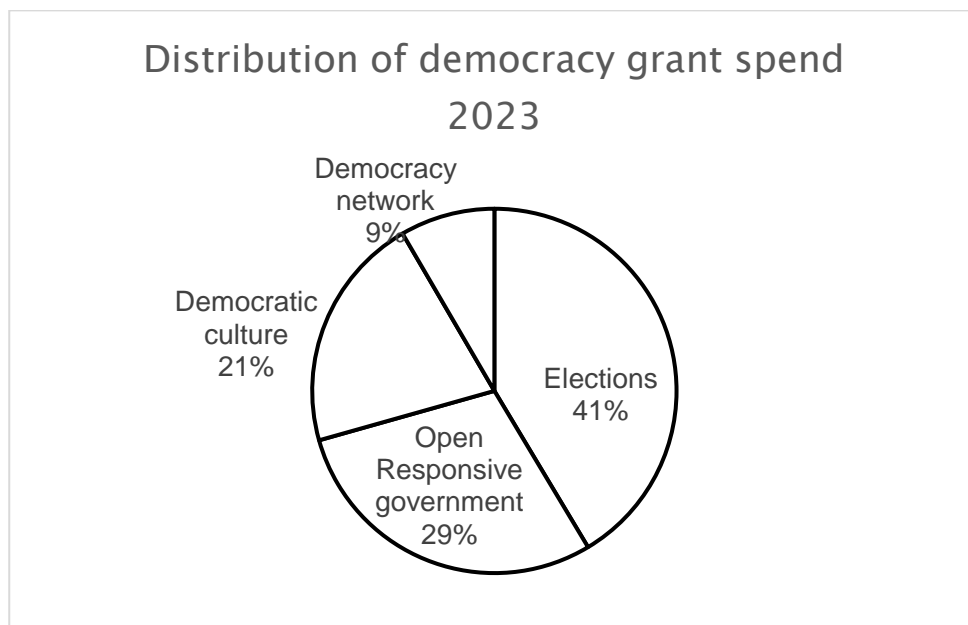
In 2023, new grant commitments were for democratic and political reform (£1.07m), the UK Democracy Fund (£901k), Truth to Power (£222k) and capacity (£60k). Additionally, three existing democracy grants (£228k) were extended into 2025.

In 2023, the Trust paid out a total of £2.51m in grants and approved £2.48m of expenditure for new grants (up 14% on 2022). A total of 43 new grants were agreed, up from 38 in 2022.

Grant commitments of £2.2m were agreed by the Board for 36 grants at quarterly Board meetings or by using the rapid response procedure. 64% of applications were agreed, 63% by value. The average grant size was £60,950 down 1% on 2022.

During 2023 the Board decided to increase the maximum amount for small grant applications, which are considered between quarterly meetings, from £7,500 to £10,000, to reflect the impact of inflation. There were eight small grant applications, seven of which were approved to a value of £55,725.

#### Democracy grants



Elections: ensuring that citizens' votes count, turnout is high, and elections are fair, with proportional representation introduced, remain priorities in the run up to the General Election. Ten new grants to a value of £536k were approved in 2023 accounting for 41% of democracy spend:

# The Joseph Rowntree Reform Trust Limited

## Directors' annual report

### For the year ended 31 December 2023

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Open and responsive democracy: in which executive power is checked by an effective parliament, and power is devolved to the nations, regions and communities: ten grants with a total value of £379k were approved accounting for 29% of democracy spend.

Thriving democratic culture: with respect for diversity, collaboration, informed public debate and participation: eight grants with a total value of £271k were approved, accounting for 21% of democracy spend.

Three grant extensions for existing democracy grantees were agreed, incorporated in the above, including one for the Democracy Network, and one further capacity grant.

#### Truth to Power grants

Six grants with a total value of £222k were approved.

JRRT has committed to an annual audit of grants to track progress on increasing spend that strengthens racial justice. In 2023, JRRT's audit of grants shows:

#### All grants

- 12 grants (26% of grants awarded) to a value of £440,076 (18% of grant expenditure) were designed to benefit black or ethnic minority communities.
- Ten grants (22%) to a value of £489,822 (20%) were to organisations with a majority of board and senior staff from black, Asian or minority ethnic groups.
- All categories were up compared to 2022.

#### JRRT

- Eight grants (22%) by JRRT to a value of £294,964 (19%) were designed to benefit black or ethnic minority communities,
- Five grants (14%) to a value of £205,100 (13%) were to organisation with a majority of board and senior staff from black, Asian or minority ethnic groups.

#### UK Democracy Fund

- Four of the ten UK Democracy Fund grants (40%) with a value of £145,112 (16%) were designed to benefit black, Asian or ethnic minorities.
- Five grants (50%) with a value of £284,722 (32%) were to organisations with a majority of board and senior staff from black, Asian or minority ethnic groups.

These are significant increases on 2022.

JRRT publishes details of all grants made on the JRRT website and with 360Giving, which supports organisations to publish their grants data in an open, standardised way. A detailed breakdown of grants is included in note 4 of the accounts.

# The Joseph Rowntree Reform Trust Limited

## Directors' annual report

For the year ended 31 December 2023

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### 3. JRRT Projects

#### UK Democracy Fund

The UK Democracy Fund brings together charitable and non-charitable funders to work for a healthy democracy in which everyone can participate and political power is shared fairly.

The UK Democracy Fund is a pooled Fund combining JRRT resources with third-party donations. It consists of an earmarked budget within the overall grant-giving programme described in these accounts.

The Fund operates on a non-partisan basis, with all decisions taken by the JRRT Board. Commitments to the Fund in 2023 totalled £717,500 of which £250,000 (35%) was from JRRT plus a further £394,798 carried forward from the previous year. Expenditure commitments in the year were £1,078,887 (2022: £641,087) (of which 84% was for grants, as detailed in the notes below). JRRT ensures that charitable funds are used solely for charitable purposes and that all funds are allocated in line with electoral law.

The Fund has three broad goals: a voting system fit for the 21st century; securing voting rights for 16- and 17-year-olds and settled UK residents from overseas; and increasing participation in elections by people from low-voting groups, registering one million new voters ahead of the General Election.

Key activities in 2023 included:

- Refreshing the Fund's plan and funding framework, and making ambitious grants to scale up work to increase voter registration and turnout amongst low-voting demographics such as renters, young people and ethnic minorities as well as three smaller pilots to learn more about mobilising the Black community.
- A grant to Citizens UK to mobilise civil society and corporate organisations to join an accredited Voter Champion campaign, and get their audiences registered and voting.
- Building on research commissioned in 2022, funding Purpose Union to deliver a campaign encouraging Universities to work with Local Authorities to auto-enrol students onto the electoral register.
- Funding a campaign to progress the case for Votes at 16 in Northern Ireland.
- Working with Politics Project to bring together more than 50 youth and democracy organisations at an event to explore why youth engagement in elections matters, and to understand and map the sector.



# The Joseph Rowntree Reform Trust Limited

## Directors' annual report

### For the year ended 31 December 2023

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- Developing resources to support voter participation initiatives including a guide to How to Count registrations to enable grantees to evaluate their impact. Additionally, promoting the Generation Rent Data Hub which will allow voter participation campaigns to better target their resources by identifying areas of low voter registration.
- Building support for automated voter registration, including by giving evidence to the Levelling Up, Housing and Communities Parliamentary Committee as part of their enquiry into electoral registration.
- Building our community of funders, welcoming the John Ellerman Foundation.

#### Democracy Network

Strengthening democracy sector capacity and collaboration continues to be a priority, reflected in JRRT's continuing support for the Democracy Network. Following a review of its second year of activity, the Board agreed to extend the current grant into mid-2025.

#### Foundation Transparency, Diversity and Accountability Ratings

JRRT continues to contribute to a three-year project, led by Friends Provident Foundation, to rate Trusts and Foundations on how diverse, transparent, and accountable they are.

In Year 2, JRRT's overall rating remains unchanged but we have improved numerical scores on accountability and diversity, the former enough to take us over a grade boundary, the latter not enough to do so.

|        | <b>Diversity</b> | <b>Accountability</b> | <b>Transparency</b> | <b>Overall rating</b> |
|--------|------------------|-----------------------|---------------------|-----------------------|
| Year 2 | C                | B                     | A                   | B                     |
| Year 1 | C                | C                     | A                   | B                     |

#### Events

JRRT organised an event in London in June for over 50 democracy grantees with speakers from IPPR and Labour Together on public attitudes to democracy and how to influence the Labour party on democratic reform, and from the Democracy Network and grantees on sector capacity and collaboration. We also organised a fringe meeting at the Liberal Democrats spring conference in York, bringing together grantees Big Brother Watch, Connected by Data and Foxglove Legal. Chaired by Director Lisa Smart, the panel,

# The Joseph Rowntree Reform Trust Limited

## Directors' annual report

### For the year ended 31 December 2023

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consisting of Silkie Carlo, Jeni Tennison and Martha Dark, discussed the impact of Artificial Intelligence on democracy.

#### David and Goliath Award

The Sheila McKechnie Foundation's David and Goliath Award, part of the National Campaigner Awards, is sponsored by JRRT and reflects one of our key aims: to strengthen the hand of small organisations speaking truth to power. The 2023 winners were Power for People for The Community Energy Revolution campaign. The campaign co-ordinated grassroots advocacy across the UK for the Local Electricity Bill which, if enacted, would empower community energy schemes to sell their clean energy back to their community. The Award has been dedicated in memoriam to Lord David Shutt.

#### Influencing

JRRT and the UK Democracy Fund have been actively engaged with key stakeholders on democracy issues from meeting the Chair of the Electoral Commission to giving oral evidence at the Levelling Up Committee Electoral Registration Inquiry to submitting evidence to the Welsh Government consultation on electoral administration and reform.

#### Electoral and charity law

JRRT has worked with Stone King and democracy campaigners to improve understanding of electoral and charity law as it affects democracy organisations, particularly those campaigning for reform or engaged in non-partisan voter registration or collaborating on campaigns.

#### Archives

The catalogue for the JRRT archive materials now held at the Borthwick Institute for Archives at the University of York was published in July 2023. It is searchable online.

## Financial performance

### Financial performance

Income for the year increased by £277k to £2.93 million (2022: £2.66 million). This included a dividend of £1.38 million from JRRT (Properties) Limited, a subsidiary of the Trust. The Trust's investment portfolio continued to hold up well against ongoing market volatility in 2023, and dividend income increased by £6.3k to £1.032 million in comparison to £1.026 million in 2022 (0.6%).

# The Joseph Rowntree Reform Trust Limited

## Directors' annual report

### For the year ended 31 December 2023

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Grants of £2.52 million were committed in 2023 (2022: £2.18 million), with £2.51 million paid out during the year (2022: £1.49 million).

Non-grant and project expenditure increased by £449k (65%) in 2023 to £1.14 million (2022: £689k). £167k of the additional expenditure (37%) was payment of corporation tax liabilities relating to adjustments to prior years' tax calculations. Higher professional fees were also incurred during 2023 due to the appointment of BDO LLP to act as tax advisers for the Trust. Additionally, higher staff costs were incurred in the year, following the expansion of the office team from four to six employees in late 2022. Finally, £74k of currency exchange loss was incurred on movements within the investment portfolio's capital accounts during the year. The Trust also made a small gain of £37k on disposals of listed investments during the year (2022: loss on disposal of £1.14 million).

The Trust had a net loss for the year of £708k (2022: £6.4 million) and closing reserves of £38.1 million (2022: £38.8 million).

### Investment policy

The Trust's approach has been to invest for long-term growth with suitable diversification, including property that provides an annual income to meet the Trust's continued grant-making.

In October 2021, the Board decided to increase the drawdown rate of 4% up to an estimated 7% to cover the cost of funding both a higher rate of grant expenditure and the tax impact of implementing changes to the ethical investment policy within a three-year period, after which the rate is anticipated to drop to 5%. These policies will be reviewed as part of the 2024 strategy process.

The Trust's investment managers continued to make progress in 2023 on the realignment of the investment portfolio against the revised ethical investment policy. The proportion of holdings unaligned with the ethical investment policy is now 22.6% (2022: 27.8%).

### 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. The Board has a maximum of ten Directors, recruited through an open process. Directors take part in a full induction day. The Board has a Finance Committee and a Nominations Committee.

In 2023, the Board decided to expand the size of the Board on a temporary basis to enable appointment of new Directors, aiming to improve Board diversity and to secure a new Chair

# **The Joseph Rowntree Reform Trust Limited**

## **Directors' annual report**

### **For the year ended 31 December 2023**

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of Finance Committee. Green Park was contracted to support the recruitment process and the Board approved the appointment of three new Directors in December.

Day-to-day management of the Trust is the responsibility of the paid Chief Executive, who reports to the Board of Directors, and is supported by a small staff team that includes a full-time Programme Manager, Head of UK Democracy Fund, Grants and Learning Manager, and part-time Finance Manager and Administrator.

JRRT is committed to publishing Board diversity data. The Board up until December was constituted as follows:

- Gender: 60% of Directors are female, higher than the national population (51%) Census 2021 data.
- Ethnicity: All Directors are white. The Board recognises it is not representative of the population in which 18% identified themselves as a Black, Asian, Mixed or Other ethnic group in the 2021 Census
- Disability: 20% of Directors reported a disability, slightly higher than the national data as per the 2021 Census, which reported 18% of the population as disabled.

The audit will be updated in 2024 to include the three new appointments.

## **Risk management**

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

## **Responsibilities of the Directors**

The Directors are responsible for preparing the Directors' annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss of the company for that period.

# The Joseph Rowntree Reform Trust Limited

## Directors' annual report

### For the year ended 31 December 2023

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the Directors confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditor is unaware. Each of the Directors also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditor.

#### **Auditor**

Sayer Vincent LLP was appointed as the company's auditor during the year and has expressed its willingness to continue in that capacity.

The Directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Directors on 5 April 2024 and signed on their behalf by



[E. F. Elsworth](#)

Elizabeth Elsworth  
Company Secretary

## **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 2023 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 and of its loss for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 UK, including the FRC'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Joseph Rowntree Reform Trust Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Independent auditor's report**

**To the members of**

**The Joseph Rowntree Reform Trust Limited**

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### **Other information**

The other information comprises the information included in the directors' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' annual 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' annual 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' annual report and from the requirement to prepare a strategic report.

## **Independent auditor's report**

**To the members of**

**The Joseph Rowntree Reform Trust Limited**

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### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities set out in the directors' annual report, 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.

### **Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

### **Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and directors, which included obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.



## **Independent auditor's report**

### **To the members of**

### **The Joseph Rowntree Reform Trust Limited**

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- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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,

## Independent auditor's report

To the members of

**The Joseph Rowntree Reform Trust Limited**

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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.

*Sayer Vincent LLP*

Jonathan Orchard (Senior statutory auditor)

12 September 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

The Joseph Rowntree Reform Trust Limited

Statement of Comprehensive Income

For the year ended 31 December 2023

|  | Note | 2023<br>Total<br>£ | 2022<br>Total<br>£ |
|--|------|--------------------|--------------------|
| Turnover   | 2    | 1,032,455          | 1,026,139          |
| <b>Gross profit</b>                                      |      | <b>1,032,455</b>   | <b>1,026,139</b>   |
| Administrative expenses                                  |      | (1,137,841)        | (698,712)          |
| Other operating income                                   |      | 525,916            | 448,000            |
| <b>Operating profit</b>                                  | 3    | <b>420,530</b>     | <b>775,427</b>     |
| Income from shares in group undertakings                 |      | 1,375,000          | 1,186,500          |
| Gains/Losses on disposal of fixed assets investments     |      | 36,920             | (1,138,227)        |
| Gains/Losses on fixed asset investments                  |      | 90,915             | (7,640,944)        |
| Grants payable   | 4    | (2,505,839)        | (2,145,747)        |
| <b>Losses before tax</b>                                 |      | <b>(582,474)</b>   | <b>(8,962,991)</b> |
| Tax on profit  | 8    | (125,487)          | 2,553,261          |
| <b>Losses for the financial year</b>                     |      | <b>(707,961)</b>   | <b>(6,409,730)</b> |
| <b>Other comprehensive income for the year</b>           |      |                    |                    |
| Actuarial gains/losses on defined benefit pension scheme |      | -                  | 9,421              |
| <b>Other comprehensive income for the year</b>           |      | <b>-</b>           | <b>9,421</b>       |
| <b>Total comprehensive income for the year</b>           |      | <b>(707,961)</b>   | <b>(6,400,309)</b> |

## Balance sheet

Registered Company no. 00357963

As at 31 December 2023

|  | Note | £              | 2023<br>£          | £                | 2022<br>£          |
|--|------|----------------|--------------------|------------------|--------------------|
| <b>Fixed assets:</b>                           |      |                |                    |                  |                    |
| Tangible assets                                | 9    |                | 2,418              |                  | 3,755              |
| Investments                                    | 10   |                | 43,279,273         |                  | 44,161,997         |
|  |      |                | <b>43,281,691</b>  |                  | <b>44,165,752</b>  |
| <b>Current assets:</b>                         |      |                |                    |                  |                    |
| Debtors: amounts falling due within one year   | 11   | 12,282         |                    | 80,382           |                    |
| Cash at bank and in hand                       |      | 677,282        |                    | 1,133,341        |                    |
|  |      | <b>689,564</b> |                    | <b>1,213,723</b> |                    |
| <b>Liabilities:</b>                            |      |                |                    |                  |                    |
| Creditors: amounts falling due within one year | 12   | (2,604,239)    |                    | (2,888,603)      |                    |
| <b>Net current assets / (liabilities)</b>      |      |                | <b>(1,914,675)</b> |                  | <b>(1,674,880)</b> |
| <b>Total assets less current liabilities</b>   |      |                | <b>41,367,016</b>  |                  | <b>42,490,872</b>  |
| Creditors: amounts falling due after one year  | 14   |                | (127,922)          |                  | (533,300)          |
| <b>Provisions for liabilities:</b>             |      |                |                    |                  |                    |
| Deferred tax                                   | 16   |                | (3,104,296)        |                  | (3,114,813)        |
| <b>Total net assets / (liabilities)</b>        |      |                | <b>38,134,798</b>  |                  | <b>38,842,759</b>  |
| <b>Capital and reserves</b>                    |      |                |                    |                  |                    |
| Revaluation reserve                            |      |                | 13,437,366         |                  | 13,346,451         |
| Other reserves                                 |      |                | 4,606,760          |                  | 4,606,760          |
| Profit and loss account                        |      |                | 20,090,672         |                  | 20,889,548         |
| <b>Total reserves</b>                          |      |                | <b>38,134,798</b>  |                  | <b>38,842,759</b>  |

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Approved by the directors on 5 April 2024 and signed on their behalf by

*Andrew Neal*

Andrew Neal

Andrew C Neal, Chair  
Director

The Joseph Rowntree Reform Trust Limited

Statement of Changes in Equity

For the year ended 31 December 2023

|  | Revaluation<br>reserve | Other<br>reserves | Profit and<br>loss account | Total equity |
|--|------------------------|-------------------|----------------------------|--------------|
|  | £                      | £                 | £                          | £            |
| <b>At 1 January 2022</b>                       | 23,628,319             | 4,606,760         | 17,007,989                 | 45,243,068   |
| <b>Comprehensive income for the year</b>       |                        |                   |                            |              |
| Profit for the year                            | -                      | -                 | (6,409,730)                | (6,409,730)  |
| Actuarial gains on pension scheme              | -                      | -                 | 9,421                      | 9,421        |
| <b>Other comprehensive income for the year</b> | -                      | -                 | 9,421                      | 9,421        |
| Transfer to/from profit and loss account       | (10,281,868)           | -                 | 10,281,868                 | -            |
| <b>At 1 January 2023</b>                       | 13,346,451             | 4,606,760         | 20,889,548                 | 38,842,759   |
| <b>Comprehensive income for the year</b>       |                        |                   |                            |              |
| Losses for the year                            | -                      | -                 | (707,961)                  | (707,961)    |
| <b>Other comprehensive income for the year</b> | -                      | -                 | (707,961)                  | (707,961)    |
| Transfer to/from profit and loss account       | 90,915                 | -                 | (90,915)                   | -            |
| <b>At 31 December 2023</b>                     | 13,437,366             | 4,606,760         | 20,090,672                 | 38,134,798   |

Notes to the financial statements

For the year ended 31 December 2023

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**1 Accounting policies**

**a) Statutory information**

The Joseph Rowntree Reform Trust Limited is a company limited by guarantee and is incorporated in England and Wales. The registered office address 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.

**b) Basis of preparation**

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

**c) Going concern**

The directors consider that there are no material uncertainties about the company's ability to continue as a going concern, as they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

**d) Revenue**

Dividend income comes in the form of dividends from external sources and dividends from group companies. Turnover represents the dividends receivable from fixed assets investments held by the Company.

As the principal activity of the Company is considered to be that of holding investments which generate income to meet its operating costs and distribute grant funding, dividend income is considered to be the income that arises in the course of the ordinary activities of the entity and is shown within turnover.

The income from dividends and interest is recognised once the company's right to receive payment is established. Dividend income is recognised net of all relevant taxation.

Other operating income represents management charges receivable and voluntary donations and is recognised in the period in which it relates.

**e) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**f) Tangible fixed assets**

Tangible fixed assets under the cost model are stated in 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

Notes to the financial statements

For the year ended 31 December 2023

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**1 Accounting policies (continued)**

**g) 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 profit or loss for the period.

**h) 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.

**i) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**j) Creditors**

Short term trade 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.

**k) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**l) Finance costs**

Finance costs are charged to profit or loss 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.

**m) Pensions**

The Company participates in the 'TPT Retirement Solution – Scottish Voluntary Sector Pension Scheme', a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined 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.

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.

**n) 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.

**o) Funding commitments**

Liabilities are recognised 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.

Liabilities 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 prepayments are eventually made, they are charged to the liabilities carried in the Balance Sheet.

Commitments that are performance related are recognised when those performance related conditions are met.

Notes to the financial statements

For the year ended 31 December 2023

**1 Accounting policies (continued)**

**p) Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

**q) Critical accounting estimates and areas of judgement**

The company 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 liability

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.

(ii) Deferred tax

The provision for deferred tax represents the directors' best estimate of the future cost to the company due in relation to future gains on sale of investments. The estimate takes into account the current level of unrealised gains on investments at the substantially enacted corporation tax rate at the reporting date. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax will increase to 25%. As a result of this, deferred tax has been calculated using this enacted rate on all potential chargeable gains.

**2 Turnover**

Turnover is attributable to the principal activity of the company.

**3 Profit before tax is stated after charging:**

This is stated after charging:

|   | <b>2023</b>   | 2022   |
|---|---------------|--------|
|   | £             | £      |
| Depreciation of tangible fixed assets   | <b>1,337</b>  | 1,962  |
| Auditor's remuneration (excluding VAT): |               |        |
| Audit                                   | <b>10,100</b> | 9,100  |
| Other services                          | <b>2,600</b>  | 3,600  |
| Defined contribution pension cost       | <b>70,099</b> | 51,093 |



Notes to the financial statements

For the year ended 31 December 2023

4 Analysis of grants payable

| Grantee  | Brought forward<br>£ | Payment conditions now met and committed in 2023<br>£ | Paid during 2023<br>£ | Cancelled/<br>adjusted<br>£ | Carried forward<br>£ |
|--|----------------------|---|-----------------------|-----------------------------|----------------------|
| Act Now  | -                    | 45,368  | (5,671)               | -                           | 39,697               |
| After Exploitation                               | -                    | 39,356  | (19,678)              | -                           | 19,678               |
| Alliance for Choice                              | -                    | 44,910  | (7,485)               | -                           | 37,425               |
| Best for Britain                                 | 45,000               | -   | (45,000)              | -                           | -                    |
| Big Brother Watch                                | 85,801               | -   | (57,201)              | -                           | 28,600               |
| Black Equity Organisation                        | -                    | 75,000  | -                     | -                           | 75,000               |
| British in Europe                                | 37,500               | -   | (37,500)              | -                           | -                    |
| Campaign for Freedom of Information              | 40,000               | -   | (40,000)              | -                           | -                    |
| Can't Buy My Silence                             | -                    | 50,000  | (25,000)              | -                           | 25,000               |
| Centenary Action Group                           | 23,960               | 48,364  | (48,142)              | -                           | 24,182               |
| Center for Countering Digital Hate               | -                    | 60,000  | (15,000)              | -                           | 45,000               |
| Common Knowledge                                 | -                    | 56,000  | (28,000)              | -                           | 28,000               |
| Connected by Data                                | 31,875               | 50,000  | (31,875)              | -                           | 50,000               |
| Constitution Unit, UCL                           | 32,984               | 72,249  | (32,984)              | -                           | 72,249               |
| Covid19 Bereaved Families for Justice            | 44,000               | -   | (22,000)              | -                           | 22,000               |
| Democracy Volunteers                             | 88,618               | 59,080  | (59,080)              | -                           | 88,618               |
| Disabled People Against Cuts                     | 36,665               | -   | (36,665)              | -                           | -                    |
| Elect Her  | -                    | 33,000  | (16,500)              | -                           | 16,500               |
| Fabian Society                                   | 32,552               | -   | (32,552)              | -                           | -                    |
| Foxglove   | -                    | 72,048  | (36,024)              | -                           | 36,024               |
| Hansard Society                                  | -                    | 45,761  | (34,321)              | -                           | 11,440               |
| ICDR and APPG for Democracy & the Constitution   | -                    | 18,975  | (18,975)              | -                           | -                    |
| Institute for Public Policy Research (IPPR)      | 75,177               | -   | (75,177)              | -                           | -                    |
| Involve  | 163,405              | 108,936   | (108,936)             | -                           | 163,405              |
| Labour Coast and Country                         | 8,402                | -   | (8,401)               | (1)                         | -                    |
| Labour for a New Democracy                       | 82,500               | 141,851   | (163,559)             | -                           | 60,792               |
| Labour Together                                  | -                    | 40,000  | (40,000)              | -                           | -                    |
| Make Votes Matter                                | 206,250              | -   | (123,750)             | -                           | 82,500               |
| Manifesto Club Ltd                               | 11,000               | 40,000  | (11,000)              | -                           | 40,000               |
| Medact   | 11,959               | -   | (11,959)              | -                           | -                    |
| Migrant Democracy Project                        | -                    | 50,380  | (25,190)              | -                           | 25,190               |
| Migrant Rights Network                           | -                    | 40,375  | (30,281)              | -                           | 10,094               |
| Network for Police Monitoring                    | 13,052               | -   | (13,052)              | -                           | -                    |
| Newspeak House                                   | -                    | 68,000  | (34,000)              | -                           | 34,000               |
| Open Rights Group                                | 25,665               | -   | (25,665)              | -                           | 0                    |
| openDemocracy                                    | 57,000               | -   | (57,000)              | -                           | -                    |
| Operation Black Vote                             | -                    | 75,000  | -                     | -                           | 75,000               |
| Police Spies Out of Lives                        | 56,306               | -   | (32,176)              | -                           | 24,130               |
| Reprieve   | -                    | 39,971  | (26,978)              | (3,000)                     | 9,993                |
| Rights and Security International                | 26,310               | -   | (26,310)              | -                           | -                    |
| Seeds for Change                                 | -                    | 34,000  | (5,670)               | -                           | 28,330               |
| UK Governance Project                            | -                    | 35,000  | (35,000)              | -                           | -                    |
| Undercover Research Group                        | 64,640               | -   | (43,094)              | -                           | 21,546               |
| Unlock Democracy                                 | 57,375               | -   | (57,375)              | -                           | -                    |
| Unlock Democracy                                 | -                    | 40,822  | (26,004)              | (14,818)                    | 0                    |
| WEN Wales  | -                    | 37,266  | (27,950)              | -                           | 9,316                |
| Who Targets Me                                   | 38,250               | -   | (38,250)              | -                           | -                    |
| Windrush Legal Defenders                         | 17,875               | -   | (17,875)              | -                           | -                    |
| Other  | 500                  | 61,695  | (62,195)              | -                           | -                    |
| <b>Total Democracy and Truth to Power grants</b> | <b>1,414,620</b>     | <b>1,583,407</b>                                      | <b>(1,776,500)</b>    | <b>(17,819)</b>             | <b>1,203,708</b>     |

The Joseph Rowntree Reform Trust Limited

Notes to the financial statements

For the year ended 31 December 2023

4 Analysis of grants payable (continued)

|  | Brought forward  | Payment conditions now met and committed to in 2023 | Paid during 2023   | Cancelled/adjusted | Carried forward  |
|--|------------------|---|--------------------|--------------------|------------------|
|  | £                | £   | £                  | £                  | £                |
| Alliance Party of Northern Ireland                 | 105,000          | 10,500  | (66,000)           | -                  | 49,500           |
| Association of Liberal Democrat Councillors (ALDC) | 199,745          | 19,974  | (109,862)          | (1)                | 109,856          |
| Hazel Grove Liberal Democrats                      | -                | 3,000   | (3,000)            | -                  | -                |
| Liberal Democrats                                  | 28,101           | -   | (28,101)           | -                  | -                |
| North Devon Liberal Democrats                      | -                | 3,000   | (3,000)            | -                  | -                |
| Somerton & Frome Liberal Democrats                 | -                | 1,000   | (1,000)            | -                  | -                |
| West Edinburgh Liberal Democrats                   | -                | 1,500   | (1,500)            | -                  | -                |
| <b>Total Political grants</b>                      | <b>332,846</b>   | <b>38,974</b>                                       | <b>(212,463)</b>   | <b>(1)</b>         | <b>159,356</b>   |
| Battersea Arts Centre                              | -                | 17,000  | (8,500)            | -                  | 8,500            |
| Carib Eats   | -                | 18,290  | (9,145)            | -                  | 9,145            |
| Citizens UK  | 90,000           | 238,006   | (151,004)          | -                  | 177,002          |
| Generation Rent                                    | -                | 151,872   | (56,347)           | -                  | 95,525           |
| I Have a Voice                                     | 5,843            | -   | (5,843)            | -                  | -                |
| Muslim Council of Britain                          | -                | 100,000   | (20,168)           | -                  | 79,832           |
| My Life My Say                                     | -                | 139,610   | (32,941)           | -                  | 106,669          |
| Polish Migrants Organise for Change                | 84,000           | -   | (48,000)           | -                  | 36,000           |
| Politics in Action                                 | -                | 33,142  | -                  | -                  | 33,142           |
| Purpose Union                                      | -                | 39,936  | (39,936)           | -                  | -                |
| Shout Out UK                                       | -                | 153,600   | (31,350)           | -                  | 122,250          |
| Skate Cabal  | -                | 9,822   | (4,911)            | -                  | 4,911            |
| The Politics Project                               | 124,741          | -   | (83,161)           | -                  | 41,580           |
| United Response                                    | 20,000           | -   | (20,000)           | -                  | -                |
| Unlock Democracy                                   | 28,650           | -   | (14,325)           | -                  | 14,325           |
| <b>Total UK Democracy Fund grants</b>              | <b>353,234</b>   | <b>901,278</b>                                      | <b>(525,631)</b>   | <b>-</b>           | <b>728,881</b>   |
| <b>Total grants 2023</b>                           | <b>2,100,700</b> | <b>2,523,659</b>                                    | <b>(2,514,594)</b> | <b>(17,820)</b>    | <b>2,091,945</b> |
| Total grants 2022                                  | 1,440,037        | 2,180,574   | (1,485,085)        | (32,602)           | 2,100,700        |

In 2023 contributions were received from the Joseph Rowntree Charitable Trust (Registered Charity: 210037) £54,166 (2022: £50,000); the Blagrove Trust (Registered Charity: 1164021) £50,000 (2022: £50,000); Paul Hamlyn Foundation (Registered Charity 1102927) £110,000 (2022: £100,000); Unbound Philanthropy and the family office (Company No. OC384) £100,000 (2022: £100,000); the Tinsley Charitable Trust (Registered Charity: 1020294) £20,000 from their contribution received in 2022 (2023: nil); Porticus UK (Registered Charity 1069245) £100,000 (2022: £100,000); the Barrow Cadbury Trust (Registered Charity: 1115476) £15,250 (2022: payment of awards from 2021); the John Ellerman Foundation (Registered Charity: 263207) £12,500 (2022: Nil); JRRT committed £250,000 as well as support in grant management, office and finance services.

JRRT ensures that charitable funds are used for charitable purposes.

5 Employees

The average monthly number of employees, other than the directors, during the year was 6 (2022: 5).

6 Directors' emoluments

No emoluments are paid to any director (2022: £nil).

## The Joseph Rowntree Reform Trust Limited

### Notes to the financial statements

#### For the year ended 31 December 2023

#### 7 Related party transactions

During the year the company received £48,000 (2022: £43,000) of management charges from its subsidiary company, JRRT (Properties) Limited. These charges are included in management charges receivable. As at 31 December 2023, JRRT (Properties) Limited owed £3065 to the company (2022: the company owed The JRRT (Properties) £5,117).

The company also received management charges of £36,000 (2022: £35,000) and incurred £45,090 (2022: £38,249) of charges in respect of rent and premises costs from the JRSST Charitable Trust, an associated charity where four of the Trustees are also directors of The Joseph Rowntree Reform Trust Limited. These charges are included in administration expenses. As at 31 December 2023, the company owed The JRSST Charitable Trust £8,920 (2022: £2,612).

During the year grants of £38,974 (2022: £119,655) were awarded to the Liberal Democrats and related organisations. At the time of writing, three of the Directors are involved with the Liberal Democrats, one being past president, one being a local councillor and a member of a local party executive committee, one being president of the Cambridge Liberal Democrats and two of them having previously stood as a parliamentary candidate.

During the year grants of £nil (2022: £38,498) were awarded to Open Rights Group. One of the Directors acts as an advisor to Open Rights Group.

During the year grants of £nil (2022: £57,000) were awarded to openDemocracy. One Director is also a Director of openDemocracy.

#### 8 Taxation

|  | 2023<br>£       | 2022<br>£          |
|--|-----------------|--------------------|
| <b>Corporation tax</b>                           |                 |                    |
| UK corporation tax charge                        | 136,004         | 1,237,501          |
| <b>Total current tax</b>                         | <u>136,004</u>  | <u>1,237,501</u>   |
| <b>Deferred tax</b>                              |                 |                    |
| Charged to profit or loss                        | (10,517)        | (3,790,762)        |
| <b>Total deferred tax</b>                        | <u>(10,517)</u> | <u>(3,790,762)</u> |
| <b>Taxation on profit on ordinary activities</b> | <u>125,487</u>  | <u>(2,553,261)</u> |

#### Factors affecting tax charge for the year

The UK corporation tax rate increased from 19% to 25%, effective 1 April 2023. As a consequence, the effective rate for the year ended 31 December 2023 was 23.52% (2022: 19%). Deferred tax has been charged at 25% (2022: 25%), in line with the enacted rate.

|  | 2023<br>£        | 2022<br>£          |
|--|------------------|--------------------|
| Loss on ordinary activities before tax   | <u>(582,475)</u> | <u>(8,962,991)</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022: 19%).          | (137,001)        | (1,702,968)        |
| <b>Effects of:</b>   |                  |                    |
| Fixed asset differences  | -                | (940)              |
| Expenses not deductible for tax purposes   | 707,470          | 403,165            |
| Income not taxable for tax purposes  | (134,008)        | (54,388)           |
| Amounts (charged)/credited directly to statement of total recognised gains and losses (STRGL) or otherwise transferred | 10,242           | -                  |
| Exempt ABGH distributions  | (521,685)        | (411,980)          |
| Chargeable gains arising in the year   | 21,383           | 3,004,626          |
| Group relief surrendered   | 47,152           | -                  |
| Foreign tax credits  | 43,547           | -                  |
| Adjustments to tax charge in respect of previous periods   | 102,974          | -                  |
| Deferred tax (charged)/credited directly to STRGL  | (4,713)          | -                  |
| Remeasurement of deferred tax for changes in tax rates   | (406)            | -                  |
| Movement in deferred tax not recognised  | 1,048            | -                  |
| Rounding   | 1                | -                  |
| Adjustment for pension creditor  | -                | (14)               |
| <b>Total tax charge for the year</b>   | <u>136,004</u>   | <u>1,237,501</u>   |

Notes to the financial statements

For the year ended 31 December 2023

9 Tangible fixed assets

|                               | Office<br>equipment<br>£ |
|-------------------------------|--------------------------|
| <b>Cost</b>                   |                          |
| At the start of the year      | 37,472                   |
| Additions in year             | -                        |
| At the end of the year        | <u>37,472</u>            |
| <b>Depreciation</b>           |                          |
| At the start of the year      | 33,717                   |
| Charge for the year           | 1,337                    |
| At the end of the year        | <u>35,054</u>            |
| <b>Net book value</b>         |                          |
| <b>At the end of the year</b> | <u>2,418</u>             |
| At the start of the year      | <u>3,755</u>             |

10 Fixed asset investments

|                          | Investments<br>in subsidiary<br>companies<br>£ | Listed<br>investments<br>£ | Cash held in<br>investment<br>portfolio<br>£ | Total<br>£        |
|--------------------------|--|----------------------------|--|-------------------|
| <b>Cost or valuation</b> |  |                            |  |                   |
| At 1 January 2023        | 5,000  | 42,542,621                 | 1,614,376                                    | 44,161,997        |
| Additions                | -  | 5,085,017                  | (1,371,769)                                  | 3,713,248         |
| Disposals                | -  | (4,686,886)                | -  | (4,686,886)       |
| Revaluations             | -  | 90,914                     | -  | 90,914            |
| At 31 December 2023      | <u>5,000</u>                                   | <u>43,031,666</u>          | <u>242,607</u>                               | <u>43,279,273</u> |

Listed investments

The market value of listed investments at 31 December 2023 was £43,279,273 (2022: £42,542,621).

The historic cost of listed investments is £31,848,429 (2022: £29,196,170).

The remaining unlisted investments are reviewed annually by the directors. The carrying value of unlisted investments at 31 December 2023, where no market value is readily available amounts to £5,000 (2022: £5,000).

The tax charge, should the investments be sold at the values stated above, would be £3,140,689 (2022: £3,117,960). This has been included in full in the Balance Sheet.

The following were subsidiary undertakings of the Company:

| Name                   | Principal activity | Holding |
|------------------------|--------------------|---------|
| JRRT (Investments) Ltd | Dormant            | 100%    |
| JRRT (Properties) Ltd  | Property Letting   | 100%    |

The aggregate of the share capital and reserves as at 31 December 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| Name                   | Aggregate of share capital and<br>reserves<br>£ | Profit/(Loss)<br>£ |
|------------------------|---|--------------------|
| JRRT (Investments) Ltd | 5,000   | -                  |
| JRRT (Properties) Ltd  | 2,636,307                                       | 189,424            |

The Joseph Rowntree Reform Trust Limited

Notes to the financial statements

For the year ended 31 December 2023

11 Debtors

|                                 | 2023<br>£     | 2022<br>£     |
|---------------------------------|---------------|---------------|
| Amounts owed by group companies | 3,065         | 5,117         |
| Prepayments and accrued income  | 9,217         | 75,265        |
|                                 | <u>12,282</u> | <u>80,382</u> |

JRRT (Properties) Limited in which the company has a participating interest, owed company of £3,065 (2022: £5,117).

12 Creditors: amounts falling due within one year

|                                    | 2023<br>£        | 2022<br>£        |
|------------------------------------|------------------|------------------|
| Grants payable                     | 1,964,023        | 1,571,139        |
| Amounts owed to group undertakings | 13,920           | 7,612            |
| Corporation tax                    | 394,982          | 1,138,162        |
| Other taxation and security        | 10,332           | 9,428            |
| Other creditors                    | 133,482          | 112,262          |
| Deferred income                    | 87,500           | 50,000           |
|                                    | <u>2,604,239</u> | <u>2,888,603</u> |

Amounts owed to group undertakings in which the company has a participating interest relates to amounts due to JRRT (Investments) Limited of £5,000 (2022: £5,000), JRRT (Properties) Limited of £nil (2022: £nil) which are subsidiary companies of this company and The JRSST Charitable Trust of £8,920 (2022: £2,612).

Grants payable will be funded from investments.

13 Deferred income

Deferred income comprises 50% UKDF Porticus income and 75% John Ellerman income for 2023.

|                                       | 2023<br>£     | 2022<br>£     |
|---------------------------------------|---------------|---------------|
| Balance at the beginning of the year  | 50,000        | -             |
| Amount released to income in the year | (50,000)      | -             |
| Amount deferred in the year           | 87,500        | 50,000        |
|                                       | <u>87,500</u> | <u>50,000</u> |

14 Creditors: amounts falling due after one year

|                 | 2023<br>£      | 2022<br>£      |
|-----------------|----------------|----------------|
| Grants payable  | 127,922        | 529,561        |
| Other creditors | -              | 3,739          |
|                 | <u>127,922</u> | <u>533,300</u> |

Included in grants payable are amounts due in 1–2 years of £127,922 (2022: £515,811) and amounts due in 2–5 years of £nil (2022: £13,750).

Notes to the financial statements

For the year ended 31 December 2023

15 Pensions

The company participates in the, 'TPT Retirement Solution – Scottish Voluntary Sector Pension Scheme', a multi-employer scheme which provides benefits to some 82 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 with an effective date of 30 September 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the Trustee and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

**Deficit contributions**

From 1 April 2022 to 31 May 2024: £1,473,969 per annum  
(payable monthly and increasing by 3% each year on 1st April)

Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2034.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

From 1 April 2019 to 30 September 2026: £1,404,638 per annum  
(payable monthly and increasing by 3% each year on 1st April)

From 1 April 2019 to 30 September 2027: £136,701 per annum  
(payable monthly and increasing by 3% each year on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Under the new recovery plan, from 1 April 2022 the deficit contributions that are required from The Joseph Rowntree Reform Trust Ltd are £9,623.56 a year. These payments will increase by 3% each year, with the first increase on 1 April 2023. 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.

The amount included in creditors for the deficit funding arrangement is £4,147 (2022: £9,840) due within one year and Nil (2022: £3,739) due after more than one year.

**Present values of provision**

|                            | 31 December 2023 | 31 December 2022 | 31 December 2021 |
|----------------------------|------------------|------------------|------------------|
|                            | £                | £                | £                |
| Present value of provision | 4,147            | 13,579           | 23,195           |

Notes to the financial statements

For the year ended 31 December 2023

16 Deferred taxation

|                           | 2023<br>£          | 2022<br>£          |
|---------------------------|--------------------|--------------------|
| At beginning of year      | (3,114,813)        | (6,905,575)        |
| Charged to profit or loss | 10,517             | 3,790,762          |
| <b>At end of year</b>     | <b>(3,104,296)</b> | <b>(3,114,813)</b> |

The provision for deferred taxation is made up as follows:

|   | 2023<br>£          | 2022<br>£          |
|---|--------------------|--------------------|
| Fixed asset timing differences            | (257)              | 567                |
| Potential chargeable gains on investments | (3,140,689)        | (3,117,960)        |
| Short term timing differences             | 2,611              | 2,580              |
| Losses and other deductions               | 34,039             | -                  |
|   | <b>(3,104,296)</b> | <b>(3,114,813)</b> |

For the purposes of reporting under FRS102 the entity must provide for deferred tax on temporary timing differences. These temporary timing differences arise due to increases or decreases in the fair value of the investments held, which will not be taxable until these investments are sold. As the corporation tax rate is 25% deferred tax continues to be recognised at 25%.

17 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.