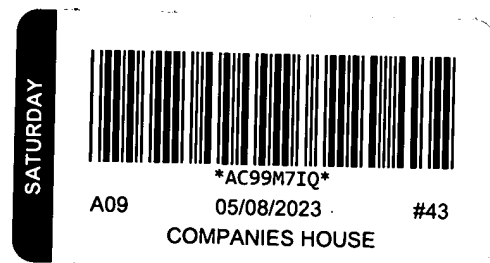


Company number: 00357963

The Joseph Rowntree Reform Trust Limited

Report and financial statements

For the year ended 31 December 2022



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The Joseph Rowntree Reform Trust Limited

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The Joseph Rowntree Reform Trust Limited

Reference and administrative details

For the year ended 31 December 2022

Status	The organisation is a company limited by guarantee, incorporated on 30 November 1939.
Company number	00357963
Registered office and operational address	The Garden House Water End York YO30 6WQ
Directors	Andrew C Neal, Chair Sal V Brinton (Baroness) Roger Clarke Amy Dalrymple Alison R Goldsworthy Julian L Huppert Benjamin Lyons Susan L Mendus Lisa Smart Fionna Tod
Company secretary	Elizabeth F Elsworth
Chief Executive	Fiona Weir
Bankers	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB
Investment managers	Rathbone Greenbank 10 Queen Square Bristol BS1 4NT
Legal advisors	Stone King LLP Boundary House 91 Charterhouse St London EC1M 6HR
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

The Joseph Rowntree Reform Trust Limited

Directors' annual report

For the year ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

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 2022

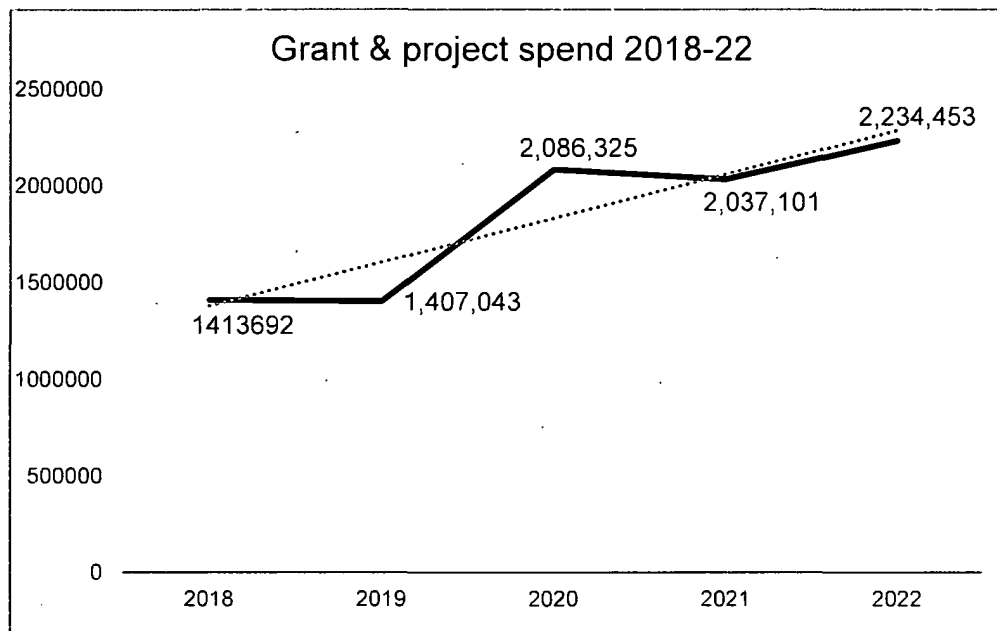
1. Strategy

In 2021 the Board decided to increase the drawdown rate from its investments to enable JRRT to fund both a higher rate of grant expenditure and the tax impact of implementing changes to the ethical investment policy. This is reflected in higher spend across JRRT and UK Democracy Fund on grants and projects up to £2.34m in 2022, an increase of 12% on 2021.

The Joseph Rowntree Reform Trust Limited

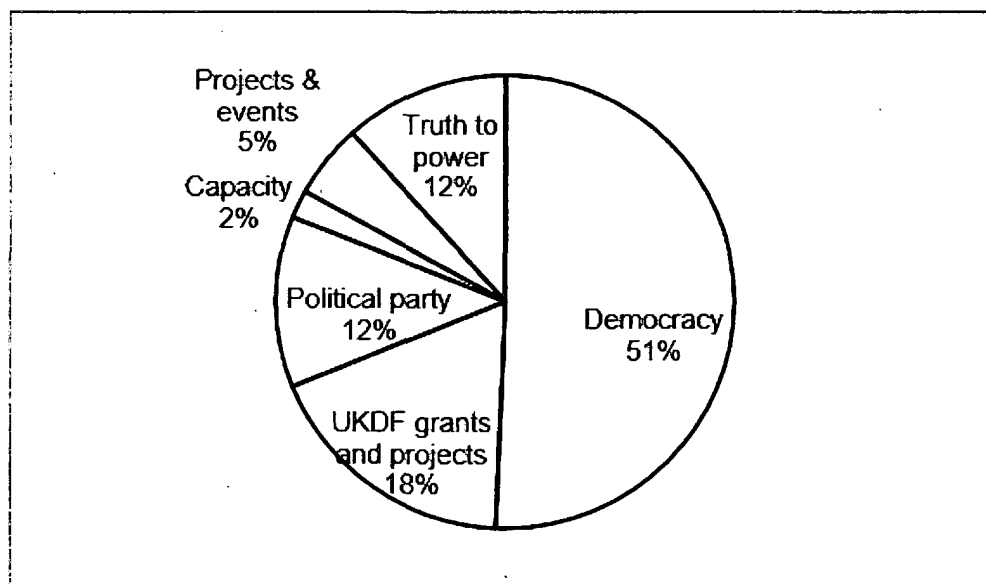
Directors' annual report

For the year ended 31 December 2022



Democratic and political reform continues to be strategic focus as can be seen from the distribution of grant and project spend since the Board agreed the current strategy in 2018, with 51% of spend on democracy grants, 18% on the UK Democracy Fund, 12% on political parties, 12% on Truth to Power grants and 7% on projects and capacity building.

Distribution of Grant and Project spend 2018-2022



JRRT is committed to learning from both our grant making and direct activity and plan to develop further our work on learning and evaluation as an important input into our future strategy and grant making priorities. In 2022 we have invested in staff capacity to take this forward and will publish key lessons learnt in future reports as they become available.

The Joseph Rowntree Reform Trust Limited

Directors' annual report

For the year ended 31 December 2022

JRRT has committed to an annual audit of grants to track progress on increasing spend that strengthens racial justice. In 2022, JRRT's audit of grants shows:

All grants: 8 grants (21% of grants awarded) to a value of £271,865 (13% of grant expenditure) were designed to benefit black or ethnic minority communities, up in number and value compared to 2021. 6 grants (16%) to a value of £201,114 (9%) were to organisations with a majority of board and senior staff from black, Asian or minority ethnic groups, up in number and value compared to 2021.

JRRT: 3 grants (12%) by JRRT (8% by value) were designed to benefit black or ethnic minority communities, similar to 2021. 1 grant (4% by number and value) was to an organisation with a majority of board and senior staff from black, Asian or minority ethnic groups, compared to 2 grants (12%) in 2021.

UK Democracy Fund: 5 of the 13 UK Democracy Fund grants (38%) with a value of £134,490 (27%) were designed to benefit black, Asian or ethnic minorities, and to organisations with a majority of board and senior staff from black, Asian or minority ethnic groups. This is up on 2021, a year with low grant numbers and spend.

JRRT publishes details of 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.

2. Grant making and grantee achievements

In 2022 new grant commitments were for democratic and political reform (£1.2m), the UK Democracy Fund (£492k), Truth to Power (£325k) and political parties (£112k).

In 2022, the Trust paid out a total of £1.49m in grants and approved £2.18m of expenditure for new grants (up 14% on 2021). A total of 38 new grants were agreed, down from 40 in 2021.

Grant commitments of £2,127,645 were agreed by the Board for 34 grants at quarterly Board meetings or by using the rapid response procedure. 71% of applications were agreed, 77% by value. The average grant size was £62,578, down 12% on 2021 but 15% up on the average of the previous 4 years.

There were 4 small grant applications, using the procedure to consider grants of up to £7,500 between quarterly meetings, all approved, to a value of £28,915.

The Joseph Rowntree Reform Trust Limited

Directors' annual report

For the year ended 31 December 2022

Democracy grants

Elections: ensuring that citizens' votes count, turnout is high and elections are fair: 7 grants with a total value of £694,770 were approved accounting for 57% of democracy spend. This included significant spend on campaigns for proportional representation to influence political parties, particularly Labour and build public support.

Open and responsive democracy: in which executive power is checked by an effective parliament, and power is devolved to the nations, regions and communities: 7 grants with a total value of £415,476 were approved accounting for 34% of democracy spend.

Thriving democratic culture: with respect for diversity, collaboration, informed public debate and participation: 3 grants with a total value of £117,292 were approved, accounting for 10% of democracy spend.

Party political grants

1 grant of £112,405 was made to the Liberal Democrats to strengthen campaign capacity and infrastructure.

Truth to Power grants

7 grants with a total value of £324,614 were approved.

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 nonpartisan basis, with all decisions taken by the JRRT Board. Commitments to the Fund in 2022 totalled £620,000 of which £250,000 (40%) was from JRRT. Expenditure commitments in the year were £641,087 (2021: £227,184 of which 77% 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, particularly by people from low-voting groups.

The Joseph Rowntree Reform Trust Limited

Directors' annual report

For the year ended 31 December 2022

Key activities in 2022 included:

- Producing and sharing our Funding Framework, and funding a number of ambitious grants to increase voter registration and turnout amongst diverse populations such as Eastern European migrants and young people in schools.
- Building learning on what works, reviewing the results of the Randomized Control Trials into digital campaigns agreed in 2020, and further digital testing and learning pilots with South Asian communities ahead of the May local elections
- Funding campaigns for Votes at 16 and Automatic Voter Registration.
- Building our community of funders with Porticus UK and the Paul Hamlyn Foundation welcomed in 2022.

Democracy Network

Strengthening the democracy sector continues to be a priority, reflected in JRRT's continuing support for the Democracy Network following a review of its first year of activity.

Democracy Action

Democracy Action has been successfully transferred to the Democracy Network as part of their regular communications to the sector.

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.

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 2022 winners were Coventry Youth Activists for their #FacebookHasNoStandards campaign, which aims to change the way disability hate and ableism is handled by social media platforms. The Award has been dedicated in memoriam to Lord David Shutt.

4. Financial performance

Financial performance

Income for the year increased by £85k to £2.66 million (2021: £2.58 million). This included a dividend of £1.19 million from JRRT (Properties) Limited, a subsidiary of the Trust. The Trust's investment portfolio held up well against significant market volatility in 2022, and dividend income increased by £23k to £1.03 million in comparison to £1 million in 2021 (2.3%).

Grants of £2.18 million were committed in 2022 (2021: £1.9 million), with £1.49 million paid out during the year (2021: £1.85 million).

The Joseph Rowntree Reform Trust Limited

Directors' annual report

For the year ended 31 December 2022

Non-grant and project expenditure decreased by approximately 2% in 2022 to £689k (2021: £703k). This was due in large part to lower investment manager fees of £162k (2021: £181k) being incurred as a result of the decrease in value of the investment portfolio. The Trust also made a loss of £1.1million on disposals of listed investments during the year.

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%. Directors continue to keep these policies under review and adjust as necessary.

The Trust's investment managers made good progress in 2022 with the realignment of the investment portfolio against the revised ethical investment policy. The policy strengthens the emphasis on sustainability, while maximising financial returns. Recognising climate change as a high-level risk to the Trust's investments and long-term aims, the policy aims to divest from extractive, carbon-based companies and seek investments that support a just transition to a post-carbon economy. It will actively encourage diversity and racial justice and take account of Modern Slavery. The new elements will enhance existing exclusions (armaments, alcohol, gambling, tobacco and pornography) which reflect the Trust's Quaker heritage and remain a key part of the policy.

Structure, governance and management

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

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

JRRT is committed to publishing Board diversity data. The current Board is 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

The Joseph Rowntree Reform Trust Limited

Directors' annual report

For the year ended 31 December 2022

- 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.

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.

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

The Joseph Rowntree Reform Trust Limited

Directors' annual report

For the year ended 31 December 2022

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 31 March 2023 and signed on their behalf by

E. F. Elsworth

E. F. Elsworth

Elizabeth Elsworth
Company Secretary

Independent auditor's report

To the members of

The Joseph Rowntree Reform Trust Limited

Opinion

We have audited the financial statements of The Joseph Rowntree Reform Trust Limited (the 'company') for the year ended 31 December 2022 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 2022 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 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

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

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

- 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. This description forms part of our auditor's report.

Independent auditor's report

To the members of

The Joseph Rowntree Reform Trust Limited

Use of our report

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

Jonathan Orchard (Senior statutory auditor)

2 August 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Joseph Rowntree Reform Trust Limited

Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	2022 Total £	2021 Total £
Turnover	2	1,026,139	1,003,284
Gross profit		1,026,139	1,003,284
Administrative expenses		(698,712)	(703,728)
Other operating income		448,000	472,750
Operating profit	3	775,427	772,306
Income from shares in group undertakings		1,186,500	1,100,000
(Losses) / Gains on disposal of fixed assets investments		(1,138,227)	764,847
(Losses) / Gains on fixed asset investments		(7,640,944)	6,157,840
Grants payable	4	(2,145,747)	(1,905,376)
(Losses) / Profit before tax		(8,962,991)	6,889,617
Tax on profit	8	2,553,261	(2,886,439)
Profit for the financial year		(6,409,730)	4,003,178
Other comprehensive income for the year			
Actuarial gains/losses on defined benefit pension scheme		9,421	23,000
Other comprehensive income for the year		9,421	23,000
Total comprehensive income for the year		(6,400,309)	4,026,178

The Joseph Rowntree Reform Trust Limited

Balance sheet

Registered Company no. 00357963

As at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	9		3,755		2,197
Investments	10		44,161,997		53,377,729
			<u>44,165,752</u>		<u>53,379,926</u>
Current assets:					
Debtors: amounts falling due within one year	11	80,382		96,838	
Cash at bank and in hand		<u>1,133,341</u>		<u>520,616</u>	
		1,213,723		617,454	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(2,888,603)</u>		<u>(1,258,410)</u>	
Net current assets / (liabilities)			<u>(1,674,880)</u>		<u>(640,956)</u>
Total assets less current liabilities			42,490,872		52,738,970
Creditors: amounts falling due after one year	14		(533,300)		(590,327)
Provisions for liabilities:					
Deferred tax	16		<u>(3,114,813)</u>		<u>(6,905,575)</u>
Total net assets / (liabilities)			<u>38,842,759</u>		<u>45,243,068</u>
Capital and reserves					
Revaluation reserve			13,346,451		23,628,319
Other reserves			4,606,760		4,606,760
Profit and loss account			<u>20,889,548</u>		<u>17,007,989</u>
Total reserves			<u>38,842,759</u>		<u>45,243,068</u>

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 31 March 2023 and signed on their behalf by

Lisa Smart

Lisa Smart

Andrew Neal

Andrew Neal

Lisa Smart
Director

Andrew C Neal, Chair
Director

The Joseph Rowntree Reform Trust Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Revaluation reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2021	21,727,940	4,606,760	14,882,190	41,216,890
Comprehensive income for the year				
Profit for the year	-	-	4,003,178	4,003,178
Actuarial gains on pension scheme	-	-	23,000	23,000
Other comprehensive income for the year	-	-	23,000	23,000
Transfer to/from profit and loss account	1,900,379	-	(1,900,379)	-
At 1 January 2022	23,628,319	4,606,760	17,007,989	45,243,068
Comprehensive income for the year				
Losses for the year	-	-	(6,409,730)	(6,409,730)
Actuarial gains on pension scheme	-	-	9,421	9,421
Other comprehensive income for the year	-	-	(6,400,309)	(6,400,309)
Transfer to/from profit and loss account	(10,281,868)	-	10,281,868	-
At 31 December 2022	13,346,451	4,606,760	20,889,548	38,842,759

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

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.

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

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.

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

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:

	2022	2021
	£	£
Depreciation of tangible fixed assets	1,962	1,261
Auditor's remuneration (excluding VAT):		
Audit	9,100	8,950
Other services	3,600	2,750
Defined contribution pension cost	51,093	46,463

4 Analysis of grants payable

Grantee	Brought forward £	Payment conditions now met and committed to in 2022 £	Paid during 2022 £	Cancelled/adjusted £	Carried forward £
Activate Collective	37,789	-	(37,789)	-	-
After Exploitation (hosted by IMIX)	-	-	2,602	(2,602)	-
Best for Britain	-	45,000	-	-	45,000
Big Brother Watch	31,702	85,801	(31,702)	-	85,801
Bingham Centre for the Rule of Law	26,668	-	(26,668)	-	-
British in Europe	-	50,000	(12,500)	-	37,500
Campaign for Freedom of Information	12,500	40,000	(12,500)	-	40,000
Centenary Action Group	-	47,920	(23,960)	-	23,960
Centre for Public Data	19,750	-	(19,750)	-	-
Connected by Data	-	42,500	(10,625)	-	31,875
Constitution Unit, UCL	65,971	-	(32,987)	-	32,984
Covid19 Bereaved Families for Justice	-	44,000	-	-	44,000
Defend Digital Me	-	7,500	(7,500)	-	-
Democracy Volunteers	134,270	8,056	(53,708)	-	88,618
Disabled People Against Cuts	-	53,333	(16,668)	-	36,665
Fabian Society	-	65,105	(32,553)	-	32,552
Fair Vote UK	23,200	-	(23,200)	-	-
Friends Provident	10,000	-	(10,000)	-	-
ICDR and APPG for Democracy & the Constitution	7,500	-	(7,500)	-	-
Institute for Public Policy Research (IPPR)	48,750	75,177	(48,750)	-	75,177
Involve	250,904	-	(87,499)	-	163,405
Labour Coast and Country	-	16,039	(7,637)	-	8,402
Labour for a New Democracy	-	157,500	(75,000)	-	82,500
Make Votes Matter	-	319,000	(112,750)	-	206,250
Manifesto Club Ltd	30,000	1,000	(20,000)	-	11,000
Medact	-	22,831	(10,872)	-	11,959
Migrant Rights Network	26,419	-	(26,419)	-	-
Network for Police Monitoring	35,599	1,780	(24,327)	-	13,052
Open Rights Group	-	38,498	(12,833)	-	25,665
openDemocracy	64,067	57,000	(64,067)	-	57,000
Our Home Our Vote	-	7,415	(7,415)	-	-
Patient Experience Library	3,750	-	(3,750)	-	-
Police Spies Out of Lives	17,784	64,350	(25,828)	-	56,306
Reprieve	18,096	-	(18,096)	-	-
Rights and Security International	-	35,081	(8,771)	-	26,310

The Joseph Rowntree Reform Trust Limited

Notes to the financial statements

For the year ended 31 December 2022

4 Analysis of grants payable (continued)

	Brought forward	Payment conditions now met and committed to in 2022	Paid during 2022	Cancelled/adjusted	Carried forward
	£	£	£	£	£
The Citizens	7,500	-	22,500	(30,000)	-
Undercover Research Group	16,812	84,228	(36,400)	-	64,640
Unlock Democracy	-	76,500	(19,125)	-	57,375
Unlock Democracy & Compass	40,000	-	(40,000)	-	-
Vote For Your Future	(10,050)	-	10,050	-	-
WEN Wales	7,437	-	(7,437)	-	-
Who Targets Me	-	51,000	(12,750)	-	38,250
Windrush Legal Defenders	-	66,624	(48,749)	-	17,875
Other	-	5,678	(5,178)	-	500
Total Democracy and Truth to Power grants	926,418	1,568,916	(1,048,112)	(32,602)	1,414,621
Alliance Party of Northern Ireland	165,000	-	(60,000)	-	105,000
Association of Liberal Democrat Councillors (ALDC)	299,618	-	(99,874)	-	199,744
Cambridge Liberal Democrats	-	500	(500)	-	-
Hazel Grove Liberal Democrats	-	3,500	(3,500)	-	-
Liberal Democrats	-	112,405	(84,304)	-	28,101
North Devon Liberal Democrats	-	1,500	(1,500)	-	-
Somerset & Frome Liberal Democrats	-	750	(750)	-	-
South Cambridgeshire Liberal Democrats	-	1,000	(1,000)	-	-
Total political grants	464,618	119,655	(251,428)	-	332,845
Aspire & Succeed	-	16,050	(16,050)	-	-
Bangladeshi Women's Association of Wales	-	13,980	(13,980)	-	-
British Youth Council	9,000	-	(9,000)	-	-
Citizens UK	-	112,786	(22,786)	-	90,000
Generation Rent	-	43,100	(43,100)	-	-
I Have a Voice	-	18,236	(12,393)	-	5,843
Nottingham Trent University	-	-	2,225	(2,225)	-
Polish Migrants Organise for Change	-	91,450	(7,450)	-	84,000
Southern Women's Aid Network	-	13,010	(13,010)	-	-
The Politics Project	36,251	124,741	(36,251)	-	124,741
the3million	3,750	-	(3,750)	-	-
United Response	-	30,000	(10,000)	-	20,000
Unlock Democracy	-	28,650	-	-	28,650
Total UK Democracy Fund grants	49,001	492,003	(185,545)	(2,225)	353,234
Total grants 2022	1,440,037	2,180,574	(1,485,085)	(32,602)	2,100,700
Total grants 2021	1,383,406	1,905,376	(1,848,747)	-	1,440,037

In 2022 contributions were received from the Joseph Rowntree Charitable Trust (Registered Charity: 210037) £50,000; the Blagrave Trust (Registered Charity: 1164021) £50,000; Paul Hamlyn Foundation (Registered Charity 1102927) £100,000; Unbound Philanthropy and the family office (Company No. OC384) £100,000; the Tinsley Charitable Trust (Registered Charity: 1020294) £20,000; Porticus UK (Registered Charity 1069245) £100,000 and the Barrow Cadbury Trust from its award in 2021 (Registered Charity: 1115476); JRRT committed £250,000 as well as support for 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 5 (2021: 4).

6 Directors' emoluments

No emoluments are paid to any director (2021: £nil).

The Joseph Rowntree Reform Trust Limited

Notes to the financial statements

For the year ended 31 December 2022

7 Related party transactions

During the year the company received £43,000 (2021: £40,000) of management charges from its subsidiary company, JRRT (Properties) Limited. These charges are included in management charges receivable. As at 31 December 2022, JRRT (Properties) Limited owed £5,117 to the company (2021: the company owed The JRRT (Properties) £5,586).

The company also received management charges of £35,000 (2021: £36,000) and incurred £38,249 (2021: £41,257) 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 2022, the company owed The JRSST Charitable Trust £2,612 (2021: £24,599).

During the year grants of £119,655 (2021: £301,118) were awarded to the Liberal Democrats and related organisations. At the time of writing, four of the Directors are involved with the Liberal Democrats, one being past president, one being member of the federal board, one being president of the Cambridge Democrats and one has previously stood as a parliamentary candidate.

During the year grants of £38,498 (2021: £22,365) were awarded to Open Rights Group. One of the Directors acts as an advisor to Open Rights Group.

During the year grants of £57,000 (2021: £66,567) were awarded to openDemocracy. One Director is also a Director of openDemocracy.

8 Taxation

	2022 £	2021 £
Corporation tax		
UK corporation tax charge	1,237,501	333,761
Total current tax	1,237,501	333,761
Deferred tax		
Charged to profit or loss	(3,790,762)	2,552,678
Total deferred tax	(3,790,762)	2,552,678
Taxation on profit on ordinary activities	(2,553,261)	2,886,439

Factors affecting tax charge for the year

The corporation tax assessed for the year is the same as (2021 – the same as) the standard rate of corporation tax in the UK of 19%. Deferred tax has been charged at 25% (2021: 25%), in line with the enacted rate.

	2022 £	2021 £
Profit on ordinary activities before tax	(8,962,991)	6,889,617
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%).	(1,702,968)	1,309,027
Effects of:		
Fixed asset differences	(940)	(44)
Expenses not deductible for tax purposes	60,674	153,021
Income not taxable for tax purposes	(54,388)	(1,401,863)
Dividends from UK companies	(411,980)	(152,063)
Chargeable gains arising in the year	3,004,626	1,321,344
Foreign tax credits	–	5,204
Grants not allowable	342,491	–
Effect of change in deferred tax rate	–	1,646,453
Adjustment for pension creditor	(14)	–
Other	–	5,360
Total tax charge for the year	1,237,501	2,886,439

9 Tangible fixed assets

	Office equipment £
Cost	
At the start of the year	33,952
Additions in year	3,520
At the end of the year	37,472
Depreciation	
At the start of the year	31,755
Charge for the year	1,962
At the end of the year	33,717
Net book value	
At the end of the year	3,755
At the start of the year	2,197

10 Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Cash held in investment portfolio £	Total £
Cost or valuation					
At 1 January 2022	5,000	52,144,506	131,261	1,096,962	53,377,729
Additions	-	11,016,446	-	517,414	11,533,860
Disposals	-	(12,977,387)	(131,261)	-	(13,108,648)
Revaluations	-	(7,640,944)	-	-	(7,640,944)
At 31 December 2022	5,000	42,542,621	-	1,614,376	44,161,997

Listed investments

The market value of listed investments at 31 December 2022 was £42,542,621 (2021: £52,144,506).

The historic cost of listed investments is £29,196,170 (2021: £21,718,667) and unlisted investments is £nil (2021: £16,690). 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 2022, where no market value is readily available amounts to £5,000 (2021: £5,000).

The tax charge, should the investments be sold at the values stated above, would be £3,117,960 (2021: £6,912,091). 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 2022 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 reserves £	Profit/(Loss) £
JRRT (Investments) Ltd	5,000	-
JRRT (Properties) Ltd	3,736,771	216,353

The Joseph Rowntree Reform Trust Limited

Notes to the financial statements

For the year ended 31 December 2022

11 Debtors

	2022 £	2021 £
Amounts owed by group companies	5,117	-
Other debtors	-	30,885
Prepayments and accrued income	75,265	65,953
	<u>80,382</u>	<u>96,838</u>

JRRT (Properties) Limited in which the company has a participating interest, owed company of £5,117 (2021: £nil).

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Grants payable	1,571,139	873,758
Amounts owed to group undertakings	7,612	35,185
Corporation tax	1,138,162	259,178
Other taxation and security	9,428	5,391
Other creditors	112,262	84,898
Deferred income	50,000	-
	<u>2,888,603</u>	<u>1,258,410</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 (2021: £5,000), JRRT (Properties) Limited of £nil (2021: £5,586) which are subsidiary companies of this company and The JRSST Charitable Trust of £2,612 (2021: £24,599).

Grants payable will be funded from investments.

13 Deferred income

Deferred income comprises 50% UKDF Porticus income for 2023.

	2022 £	2021 £
Balance at the beginning of the year	-	-
Amount released to income in the year	-	-
Amount deferred in the year	50,000	-
Balance at the end of the year	<u>50,000</u>	<u>-</u>

14 Creditors: amounts falling due after one year

	2022 £	2021 £
Grants payable	529,561	576,327
Other creditors	3,739	14,000
	<u>533,300</u>	<u>590,327</u>

Included in grants payable are amounts due in 1-2 years of £515,811 (2021: £377,367) and amounts due in 2-5 years of £13,750 (2021: £198,960).

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: £1,507,960 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 2028.

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.

The company has agreed to a deficit funding arrangement to pay additional contributions from 1 April 2017 to 31 October 2019 of £643 payable monthly and increasing by 3% on 1st April each year, and of £624 monthly prior to 1 April 2017. The company therefore recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement.

The amount included in creditors for the deficit funding arrangement is £9,840 (2021: £9,000) due within one year and £3,739 (2021: £14,000) due after more than one year.

Present values of provision

	31 December 2022	31 December 2021	31 December 2020
	£	£	£
Present value of provision	13,579	23,195	55,227

The Joseph Rowntree Reform Trust Limited

Notes to the financial statements

For the year ended 31 December 2022

16 Deferred taxation

	2022 £	2021 £
At beginning of year	(6,905,575)	(4,352,897)
Charged to profit or loss	3,790,762	(2,552,678)
At end of year	<u>(3,114,813)</u>	<u>(6,905,575)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	567	(31)
Potential chargeable gains on investments	(3,117,960)	(6,912,091)
Short term timing differences	2,580	6,547
	<u>(3,114,813)</u>	<u>(6,905,575)</u>

17 Prior year corporation tax returns

Prior to the year end, the directors became aware of errors in prior year corporation tax returns and HM Revenue & Customs were immediately made aware of this.

At the time of approval of these financial statements, a precise calculation of the extent of the errors was on-going. Based on initial estimates of the net effect, the directors do not believe that these errors have a material impact on the financial statements. Consequently, no provision has been made for any resulting settlement with HMRC.

18 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.