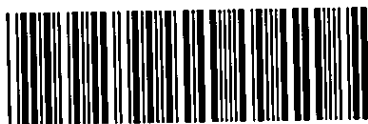


COMPANY REGISTRATION NUMBER 357963

THE JOSEPH ROWNTREE REFORM TRUST LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2008

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THE JOSEPH ROWNTREE REFORM TRUST LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

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THE JOSEPH ROWNTREE REFORM TRUST LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Danny G Alexander
Amanda C Cormack
Peadar Cremin
Christine J Day
Pam Giddy
Christopher J Greenfield
Andrew C Neal
David T Shutt (Lord Shutt of Greetland)

Company secretary

Tina C Walker

Registered office

The Garden House
Water End
York
YO30 6WQ

Investment adviser

Cheviot Asset Management
90 Long Acre
London
WC2E 9RA

Auditor

Barron & Barron
Chartered Accountants
& Registered Auditors
Bathurst House
86 Micklegate
York
YO1 6LQ

Bankers

HSBC Bank plc
13 Parliament Street
York
YO1 8XS

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Group's principal activity is investing in securities and real estate, making of grants, and undertaking projects for political and other purposes in accordance with the terms of the Memoranda of Association.

RESULTS

The loss for the year, after taxation, amounted to £242,769. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 14 to the accounts.

DIRECTORS

The directors who served the company during the year were as follows:

Danny G Alexander
Amanda C Cormack
Peadar Cremin
Christine J Day
Pam Giddy
Christopher J Greenfield
David T Shutt (Lord Shutt of Greetland)
Andrew C Neal

- Appointed 19 October 2008

The company is limited by guarantee and therefore has no share capital. None of the directors held any shares in this company's subsidiaries in the current or preceding year.

RETIREMENT OF DIRECTORS

The following directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

Peadar Cremin
Christine J Day
Andrew C Neal

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

GRANTS

During the year the company has given grants for the following political purposes:

	£
Alliance Party of Northern Ireland	27,750
Campaign for Gender Balance	12,900
Conservative Group for Europe	5,000
Jersey Democratic Alliance	14,400
Liberal Democrats	205,000
Liberal Democrats Leader's Office	17,500
Liberal Democrats - Calderdale	2,000
Liberal Democrats - Cotswolds	500
Liberal Democrats - East Devon	500
Liberal Democrats - Filton & Bradley Stoke	150
Liberal Democrats - Inverness East, Nairn & Lochaber	2,500
Liberal Democrats - Kingswood (Hillfields)	250
Liberal Democrats - Leeds	1,500
Liberal Democrats - Somerton & Frome	100
Liberal Democrats - York Outer	5,000
Liberal Democrats - Yorkshire & Humberside	33,332
Women2Win	5,000
	<u>333,382</u>

For other purposes:

Abortion Rights	17,500
Action on Rights for Children (ARCH)	2,400
British Muslims for Secular Democracy	(40,000)
Burma Campaign UK	200
Campaign Against Arms Trade	10,000
Campbell, Sir Menzies - RUSI research	11,750
Compass	29,450
English Collective of Prostitutes	10,185
Greaves, Bernard	4,950
Hope Not Hate Yorkshire	51,582
ICM Poll on 42 days detention	3,725
International Tibet Support Network	5,000
Keep Our NHS Public	8,400
Liberty	29,729
NO2ID Campaign	17,376
Object	25,850
Open Rights Group	25,000
Party Funding (Unlock Democracy)	5,950
Peace and Neutrality Alliance (PANA)	834
Privacy International	25,000
Privacy Poll 2008	1,351
Public Voice	8,889
Purity of Elections	8,818
RemedyUK	13,328
Searchlight	60,020
UK Chagos Support Association	32,500
Unlock Democracy	43,613
	<u>413,400</u>

Total Grants paid	<u>746,782</u>
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THE JOSEPH ROWNTREE REFORM TRUST LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

GRANTS*(Continued)*

Grants and project expenditure are recognised in the profit and loss account when paid. The directors have authorised a further £1,588,143 (2007: £446,133) for payment, which is not reflected in the accounts, as no binding agreement has been entered into.

Under an arrangement with the Trustees of the JRSST Charitable Trust, the company would reimburse the charitable trust in respect of any grants ultimately rejected by the Inland Revenue. There was no potential liability under this arrangement at 31 December 2008 (2007: £nil).

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

AUDITOR

A resolution to re-appoint Barron & Barron as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'Tina C Walker', written in a cursive style.

TINA C WALKER
Company Secretary

Approved by the directors on 27 March 2009

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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

YEAR ENDED 31 DECEMBER 2008

We have audited the group and parent company financial statements ("the financial statements") of The Joseph Rowntree Reform Trust Limited for the year ended 31 December 2008, which have been prepared on the basis of the accounting policies set out on pages 12 to 14.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

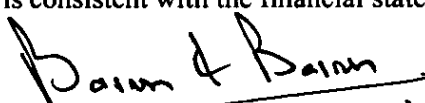
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JOSEPH ROWNTREE REFORM TRUST LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2008

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2008 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



BARRON & BARRON
Chartered Accountants
& Registered Auditors

Bathurst House
86 Micklegate
York
YO1 6LQ

27 March 2009

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
GROUP TURNOVER	2	1,413,498	1,261,885
Cost of sales		(11,785)	(18,249)
GROSS PROFIT		1,401,713	1,243,636
Administrative expenses		(255,750)	(287,305)
OPERATING PROFIT	3	1,145,963	956,331
Grants paid		(746,782)	(1,410,173)
		399,181	(453,842)
Profit on sale of property		—	1,325,646
Profit/(loss) on sale of investments		(512,852)	(365,663)
Interest payable	6	(185)	(537)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(113,856)	505,604
Tax on (loss)/profit on ordinary activities	7	(128,913)	(693,757)
LOSS FOR THE FINANCIAL YEAR	8	<u>(242,769)</u>	<u>(188,153)</u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 230 of the Companies Act 1985
not to publish its own Profit and Loss Account.

The notes on pages 12 to 21 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Loss for the financial year attributable to the members of the parent company	(242,769)	(188,153)
Unrealised gain/(loss) on revaluation of properties	(4,000,000)	4,550,000
Unrealised profit/(loss) on investments	(8,651,567)	544,981
Total gains and losses recognised since the last annual report	<u>(12,894,336)</u>	<u>4,906,828</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2008 £	2007 £
Reported (loss)/profit on ordinary activities before taxation	(113,856)	505,604
Realisation of gains recognised in previous periods	<u>727,098</u>	<u>3,092,403</u>
Historical cost profit on ordinary activities before taxation	<u>613,242</u>	<u>3,598,007</u>
Historical cost profit for the year retained after taxation	<u>484,329</u>	<u>2,904,250</u>

The notes on pages 12 to 21 form part of these financial statements.

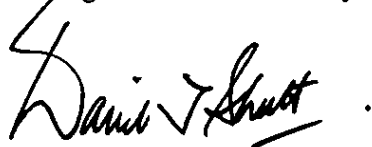
THE JOSEPH ROWNTREE REFORM TRUST LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	9	6,005,448	10,005,305
Investments	10	21,122,194	29,769,022
		<u>27,127,642</u>	<u>39,774,327</u>
CURRENT ASSETS			
Debtors	11	310,620	137,552
Cash at bank and in hand		1,131,663	2,105,906
		<u>1,442,283</u>	<u>2,243,458</u>
CREDITORS: Amounts falling due within one year	12	<u>(314,626)</u>	<u>(868,150)</u>
NET CURRENT ASSETS		1,127,657	1,375,308
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,255,299</u>	<u>41,149,635</u>
RESERVES	15		
Revaluation reserve	16	14,115,612	27,494,277
Trust capital account	16	4,606,760	4,606,760
Profit and loss account	16	9,532,927	9,048,598
MEMBERS' FUNDS		<u>28,255,299</u>	<u>41,149,635</u>

These financial statements were approved by the directors and authorised for issue on 27 March 2009, and are signed on their behalf by:



David T Shutt (Lord Shutt of Greetland)
Director



Christopher J Greenfield
Director

The notes on pages 12 to 21 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

COMPANY BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	9	5,448	4,290
Investments	10	21,127,194	29,774,022
		<u>21,132,642</u>	<u>29,778,312</u>
CURRENT ASSETS			
Debtors	11	1,905,069	1,183,777
Cash at bank and in hand		1,041,688	2,050,214
		<u>2,946,757</u>	<u>3,233,991</u>
CREDITORS: Amounts falling due within one year	12	<u>(23,741)</u>	<u>(17,932)</u>
NET CURRENT ASSETS		2,923,016	3,216,059
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,055,658</u>	<u>32,994,371</u>
RESERVES	15		
Revaluation reserve	16	10,578,460	19,957,125
Trust capital account	16	4,606,760	4,606,760
Profit and loss account	16	8,870,438	8,430,486
MEMBERS' FUNDS		<u>24,055,658</u>	<u>32,994,371</u>

These financial statements were approved by the directors and authorised for issue on 27 March 2009, and are signed on their behalf by:



David T Shutt (Lord Shutt of Greetland)
Director



Christopher J Greenfield
Director

The notes on pages 12 to 21 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and financial instruments.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a group cash flow cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents investment income, interest receivable from short term loans, cash deposits and income from property.

Fixed assets

All fixed assets are initially recorded at cost.
Tangible fixed assets are stated at cost less depreciation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment - Straight line over 5 years

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Financial instruments

a) Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of capital until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

b) Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

c) Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Investments

Listed investments are stated at market value with the resulting difference between cost and market value transferred to the revaluation reserve annually. Where a fall in value to below cost occurs, then the deficit is taken to the profit and loss account if the diminution is considered permanent. Unlisted investments are accounted for on the same basis where a market value is readily available. Where no market value is available the investment is valued at cost, with an annual review by the directors for any permanent diminution in value.

Grants and trust projects

Grants and trust projects are included in the accounts when the expenditure has been incurred. Amounts authorised by the directors to which no binding commitments are made are noted in the directors' report.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2008	2007
	£	£
Investment income	704,435	591,255
Interest receivable	113,602	148,359
Property rental income	595,091	521,842
Other income	370	429
	<u>1,413,498</u>	<u>1,261,885</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2008	2007
	£	£
Depreciation of owned fixed assets	3,998	3,427
Auditor's remuneration		
- as auditor	4,950	4,500
- for other services	<u>7,242</u>	<u>5,546</u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2008	2007
	No	No
Directors	8	8
Administration	3	3
	<u>11</u>	<u>11</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	123,733	108,838
Social security costs	10,152	9,084
Other pension costs	17,532	13,950
	<u>151,417</u>	<u>131,872</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	<u>8,721</u>	<u>—</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	<u>185</u>	<u>537</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 28.50% (2007 - 30%)	129,074	693,769
(Over)/under provision in prior year	(161)	(12)
Total current tax	<u>128,913</u>	<u>693,757</u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28.50% (2007 - 30%).

	2008 £	2007 £
(Loss)/profit on ordinary activities before taxation	(113,856)	505,604
(Loss)/profit on ordinary activities by rate of tax	(32,448)	151,681
Non deductible expenses	218,173	423,213
Adjustments to previous periods	(161)	(12)
Dividends and distributions received	(195,924)	(175,044)
Chargeable disposals	146,163	295,735
Capital allowances	(2,629)	(2,844)
Depreciation add back	1,126	1,028
Marginal relief	(5,387)	-
Total current tax (note 7(a))	128,913	693,757

8. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £(287,146) (2007 - £12,281,734).

9. TANGIBLE FIXED ASSETS

Group	Investment Properties £	Office Equipment £	Total £
COST OR VALUATION			
At 1 January 2008	10,000,000	30,907	10,030,907
Additions	-	4,141	4,141
Revaluation	(4,000,000)	-	(4,000,000)
At 31 December 2008	6,000,000	35,048	6,035,048
DEPRECIATION			
At 1 January 2008	-	25,602	25,602
Charge for the year	-	3,998	3,998
At 31 December 2008	-	29,600	29,600
NET BOOK VALUE			
At 31 December 2008	6,000,000	5,448	6,005,448
At 31 December 2007	10,000,000	5,305	10,005,305

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

9. TANGIBLE FIXED ASSETS *(continued)*

Company	Office Equipment £
COST OR VALUATION	
At 1 January 2008	29,216
Additions	4,141
At 31 December 2008	<u>33,357</u>
DEPRECIATION	
At 1 January 2008	24,926
Charge for the year	2,983
At 31 December 2008	<u>27,909</u>
NET BOOK VALUE	
At 31 December 2008	<u>5,448</u>
At 31 December 2007	<u>4,290</u>

The leasehold property at 303/323 Kings Road was valued by the directors on 31 December 2008 at £6,000,000 on the basis of Open Market Value. The historic cost of this property to the group is £2,462,854.

Should all the properties, held at the year end, be sold at the carrying values in the accounts a tax charge of £604,149 (2007: £1,857,855) would result.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

10. INVESTMENTS

Group

	Unlisted Investments	Listed Investments	Total
	£	£	£
COST OR VALUATION			
At 1 January 2008	2,659,450	27,204,072	29,863,522
Additions	-	1,624,551	1,624,551
Disposals	-	(1,619,812)	(1,619,812)
Revaluations	40,000	(8,691,567)	(8,651,567)
At 31 December 2008	<u>2,699,450</u>	<u>18,517,244</u>	<u>21,216,694</u>
 AMOUNTS WRITTEN OFF			
At 1 January 2008 and 31 December 2008	<u>(94,500)</u>	<u>-</u>	<u>(94,500)</u>
 NET BOOK VALUE			
At 31 December 2008	<u>2,604,950</u>	<u>18,517,244</u>	<u>21,122,194</u>
At 31 December 2007	<u>2,564,950</u>	<u>27,204,072</u>	<u>29,769,022</u>

Subsidiary undertakings

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
All held by the company:				
JRRT (Properties) Limited	England	Ordinary shares	100%	Property Letting
JRRT (Investments) Limited	England	Ordinary shares	100%	Dormant

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

10. INVESTMENTS(continued)

Company	Shares in Group Undertakings £	Unlisted Investments £	Listed Investments £	Total £
COST OR VALUATION				
At 1 January 2008	5,000	2,564,950	27,204,072	29,774,022
Additions	-	-	1,624,551	1,624,551
Disposals	-	-	(1,619,812)	(1,619,812)
Revaluations	-	40,000	(8,691,567)	(8,651,567)
At 31 December 2008	<u>5,000</u>	<u>2,604,950</u>	<u>18,517,244</u>	<u>21,127,194</u>
NET BOOK VALUE				
At 31 December 2008	<u>5,000</u>	<u>2,604,950</u>	<u>18,517,244</u>	<u>21,127,194</u>
At 31 December 2007	<u>5,000</u>	<u>2,564,950</u>	<u>27,204,072</u>	<u>29,774,022</u>

The historic cost of listed investments is £8,988,165 (2007: £8,256,329) and unlisted investments is £1,555,570 (2007: £1,555,570). 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 2008, where no market value is readily available amounts to £4,950 (2007: £4,950).

The tax charge, should all the investments be sold at the above values, would be £2,114,758 (2007: £4,990,091).

11. DEBTORS

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	121,372	53,328	-	-
Amounts owed by related undertakings	176,143	77,070	1,892,335	1,177,630
Other debtors	13,105	7,154	12,734	6,147
	<u>310,620</u>	<u>137,552</u>	<u>1,905,069</u>	<u>1,183,777</u>

Amounts owed by related undertakings relates to a loan of £176,143 (2007 - £77,070) in respect of JRSST Charitable Trust which is an associated charity.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

12. CREDITORS: Amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Amounts owed to related undertakings	–	12,224	5,000	5,000
Other creditors including taxation:				
Corporation tax	129,074	693,769	–	–
VAT	17,214	24,065	–	–
Other creditors	168,338	138,092	18,741	12,932
	<u>314,626</u>	<u>868,150</u>	<u>23,741</u>	<u>17,932</u>

Amounts owed to related undertakings relates to JRSST Charitable Trust, which is an associated charity, of £nil (2007 - £12,224).

13. PENSIONS

The company operates a defined benefit pension scheme.

The assets of the defined benefit scheme are held separately from those of the company, being invested in the SCVO Final Salary Pension Scheme administered by The Pension Trust for Charities and Voluntary Organisations. It is a multi-employer scheme, therefore it is not possible to identify the company's share of the underlying assets and liabilities of the scheme.

The last actuarial report of the scheme showed that the scheme was in deficit at 30 September 2005 to the extent of £6.7 million. The main financial assumptions used in the actuarial valuation are an inflation rate of 2.5%, a rate of salary increases of 4.0%, a rate of pension increases of 2.5%, investment return on future contributions of 6.1% and an investment return on accumulated assets of 4.8%.

The standard rate of contributions for members was increased from 6% to 7.5% of pensionable earnings with effect from October 2007.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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15. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee, having no share capital. Each member is liable to contribute a sum not exceeding 50p in the event of the company being wound up while they are members or within one year thereafter. The number of members is declared not to exceed twenty.

16. RESERVES

Group	Revaluation reserve £	Trust capital account £	Profit and loss account £
Balance brought forward	27,494,277	4,606,760	9,048,598
Loss for the year	—	—	(242,769)
Other gains and losses			
- Revaluation of fixed assets	(12,651,567)	—	—
Other movements			
- transfer to/from revaluation reserve	(727,098)	—	727,098
Balance carried forward	<u>14,115,612</u>	<u>4,606,760</u>	<u>9,532,927</u>
Company	Revaluation reserve £	Trust capital account £	Profit and loss account £
Balance brought forward	19,957,125	4,606,760	8,430,486
Loss for the year	—	—	(287,146)
Other gains and losses			
- Revaluation of investments	(8,651,567)	—	—
Other movements			
- transfer to/from revaluation reserve	(727,098)	—	727,098
Balance carried forward	<u>10,578,460</u>	<u>4,606,760</u>	<u>8,870,438</u>