

Registered number: 00357963

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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Sal V Brinton (Baroness) Amy Dalrymple Alison R Goldsworthy Christopher J Greenfield (resigned 31 December 2018) Julian L Huppert Susan L Mendus Andrew C Neal, Chair Lisa Smart Roger Clarke (appointed 28 September 2018) Benjamin Lyons (appointed 28 September 2018) Fionna Tod (appointed 1 January 2019)
Company secretary	James K Wallace
Chief executive officer	Fiona Weir
Registered number	00357963
Registered office	The Garden House Water End York North Yorkshire YO30 6WQ
Independent auditor	BHP LLP Rievaulx House 1 St Marys Court Blossom Street York YO24 1AH
Bankers	Unity Trust Bank Plc Nine Brindleyplace Birmingham B1 2HB
Solicitors	Rathbone Greenbank 10 Queen Square Bristol BS1 4NT
Legal advisors	Stone King LLP Boundary House 91 Charterhouse St Clerkenwell London EC1M 6HR

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

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THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Sal V Brinton (Baroness)
Amy Dalrymple
Alison R Goldsworthy
Christopher J Greenfield (resigned 31 December 2018)
Julian L Huppert
Susan L Mendus
Andrew C Neal, Chair
Lisa Smart
Roger Clarke (appointed 28 September 2018)
Benjamin Lyons (appointed 28 September 2018)

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Principal activity

What we do

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

Our values

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

Our strategic vision

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

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Summary of achievements 2018

Grantmaking

In 2018 the Trust paid out a total of £1.01 million in grants and approved £1.43 million of expenditure for 30 new grants. During the year 6 grants approved in previous years totalling £0.39 million met the conditions set.

Grant expenditure of £1.34 million was agreed by the Board following application rounds and £68k through the small grants procedure between meetings. In application rounds, 54% of applications submitted were approved, as were 48% of small grant applications. The small grant cap is set at £7,500 and the average nonpolitical application round grant was c. £40k, excluding the Trust decision to make a multi-year commitment to Make Vote Matters campaign for proportional representation.

A detailed breakdown of grants is included in note 4 of the accounts.

Democracy

The examples below give a flavour of the diversity of the Trust's work on democracy in 2018.

Having been impressed by their early success, and clear that a broken voting system has played a key part in undermining confidence in our democratic institutions, substantial further funding was provided to Make Votes Matter to assist them in scaling up their campaign to reform the electoral system.

Many new MPs find Parliament a frustrating place that needs urgent modernisation and the Trust funded The Fabians in the production of a collection of essays by new Labour MPs on changes that should be made to how the House of Commons works. Aware of the need to engage a broader range of people in elections, funding was provided to Campaign Together for an initiative to train thousands of canvassers and secure the new registration of young voters.

Engaging young people in politics is a priority for the Trust and it supported Youth Politics in its campaign to increase voter registration amongst young people and train up new activists.

The Trust supported More United in its work to promote more cross-party working amongst MPs and its successful campaign to restore access to elected office funding, helping deaf and disabled candidates stand for election.

Concerned about the creation of new barriers to electoral participation, the Trust backed a campaign by Political Skills Forum to raise awareness of the impact of different models of compulsory voter identification in future elections.

Recognising that some communities find it particularly hard to engage with elections, the Trust funded a campaign by Votey McVoteface to promote voter registration amongst the riverboat community.

Acknowledging the serious concerns that have arisen following the 2016 referendum and recent general elections, the Trust backed a campaign by Open Rights Group to ensure our electoral rules are fit for purpose in the digital age.

The Trust has funded Who Targets Me to expand their efforts to collect and make transparent data about social media advertising in elections, and to use this to work with the Electoral Commission and others to develop ideas for reforms to the way elections are regulated.

Determined to see power devolved from Westminster back to local communities, the Trust backed a campaign by One Yorkshire for an elected Mayor for Yorkshire.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Rights and Equality

The Trust has continued to support key campaigns for equality before the law.

The Equal Civil Partnerships campaign saw tremendous success, with Tim Loughton MP's Private Member's Bill securing passage through the House of Commons and the Prime Minister announcing that she would introduce legislation to extend civil partnerships to mixed sex couples in England and Wales.

Following on from the successful referendum in Ireland, and with opportunities to press ministers in Westminster in the absence of a functioning Northern Ireland Assembly and Executive, the Trust supported the continuing campaign by Alliance for Choice for abortion law reform.

The Trust has continued to support the campaign for the rights of victims. The campaign's achievements include its lead campaigner Harry Fletcher securing debates in Parliament on the government's victims' strategy, setting up the All-Party Parliamentary Group on Victims of Crime, engaging with officials involved in drafting the Domestic Abuse Bill and continuing to press the case for establishing victims' rights in legislation.

Abuses of power

The JRRT has made various grants relating to investigating and curbing abuses of power, whether by the government, police or local authorities.

The Trust has again backed the All-Party Parliamentary Group on Extraordinary Rendition in its campaign to get to the truth of the UK government's involvement in the secret rendition of prisoners to Guantanamo Bay and to change the rules to ensure such abuse never happens again.

Increasingly concerned at the way policing tactics are impacting on people's freedom to protest, the Trust supported the campaign by Network for Police Monitoring to protect the rights of those engaged in political dissent and to stop them being labelled 'domestic extremists' for engaging in lawful protest.

To ensure that people continue to feel able to speak out and protest, the Trust also backed a campaign by Manifesto Club against the misuse of those powers given to local authorities and the police in the Antisocial Behavior, Crime and Policing Act 2014.

The Trust continues to fund Undercover Research Group who are investigating undercover policing of political activity in the UK, and the abuse of powers that has occurred. Their research has uniquely contributed to the case for transparency and disclosure and supports efforts to speak truth to power.

Political parties

The Joseph Rowntree Reform Trust Ltd is not a charity and is able to make political grants. Set up by Joseph Rowntree, a prominent Liberal, the Trust has supported the Liberal Democrats to ensure representation in parliament of MPs committed to promoting liberal values and working for democratic reform and to partly offset the balance of financial inequality between the parties. JRRT also supports liberal voices in other political parties.

In 2018 we funded the Liberal Democrats Electoral Insight Project to enable the party to undertake a programme of polling and research to deliver effective messages, target voters and rebuild support and core vote as well as further tranches of multi-year development grants to the Northern Ireland Alliance Party and Association of Liberal Democrat Councillors (ALDC).

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

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

JRRT activities and projects

Liberal Voices

The Trust is developing its 'Liberal Voices' Programme, making grants to individual parliamentarians who share a value space with the Trust and its political reform objectives.

The Trust continued to support Jim McMahon MP's work on extending the franchise to sixteen and seventeen year olds, his Private Member's Bill on Votes at 16 discussed in Parliament and securing contributions in the debate from across the House. Cross party support for the issue is growing. In October JRRT's CEO chaired the APPG on Votes at 16 reception at the Conservative Party Conference. Speakers included Nicky Morgan MP, Darren Hughes Electoral Reform Society, David Hughes Association of Colleges and Jo Hobbs British Youth Council.

The Trust also supported Darren Jones MP, funding his work on shaping Labour's digital policy through the reinvigoration of Labour Digital. As well as staging events at the Labour Party Conference, he has worked throughout the year with Labour frontbenchers on a range of digital issues, including digital rights and democracy, and the way in which data is handled by government departments and statutory authorities

Parliamentary democracy and Brexit

EU (Withdrawal) Bill – a funder consortium and civil society Alliance

JRRT had been influential in building a consortium of funders to fund an Alliance, coordinated by Unlock Democracy, to support a broad range of civil society organisations to influence the Bill. Campaigners on environment, food, farming, workers' rights, equality, public law consumer and trade shared concerns about the need to have effective parliamentary scrutiny of the Bill and to uphold high standards as legislation was transposed into EU law.

Evaluation of the work shows that the 80-member Alliance has built strong relationships between groups in different policy sectors, built capacity, provided strategic leadership for civil society on an incredibly complex piece of legislation, and become a valuable resource for parliamentarians. It also played a key role in enabling the voice of civil society in the devolved nations to be heard in Westminster.

The European Union (Withdrawal) Bill has serious implications for human rights, the rule of law, the constitution and standards in the UK. Despite the complex Brexit politics, some important concessions were secured albeit the need to resolve the respective roles of the executive and parliament remains an urgent concern.

The initiative helped to leverage over £300k for this work and its success has led to continuation funding as the reconfigured Brexit Civil Society Alliance.

Democratic culture and campaigns

The Trust has supported work that strengthens the UK's democratic culture and the campaigning sector.

The Trust sponsored the Sheila McKechnie Foundation "David and Goliath campaign award. JRRT Director Sue Mendus took part in the judging panel and presented the award to the United Kingdom Without Incineration Network (UKWIN) an organisation that has supported more than 150 grassroots anti-incineration campaigns.

The Trust supported Jolyon Maugham QC's Good Law Project, an initiative to provide high level legal advice to campaigners seeking to make changes to policy through the courts.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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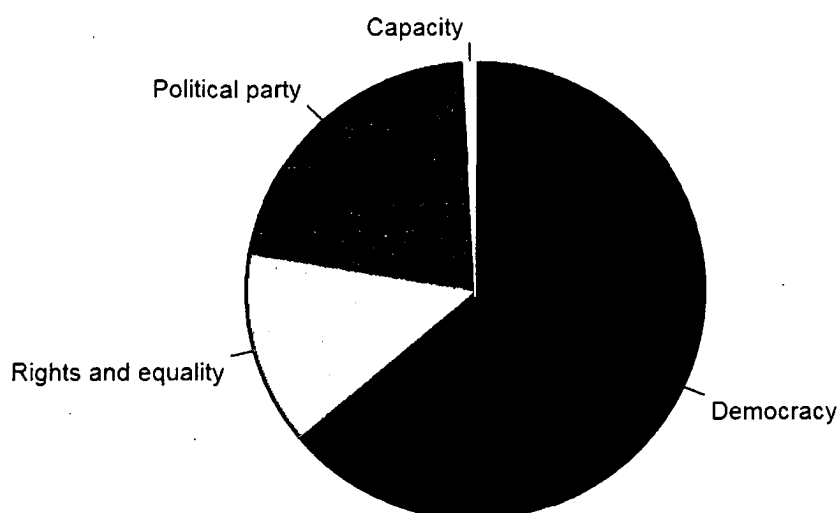
DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Implementing the new strategy

2018 was the first full operating year for the new strategy which focuses the Trust's limited resources on the urgent need for wholesale democratic and political reform. Building blocks include reorienting the grant programme, activity by the Trust as a catalyst for campaigning and collaboration with other funders to strengthen the resources available to the democracy sector.

Analysis of JRRT grant making since the strategy was agreed shows that the shift in priorities has been well reflected in the allocation of grant funding. New grant funding for democracy was 64% of the total, continued funding for rights and equality issues previously supported by the Trust accounted for 14%; political party grants 21% and the developing area of capacity building work 1%.

Grants Spend 2018



UK Democracy Fund

A major project in 2018 was laying the foundations for establishing a UK Democracy Fund, an exciting new initiative that will aim to strengthen the integrity and vibrancy of democracy by increasing voter participation and improving the representativeness of the electorate. The Fund will operate on an independent and non-partisan basis and will support a variety of approaches including new and innovative ways of organising civil and political campaigns for electoral reforms events to convene knowledge and activism targeted approaches to engage low propensity voter groups research and evaluation to build an evidence base about what works.

JRRT aims to contribute to an ecosystem of donors, activists and others keen to engage everyone in democracy and to grow the funding available for democracy campaigns.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial performance

Income for the year of £1.30 million increased by £232k (22%) due to higher dividend income (including special dividends) from the company's investment portfolio which achieved an overall yield of 3.2% during 2018. Expenditure on grants in 2018 increased to £1.81 million including these grants brought forward that now met their respective payment conditions.

Non grant and project expenditure increased slightly to £557k in the year due to the development of our new website. In addition, there was a gain on sale of investments of £195k.

The company therefore generated a loss of £801k before tax (2017: £331k loss) reflecting the higher level of grants payable during the year.

The company's net assets decreased by £3.1 million to £35.7 million due to the decrease in the value of its investment portfolio, the gains from which part fund our grant making.

Investment policy

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

Structure, governance and management

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

The Board has a Finance Committee and a Nominations Committee. Day to day management of the Trust is the responsibility of the paid Chief Executive, who reports to the Board of Directors, supported by a small staff team. Following completion of an office review process the team was restructured and new posts created including a full time Programme Manager and part time Communications Manager. The administrative function was reconfigured and became a part time role.

The Trust agreed a revised Memorandum & Articles which were approved at an EGM in June 2018. The changes included that former directors become members for ten years on resignation, an updated conflict of interest clause, a revised quorum and some simpler English wording of the Articles.

A key focus this year has been compliance with GDPR linked to a review of the company's IT systems and processes.

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 is reviewed annually by the Board of Directors.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Disclosure of information to auditor

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

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

Auditor

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

Small companies note

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

This report was approved by the board on 22 March 2019 and signed on its behalf.



James K Wallace
Secretary

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of The Joseph Rowntree Reform Trust Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

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

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.

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

Use of our report

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



Jane Marshall (Senior Statutory Auditor)

for and on behalf of
BHP LLP

Statutory Auditors

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

Date: 8 April 2009

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover		1,297,375	1,064,991
Gross profit		1,297,375	1,064,991
Administrative expenses		(557,290)	(521,827)
Other operating income		81,000	110,000
Operating profit	3	821,085	653,164
Gain / (loss) on sale of investments		194,963	80,896
Interest payable and expenses		(2,000)	(2,000)
Grants payable		(1,815,180)	(1,063,299)
Loss before tax		(801,132)	(331,239)
Tax on profit		(304,199)	(154,648)
Profit for the financial year		(1,105,331)	(485,887)
Other comprehensive income for the year			
Unrealised (deficit)/surplus on revaluation of tangible fixed assets		(3,221,279)	4,619,667
Actuarial losses on defined benefit pension scheme		-	(1,000)
Movement of deferred tax relating to investments		1,221,079	(316,358)
Other comprehensive income for the year		(2,000,200)	4,302,309
Total comprehensive income for the year		(3,105,531)	3,816,422

The notes on pages 17 to 29 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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REGISTERED NUMBER:00357963

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	3,829	2,949
Investments	7	38,020,090	41,326,714
		<u>38,023,919</u>	<u>41,329,663</u>
Current assets			
Debtors: amounts falling due within one year	9	732,033	1,206,081
Cash at bank and in hand	10	1,179,313	854,823
		<u>1,911,346</u>	<u>2,060,904</u>
Creditors: amounts falling due within one year	11	(1,246,998)	(644,096)
Net current assets		<u>664,348</u>	<u>1,416,808</u>
Total assets less current liabilities		<u>38,688,267</u>	<u>42,746,471</u>
Creditors: amounts falling due after more than one year	12	(413,906)	(145,500)
Provisions for liabilities			
Deferred tax	14	(2,578,355)	(3,799,434)
		<u>(2,578,355)</u>	<u>(3,799,434)</u>
Net assets		<u>35,696,006</u>	<u>38,801,537</u>
Capital and reserves			
Revaluation reserve		16,255,674	20,430,691
Other reserves		4,606,760	4,606,760
Profit And loss account		14,833,572	13,764,086
		<u>35,696,006</u>	<u>38,801,537</u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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REGISTERED NUMBER:00357963

BALANCE SHEET (CONTINUED)

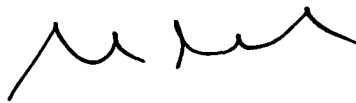
AS AT 31 DECEMBER 2018

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 March 2019.



Lisa Smart
Director



Andrew C Neal
Director

The notes on pages 17 to 29 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	20,430,691	4,606,760	13,764,086	38,801,537
Comprehensive income for the year				
Loss for the year	-	-	(1,105,331)	(1,105,331)
Deficit on revaluation of other fixed assets	(3,221,279)	-	-	(3,221,279)
Deferred tax movement	1,221,079	-	-	1,221,079
Other comprehensive income for the year	(2,000,200)	-	-	(2,000,200)
Total comprehensive income for the year	(2,000,200)	-	(1,105,331)	(3,105,531)
Transfer to/from profit and loss account	(2,174,817)	-	2,174,817	-
Total transactions with owners	(2,174,817)	-	2,174,817	-
At 31 December 2018	16,255,674	4,606,760	14,833,572	35,696,006

The notes on pages 17 to 29 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

The notes on pages 17 to 29 form part of these financial statements.

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The 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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

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

2.3 Tangible fixed assets

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

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

The estimated useful lives range as follows:

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

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

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.5 Debtors

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

2.6 Cash and cash equivalents

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

2.7 Financial instruments

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

2.8 Creditors

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

2.9 Finance costs

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 Pensions

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

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

2.11 Holiday pay accrual

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

2.12 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 payments 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

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

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

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

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

2.14 Critical accounting estimates and areas of judgement

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

(i) Pension deficit contribution

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	2,254	1,841
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,170	2,565
Fees payable to the Company's auditor and its associates for other services	5,170	4,185
Defined contribution pension cost	23,782	28,608
	<u>23,782</u>	<u>28,608</u>

During the year, no director received any emoluments (2017 - £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Analysis of grants payable

Grantee	Brought forward £	Payment conditions now met and committed to in 2018 £	Paid during 2018 £	Carried forward £
Alliance Party of Northern Ireland	60,000	-	(30,000)	30,000
APPG on Extraordinary Rendition	-	25,950	(6,487)	19,463
Association of Liberal Democrat Councillors (ALDC)	-	290,468	(95,996)	194,472
Darren Jones - Liberal Voices	-	19,000	(19,000)	-
Jim McMahon - Liberal Voices	-	19,000	(19,000)	-
Labour for a People's Vote	-	100,000	(25,000)	-
Liberal Democrats	-	299,740	(100,580)	199,160
Liberal Democrats - Yorkshire & Humberside	4,500	37,500	(18,000)	24,000
Other	-	10,350	(10,350)	-
Total political grants	64,500	802,008	(324,413)	467,095
Grantee				
89Up	5,833	-	-	5,833
Alliance for Choice	37,500	52,850	(50,600)	39,750
Big Organising UK	-	5,000	(5,000)	-
Black Mental Health	20,176	-	(20,176)	-
Campaign Together	-	60,000	(30,000)	30,000
Defend Digital Me	7,116	25,997	(26,614)	6,499
Democracy Volunteers	-	7,500	(7,500)	-
Equal Civil Partnerships Campaign	16,666	25,000	(24,999)	16,667
Fabian Society	-	7,000	(7,000)	-
Generation Rent	-	12,000	(12,000)	-
Global Justice Now/AEIP	75,000	-	(75,000)	-
Good Law Project	-	7,500	(7,500)	-
Harry Fletcher	-	12,000	(12,000)	-
Make Votes Matter	109,758	360,000	(109,758)	360,000
Manifesto Club Ltd	7,250	39,500	(7,250)	39,500
MedConfidential	18,600	-	(18,600)	-
More United	-	51,680	(51,680)	-
Naughty Step	-	7,500	-	7,500

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Network for Police Monitoring	16,624	25,953	(16,624)	25,953
Not Buying It	10,887	-	(10,887)	-
One Yorkshire	-	32,500	-	32,500
Open Rights Group	-	94,200	(6,975)	87,225
Operation Votey McVoteface	-	9,922	(4,961)	4,961
Parliament Project	27,000	-	(12,000)	15,000
Police Spies Out of Lives	22,500	-	(15,000)	7,500
Political Skills Forum	-	15,000	(15,000)	-
Red Pepper	-	7,500	(7,500)	-
Spiked	14,611	-	(14,611)	-
Undercover Research Group	8,175	66,500	(24,801)	49,874
Unlock Democracy	4,250	5,000	(6,000)	3,250
Who Targets Me	-	53,500	(53,500)	-
Women Against Rape	-	7,500	(7,500)	-
Youth Politics Ltd	-	7,500	(7,500)	-
Other	7,582	14,570	(21,301)	850
Total non-political grants	409,528	1,013,172	(689,837)	732,862
Total grants 2018	474,028	1,815,180	1,014,250	1,274,957
Total grants 2017	843,190	1,063,299	1,432,461	474,028

5. Employees

The average monthly number of employees, other than the directors, during the year was 4 (2017 - 3).

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2018	27,646
Additions	3,134
At 31 December 2018	<u>30,780</u>
Depreciation	
At 1 January 2018	24,697
Charge for the year on owned assets	2,254
At 31 December 2018	<u>26,951</u>
Net book value	
At 31 December 2018	<u><u>3,829</u></u>
At 31 December 2017	<u><u>2,949</u></u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****7. Fixed asset investments**

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
Cost or valuation				
At 1 January 2018	5,000	39,875,346	1,446,368	41,326,714
Additions	-	3,269,715	-	3,269,715
Disposals	-	(3,236,471)	(118,589)	(3,355,060)
Revaluations	-	(3,163,547)	(57,732)	(3,221,279)
At 31 December 2018	<u>5,000</u>	<u>36,745,043</u>	<u>1,270,047</u>	<u>38,020,090</u>

Listed investments

The market value of listed investments at 31 December 2018 was £36,745,043 (2017: £39,875,346).

The historic cost of listed investments is £18,194,567 (2017: £16,023,714) and unlisted investments is £986,491 (2017: £1,167,822). 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 2018, where no market value is readily available amounts to £5,002 (2017: £5,002).

The tax charge, should the investments be sold at the values stated above, would be £2,578,355 (2017: £3,799,434). This has been included in full in the Balance Sheet.

8. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

THE JOSEPH ROWNTREE REFORM TRUST LIMITED**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****8. Subsidiary undertakings (continued)****(continued)**

The aggregate of the share capital and reserves as at 31 December 2018 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	9,705,760	470,174

9. Debtors

	2018 £	2017 £
Amounts owed by group companies	730,474	1,203,491
Prepayments and accrued income	1,559	2,590
	732,033	1,206,081

Amounts owed by group undertakings in which the company has a participating interest relates to amounts due from The JRSST Charitable Trust of £9,184 (2017: £Nil) which is an associated charity and amounts due from JRRT (Properties) Limited of £721,290 (2017: £1,203,491), which is a subsidiary company.

10. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,179,313	854,823
	1,179,313	854,823

THE JOSEPH ROWNTREE REFORM TRUST LIMITED**(A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****11. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Amounts owed to group undertakings	5,000	19,123
Corporation tax	215,623	147,845
Other taxation and security	-	4,986
Other creditors	1,026,375	472,142
	<u>1,246,998</u>	<u>644,096</u>

Amounts owed to group undertakings in which the company has a participating interest relates to amounts due to The JRSST Charitable Trust of £Nil (2017: £14,123) and JRRT (Investments) Limited of £5,000 (2017: £5,000), which are this company's associated charities or subsidiary companies.

Included in other creditors are grants payable of £948,051 (2017: £421,528).

Grants payable will be funded from investments.

12. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Grants payable	326,906	52,500
Other creditors	87,000	93,000
	<u>413,906</u>	<u>145,500</u>

Included in grants payable are amounts due in 1 - 2 years of £326,906 (2017: £49,500) and amounts due in 2 - 5 years of £Nil (2017: £3,000).

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. Pensions

The company participates in the 'TPT Retirement Solution – Scottish Voluntary Sector Pension Scheme', a multi-employer scheme which provides benefits to some 90 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out as at 30 September 2017. This valuation showed assets of £145.9m, liabilities of £120m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions.

The company has agreed to a deficit funding arrangement to pay additional contributions from 1 April 2017 to 31 October 2029 of £643 payable monthly and increasing by 3% on 1st April each year, and of £624 monthly prior to 1 April 2017. The company therefore recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement, calculated using a discount rate of 1.83%. The unwinding of the discount rate is recognised as a finance cost.

The amount included in creditors for the deficit funding arrangement is £6,000 (2017: £6,000) due within one year and £87,000 (2017: £93,000) due after more than one year.

14. Deferred taxation

	2018 £
At beginning of year	(3,799,434)
Charged to other comprehensive income	1,221,079
At end of year	<u>(2,578,355)</u>

THE JOSEPH ROWNTREE REFORM TRUST LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Investments	(2,578,355)	(3,799,434)
	<u>(2,578,355)</u>	<u>(3,799,434)</u>

15. 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.

16. Contingent liabilities

Grants and project expenditure are recognised in the profit and loss account when the company becomes aware of an obligation. The directors have authorised a further £49,000 (2017: £438,818) for payment, which is not reflected in the accounts, as the criteria for recognition have not been satisfied. 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 2018 (2017: £nil).

17. Related party transactions

During the year the company received £42,000 (2017: £90,000) of management charges from its subsidiary company, JRRT (Properties) Limited. These charges are included in management charges receivable.

The company also received management charges of £39,000 (2017: £20,000) and incurred £24,018 (2017: £17,813) of charges in respect of rent and premises costs from the JRSST Charitable Trust, an associated charity whose Trustees are the same persons as the directors of The Joseph Rowntree Reform Trust Limited. These charges are included in administration expenses.

During the year grants of £337,240 (2017: £386,872) were awarded to the Liberal Democrats and related organisations. 2 of the Directors are involved with the Liberal Democrats, one being President and one being President of Cambridge Liberal Democrats.

During the year grants of £94,200 were awarded to Open Rights Group (2017: £Nil). 1 of the Directors serves on the Advisory Council of the group.