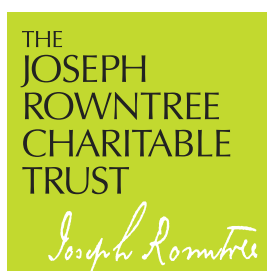


The Joseph Rowntree  
Charitable Trust  
Annual Report

2018



# Contents

Foreword from the Chair	02
Reflections from the Trust Secretary	03
<b>Trustees' annual report</b>	<b>04</b>
Governance and management	05
Objects and activities	06
Activities in 2018	08
2018 grants in figures	12
Grants made in 2018	14
Investments	21
Finance	25
Risk management	27
Statement of trustees' responsibilities in respect of the trustees' annual report and the financial statements	29
Independent auditor's report to the trustees of the Joseph Rowntree Charitable Trust	30
<b>Financial statements</b>	<b>34</b>
Statement of financial activities	35
Balance sheet	36
Statement of cash flows	37
Notes to the financial statements	39
Legal and administrative information	54

# Foreword from the Chair

In establishing the Joseph Rowntree Charitable Trust, Joseph Rowntree required successive generations of trustees to consider the current and future work of the Trust every ten years – our decennial review. This unusually wise challenge provides trustees with the opportunity to look back at the work the Trust has supported and look forward to new and emerging needs. A time to pause, reflect and discern future priorities in a rapidly changing context.

During 2018, staff and trustees, with support from an external consultant, worked through a series of Board Meetings focused on determining our level of spend and reviewing the way in which we deliver our charitable work. A powerful residential meeting in September led us to confirm our commitments to being responsive to new groups and ideas, seeking to tackle causes and not symptoms, and aiming to use the power of our endowment to liberate those working for positive social change. In a gathered meeting we agreed that the Trust would steadfastly continue to fund where we are led, continuing to develop clear expectations and active management of grants in order to give grantees and JRCT growing confidence to stand up for work that may be seen as risky or controversial and subject to media or regulatory scrutiny.

As part of our decennial review, we celebrated the recent success of our responsible investment strategy for our endowment. We carefully considered options for a potential sustainable spend and embraced the opportunities which will come from agreeing a higher level of fixed total spend going forward.

We have had relatively few changes in the people who help to govern the Trust this year. Michael Eccles stood down as a trustee at the end of the year, having recently taken on a new role with Friends World Committee for Consultation's Europe and Middle East Section. We are grateful for his thoughtful contribution and care, particularly in chairing our Sustainable Future programme in its early years. Nic Burton and Jackie Leach Scully began sitting in in September, although Jackie will not continue as work commitments are taking her abroad. We were very pleased to have Kamran Fazil join Sustainable Future committee as a co-optee.

The major change in staffing at the Trust comes with the news that Nick Perks our Trust Secretary has decided that the time is right for him to move on to a new phase of work in consulting in summer 2019. We are extremely grateful to Nick who has helped steer JRCT so carefully into increasingly professional ways of working whilst helping us to keep to our faithful discernment of the work the Trust needs to be doing. We look forward to recruiting a new Trust Secretary at an exciting time for the Trust.

**Helen Carmichael**

# Reflections from the Trust Secretary

Good strategy is about knowing what you do, and being clear what you don't do.

In reviewing our model of working as part of our decennial review, we identified a tension between our desire to fund groups in a liberating, generous and flexible way, and our desire to fund small organisations working on sensitive or controversial issues which may need more support, clearer boundaries and closer monitoring. This tension is not new, but has become more important within a context where charities generally, and JRCT itself on occasion, have come under greater external scrutiny. A number of hostile media articles in July and August 2018 criticising groups that JRCT has funded reinforced this point.

After a process of careful discernment, trustees have agreed that it is essential for JRCT to continue to fund the work that trustees judge to be important, recognising that this will include making some grants which are higher risk. This willingness to fund necessary but unpopular causes is at the core of the Trust's identity and strategy. Trustees also recognise that, in the changing context, we need to continue to strengthen our approach to compliance and control, building on improvements that we have already made in recent years. This work is ongoing.

Alongside this strategic choice, trustees have also agreed to significantly increase overall spending for the next decade. Taken together, these decisions give a clear and exciting programme for the Trust for the coming years.

I will be stepping down as Trust Secretary in summer 2019, so this will be my last annual report. It has been a great privilege to have served JRCT for seven years in this role, and 14 overall. I have been very fortunate to work with an active and thoughtful group of trustees and alongside professional and committed colleagues. I would particularly like to thank the previous and current Trust Chairs, Margaret Bryan and Helen Carmichael, for giving so generously of their time and wisdom. Above all, working for JRCT has given me the opportunity to meet and to support many wonderful people and organisations, working in different ways to make the world a better place.

With a new strategic direction agreed, and a commitment to increased spending, it is an excellent time for a new Trust Secretary to lead JRCT into the next phase of its work. I look forward to working with trustees and my successor in 2019 to ensure a smooth process of transition.

**Nick Perks**

Trustees'  
Annual Report

2018

# Governance and management

The Joseph Rowntree Charitable Trust is a charity registered in England and Wales, number 210037. Founded in 1904, the Trust's governing document is a deed of variation dated 18 November 2006 of a declaration of trust dated 6 November 1939, as amended in 1968, 1990 and 1998.

A board of up to 14 individual trustees, all members of the Religious Society of Friends (Quakers), governs the Trust. Trustees retire at age 72 or after 20 years of service unless specifically asked to serve for longer. The Chair and two Vice-chairs are appointed by trustees and serve a five-year term, open for renewal for one further term.

Trustee recruitment draws on some elements of Quaker nominations practice and has been refined by the Trust over a number of previous rounds of recruitment. Recruitment is initiated by the Trust Board, which decides on the number of trustees we are seeking to appoint and the skills and qualities that we are seeking, bearing in mind the need to maintain a diversity of perspectives and experience, a balance of age and of gender.

The recruitment process is overseen by a small search group of trustees, supported by staff. Trustee vacancies are generally advertised, but the Trust may also seek recommendations or approach potential trustees directly, for example to attract individuals with relevant skills. All potential trustees are required to provide a written expression of interest, a CV and references.

New trustees undergo a full induction process. They are provided with information including recent accounts, a copy of the Trust Deed and copies of relevant Charity Commission publications. New trustees are only appointed after sitting in on Trust business for a year and participating in a clearness process. All trustee appointments are made by the full Trust Board.

Trustees are offered opportunities for training and development and meet with the Trust chair every three years for a review.

Trustees meet as a full Trust Board four times a year. These meetings include an opportunity for trustees to meet without staff for part of the meeting. Trustees are also involved in the assessment of grants through programme committees and oversee the Trust's investments and operations through the Trust's Investment and Operations and Finance committees respectively.

The trustees are supported in their role by staff and also take external advice when required. Day-to-day administration of the Trust is delegated to the Trust Secretary working as part of a staff team of six full-time and nine part-time staff. A written scheme of delegation is maintained.

## Conflicts of interest and related parties

The Trust has a written conflict of interest policy for trustees, co-optees, staff and advisors in line with statutory guidance and the Trust Deed. More information about related parties is set out in note 9 of the financial statements.

## Objects and activities

Joseph Rowntree, the Quaker businessman and philanthropist, established the Trust in 1904 “for such charitable purposes or objects and in such manner as the trustees shall in their uncontrolled discretion think fit”.

Within these broad formal objects, trustees have considered how best the charity can apply its resources for public benefit. In doing so, the trustees have paid due regard to the guidance published by the Charity Commission under section 4 of the Charities Act 2011.

The Trust primarily advances its objects through making grants to charities and other not-for-profit organisations. This is rooted in Joseph Rowntree’s insight that *“there may be no better way of advancing the objects one has at heart than to strengthen the hands of those who are effectively doing the work that needs to be done”*. Trustees desire to empower others with the resources that they have, rather than to hold that power to themselves.

Joseph Rowntree also stressed the importance of seeking out *“the underlying causes of weakness or evil in the community”* rather than *“remedying their more superficial manifestations”*. This guidance, together with a judgement on where the Trust can have the greatest impact, has led trustees primarily to fund policy or campaigning work, rather than the delivery of direct services.

The Trust’s independent resources and governance mean that trustees are able to support organisations working on controversial or unpopular issues, or tackling intractable problems. The issues on which the Trust makes grants are informed by enduring Quaker values and concerns, including peace, equality, simplicity, and truth and integrity in public affairs.

In addition to making grants, the Trust seeks to further its charitable aims for the public benefit by providing additional support to grant recipients, occasionally commissioning research or other activity in the areas in which we fund, and through aspects of our investment programme.

Trustees have summarised this strategy in our current statement of purpose:

“ We are a Quaker trust which supports people who address the root causes of conflict and injustice. ”

Although the detail of Trust funding programmes may change from year to year, trustees believe that significant change takes time, and that long-term involvement in a field allows the Trust to build up internal expertise and external relationships, which in turn help the Trust to make effective and informed grant decisions. Grants are currently made under five programme headings: Peace and Security, Power and Accountability, Rights and Justice, Sustainable Future and Northern Ireland.

The Trust primarily funds in the UK, reflecting our location and heritage and our scale of operation. The Trust also makes some grants at the pan-European level, recognising that UK and EU policies and practices influence each other, and that many of the issues on which we work cross national boundaries.

Trustees agreed in 2016, following the result of the referendum on UK membership of the EU, that the Trust should continue to accept applications for work at a pan-European level, at least until such time as the formal relationship of the UK to the EU changed. Trustees will return to this question later in 2019. Given the Trust's general objects, there will be no legal impediment to the Trust continuing to fund work at a pan-European level whatever the future relationship between the UK and the EU.

During the year, the Trust completed a decennial review. Further information about this review is given later in this report.



# Activities in 2018

## Grant-making

JRCT aims to be a responsive funder. This includes being open to applications from a broad range of individuals and groups, having an accessible and proportionate assessment process, and making and communicating decisions promptly.

Guidelines on the Trust's funding priorities and how to apply for funds are made freely available on our website ([www.jrct.org.uk](http://www.jrct.org.uk)). Potential applicants are encouraged to contact staff with any questions on eligibility or the application process.

The format for applications aims to provide the Trust with sufficient information to make an informed decision, without requiring applicants to complete an inflexible or lengthy application form.

The Trust received 453 applications during the year (down from 460 in 2017). The final round of the year was restricted to applications by groups that were currently or very recently in receipt of JRCT funding. This restriction was put in place to help manage operational pressure arising from a transition to a new grants database (see Information management below). The relatively small decline in application numbers, despite this temporary restriction, suggests strong underlying demand for Trust funds.

We know that applicants value quick decision-making and predictable timescales when fundraising. We set out on our website the dates by which decisions will be made. The longest time between the deadline for applications and grant decisions was 16 weeks. Most unsuccessful applicants are told the result of their application at an earlier stage, and typically within one month.

The amount spent on the different programme areas in 2018 is given on page 12 and grants made by the Trust in 2018 are listed individually on pages 14 to 20.

## Monitoring, support and learning

The Trust seeks to be a supportive funder, and to ensure that grants are used effectively and for the charitable purposes for which the funds have been given. We keep formal reporting requirements simple and proportionate, with additional reporting required in relation to higher risk grants. We value regular contact with grantees as part of our monitoring processes, and staff aim to meet with grantees annually or as needed. On occasion, we provide access to legal or communications advice.

The Trust asks all grantees to complete a closing report on each grant to help us understand the impact of the work we have funded and to help us learn and improve as a grant-making Trust. All closing reports are fed back to trustees, and common themes arising from such reports are identified and reviewed.

From time to time, we convene grantees and other groups working in our areas of interest to strengthen networking, to benefit from external input, or to help the Trust reflect on its own practice and priorities. During the year as part of our Power and Accountability programme, the Trust organised a roundtable of NGOs, academics and funders to consider the future role of civil society in promoting the rights and responsibilities of new media companies. Under the Sustainable Future programme, we have offered financial and in-kind support to current grantees to gather together, with well-attended events taking place in June and November.

Grant committee meetings usually include a learning item on a relevant policy area or grantee case study. Sometimes learning sessions are extended to include trustees and staff from other programmes, current or recent grantees, representatives of other funders and/ or independent experts. Topics covered during the year included sessions on intersectionality, unconscious bias, militarism, and citizenship and democracy education in schools. Co-opted members of our grant committees have provided valuable input to a number of these sessions.

During the year, an external review of the Rights and Justice programme by Liz Griffin and Katie Pekacar of Hidden Depths Research was completed. The review was based on interviews with trustees and staff, and a sample of twenty grantees. It captured some of the achievements of the programme to date, and also raised useful questions about the focus, approach and assumptions of the programmes, many of which also had relevance for the Trust as a whole. Following the review, some changes have been made to our Rights and Justice grants policy.

The Trust seeks to share learning with others through membership of a number of UK and international philanthropic networks and through our website and other communications.

## Movement building

In recent years there has been renewed interest in the role of broad-based movements in creating positive social change, alongside or in contrast to more formalised and professionalised research, campaigns and advocacy.

In 2017, the Trust decided to look in detail at the case for social movements, what characteristics movements need to be effective, and the role of philanthropy within movements. The Trust created a working group of three trustees, one staff member, and four movement activists. Over the course of five sessions through 2018, the working group met with and listened to a wide range of people involved in various different movements for social and environmental justice.

The working group's final report concluded that social movements are an important and largely missing element within our funding of social change, and suggested a number of ways which the

Trust might help build the infrastructure and capacity of grassroots movements over the long-term. The findings have been welcomed by trustees, with further thought now being given to practical implementation.

## Information management

During the year the Trust undertook a number of steps to ensure that our management of data is in line with the requirements of the General Data Protection Regulation (GDPR).

The Trust undertook an open tender process for a replacement for our primary grant database. The contract was awarded in June, and staff have subsequently worked intensively with our new supplier to manage the design and implementation of the new database, together with data migration and other aspects. A new database platform will be launched in 2019 that will offer enhanced functionality and accessibility for applicants, grantees, staff, trustees and co-opted grant committee members.

## Decennial review

The Trust continued and completed a decennial (ten year) review during the year, supported by an external consultant. The focus of the review, as agreed in September 2017, was on (a) testing JRCT's model of change and (b) setting an appropriate level of spending for the next ten year period.

The review included engagement with current grantees and recent unsuccessful applicants through a survey, complemented by a small number of interviews and a focus group session.

Two contrasting methods were used to capture and reflect on the impact of the Trust's funding. Firstly, a paid intern from the University of York analysed a random sample of 50 closing reports from recent grants the Trust had made. Secondly, an invitation was extended to grantees to take up one of six places on a short, residential training programme that provided them with the skills to make a short video about the impact of their work. A film that collated these six shorts together was presented to trustees as part of the decennial process.

All of these review methods gave significant endorsement for many aspects of JRCT's current approach and way of working, including the Trust's willingness to support issues that are otherwise difficult to fund, to support core costs where possible, and having proportionate and clear processes for application and monitoring.

Trustees and senior staff considered the changing context for the Trust's work, options for developing the Trust's approach, and the question of spending level over the course of three board meetings, culminating in a longer residential meeting held at Charney Manor in Oxfordshire in September.

Trustees strongly affirmed the importance of JRCT remaining as an open, responsive grant-maker that is committed to working for systemic change in the fields in which we fund. Trustees recognise that this will sometimes involve funding work that is sensitive or unpopular, and agreed that in the

light of a changing context (including for example higher expectations on charities) we need to further strengthen our approach to compliance and control.

Based on their analysis of civil society needs and what funding is most effective, trustees would like to encourage more unrestricted grants, where appropriate, to increase the geographic diversity of the Trust's grants (particularly by making more grants outside London), and to make some larger and longer grants.

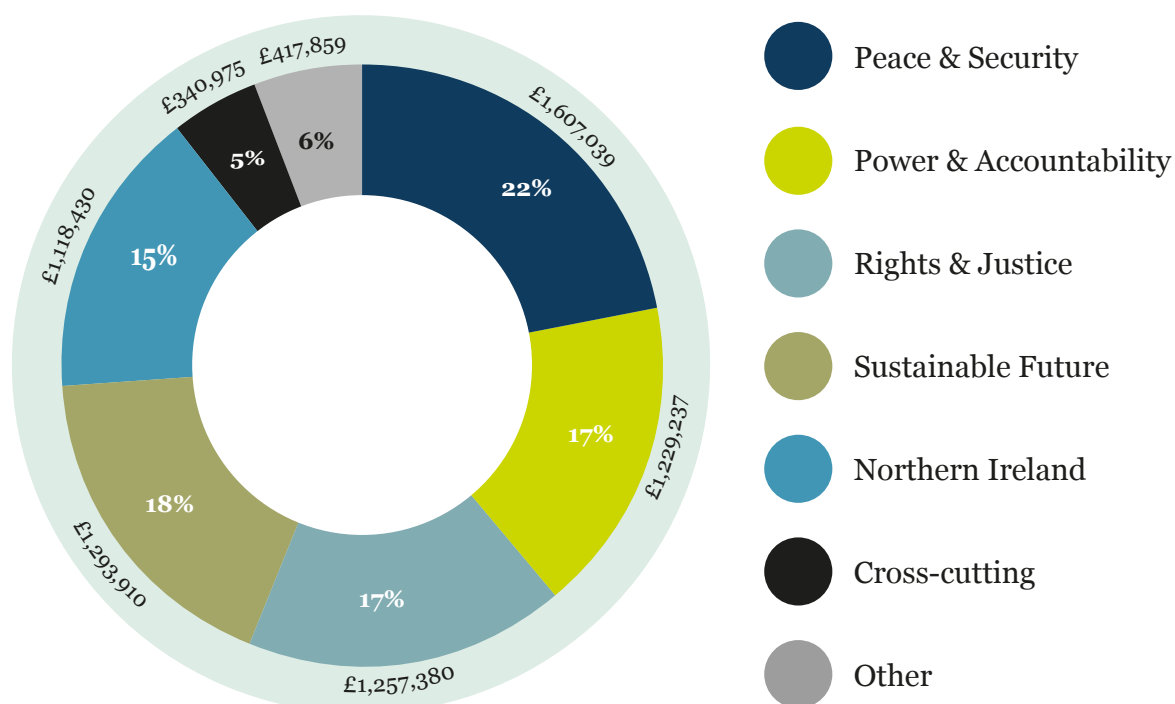
Trustees have taken a decision to significantly increase the Trust's total spend, from a level of £7.9m in 2018, up to a new baseline of £11.7m annually, to be increased by inflation. This exciting decision is partly the result of good investment performance in recent years. While this increased level is based on a forecast of likely sustainable spend, trustees recognise that there is no legal requirement to maintain the value of the endowment, and that there is a strong case for continuing spending to meet social needs and opportunities in more difficult economic times.

Finally, trustees have agreed to continue the current five grant programmes until the next decennial review in 2028.

## 2018 grants in figures

### Breakdown of programme grants

Grant expenditure	2018 Grants £	2018 Number of grants
Peace and Security	1,607,039	20
Power and Accountability	1,229,237	19
Rights and Justice	1,257,380	20
Sustainable Future	1,293,910	16
Northern Ireland	1,118,430	16
Cross-cutting	340,975	5
Other	417,859	4
	<b>7,264,830</b>	<b>100</b>



## Ten largest grants in 2018

Organisation	Amount	Months	Programme
Woodbrooke Quaker Study Centre	£337,672	36	Other
Omega Research Foundation	£180,000	36	Peace and Security
Action for Community Transformation Initiative	£152,790	36	Northern Ireland
Involve Foundation	£150,000	36	Power and Accountability
Future-Fit Foundation	£150,000	36	Cross-cutting
PAX	€165,000	36	Peace and Security
Women's Resource and Development Agency	£145,000	36	Northern Ireland
HOPE not hate Charitable Trust	£138,000	36	Rights and Justice
Conciliation Resources	£135,000	36	Peace and Security
Committee on the Administration of Justice	£135,000	36	Northern Ireland

*The Trust's ten largest grants represent 23% of the total funds approved.*

*Number of applications in 2018: 453*

# Grants made in 2018

## Peace and Security programme

We want to encourage a shift in the UK defence and security paradigm away from highly militarised and “securitised” responses towards a new approach based on participatory and accountable governance, human rights, non-violence, diplomacy and mediation, and environmental sustainability.

To do this we fund charitable work that aims to: challenge militarism; scrutinise counter-terrorism measures in the context of human rights and peacebuilding; or build support for alternative approaches to defence and security.

## Grants made

**Action on Armed Violence**, £102,372, 24 months, UK airstrikes: seeking accountability from the Ministry of Defence, [www.aoav.org.uk](http://www.aoav.org.uk)

**Airwars.org**, £120,000, 24 months, Conflict monitoring and UK advocacy, [www.airwars.org](http://www.airwars.org)

**Armed Conflict Location and Event Data Project (ACLED)**, US\$63,216, 12 months, Yemen Data Project, [www.acleddata.com](http://www.acleddata.com)

**British American Security Information Council (BASIC)**, £70,000, 24 months, Core costs, [www.basicint.org](http://www.basicint.org)

**Box of Tricks Theatre Company**, £5,000, 7 months, RAQQA - a new play by Lizzie Nunnery, [www.boxoftrickstheatre.co.uk](http://www.boxoftrickstheatre.co.uk)

**Birmingham City University**, £24,695, 18 months, Desecuritising higher education, [www.bcu.ac.uk/social-sciences/criminology/staff/andrew-whiting](http://www.bcu.ac.uk/social-sciences/criminology/staff/andrew-whiting)

**The Bureau of Investigative Journalism**, £87,120, 24 months, The Bureau Investigates: Shadow Wars – Afghanistan, [www.thebureauinvestigates.com](http://www.thebureauinvestigates.com)

**Campaign Against Arms Trade (CAAT)**, £10,000, 18 months, Art the Arms Fair, [www.caat.org.uk](http://www.caat.org.uk)

**Conciliation Resources**, £135,000, 36 months, Reducing the obstacles to and broadening the support for peacebuilding engagement with armed groups, [www.c-r.org](http://www.c-r.org)

**Ian Davis**, £18,000, 24 months, Project costs to further develop NATO Watch, [www.natowatch.org](http://www.natowatch.org)

**Development Education Centre South Yorkshire**, £77,660, 30 months, Teacher resources and training, [www.decsy.org.uk](http://www.decsy.org.uk)

**Drone Wars UK**, £110,000, 36 months, Research and education costs, [www.dronewars.net](http://www.dronewars.net)

**Forces Watch**, £79,000, 24 months,  
Critical awareness work, [www.forceswatch.net](http://www.forceswatch.net)

**London School of Economics and Political Science**, £92,672, 24 months,  
Tackling violence against women and girls:  
developing a global digital resource hub,  
[www.lse.ac.uk](http://www.lse.ac.uk)

**Medact**, £130,210, 24 months, Using health  
voices to make change for peace,  
[www.medact.org](http://www.medact.org)

**Oxford Research Group**, £110,000, 24  
months, Core costs,  
[www.oxfordresearchgroup.org.uk](http://www.oxfordresearchgroup.org.uk)

**Omega Research Foundation**, £180,000,  
36 months, Core costs,  
[www.omegaresearchfoundation.org](http://www.omegaresearchfoundation.org)

**PAX**, €165,000, 36 months, Don't Bank on the  
Bomb, [www.paxforpeace.nl](http://www.paxforpeace.nl)

**Peace Pledge Union**, £5,269, 12 months,  
Everyday militarism project, [www.ppu.org.uk](http://www.ppu.org.uk)

**Trust for Research and Education on  
the Arms Trade**, £60,000, 36 months,  
European Network Against Arms Trade,  
[www.treat-research.org.uk](http://www.treat-research.org.uk)

## Power and Accountability programme

We want to support people to create a world in which power is more equally shared, and in which powerful institutions are responsive and accountable to wider society and aligned with the long-term public interest.

To do this we fund charitable work that aims to: strengthen corporate accountability; strengthen democratic accountability; or encourage responsible media.

## Grants made

**Association of Member Nominated Trustees**, £80,000, 24 months, Campaign  
worker and PR, [www.amnt.org](http://www.amnt.org)

**Corporate Watch**, £90,000, 36 months,  
Holding corporations to account,  
[www.corporatewatch.org](http://www.corporatewatch.org)

**Democracy Club CIC**, £75,000, 18 months,  
Electoral candidates programme,  
[www.democracyclub.org.uk](http://www.democracyclub.org.uk)

**Paul Dorfman**, £40,000, 24 months,  
Nuclear Consulting Group/Energy Transition  
UK, [www.nuclearconsult.com](http://www.nuclearconsult.com)

**End Violence Against Women Coalition**,  
£90,000, 36 months, Media programme,  
[www.evaw.org.uk](http://www.evaw.org.uk)

**Fair Tax Mark**, £45,000, 12 months,  
Promoting the Fair Tax Mark,  
[www.fairtaxmark.net](http://www.fairtaxmark.net)



**Fawcett Society**, £99,173, 24 months, Equal power, [www.fawcettsociety.org.uk](http://www.fawcettsociety.org.uk)

**Involve Foundation**, £150,000, 36 months, Core costs, [www.involve.org.uk](http://www.involve.org.uk)

**King's College London**, £69,912, 12 months, Citizens' Convention scoping project, [www.kcl.ac.uk](http://www.kcl.ac.uk)

**The Politics Project**, £49,376, 10 months, Talking gender, [www.thepoliticsproject.org.uk](http://www.thepoliticsproject.org.uk)

**Preventable Surprises**, £60,000, 12 months, Corporate political capture, [www.preventablesurprises.com](http://www.preventablesurprises.com)

**RECLAIM**, £60,000, 24 months, Communications manager, [www.reclaim.org.uk](http://www.reclaim.org.uk)

**Research for Action**, £69,000, 18 months, Local government audit and accountability, [www.researchforaction.uk](http://www.researchforaction.uk)

**Rights & Accountability in Development (RAID)**, £50,000, 24 months, Core costs, [www.raid-uk.org](http://www.raid-uk.org)

**Scottish PEN**, £22,000, 12 months, Campaign Development Officer and campaign costs, [www.scottishpen.org](http://www.scottishpen.org)

**Stop Funding Hate CIC**, £50,000, 24 months, Encouraging responsible media through an ethical advertising code, [www.stopfundinghate.org.uk](http://www.stopfundinghate.org.uk)

**Trade Justice Movement**, £72,000, 24 months, Trade and democracy, [www.tjm.org.uk](http://www.tjm.org.uk)

**Unlock Democracy**, £50,276, 24 months, Civil society voice in Brexit, [www.unlockdemocracy.org.uk](http://www.unlockdemocracy.org.uk)

**University of St Andrews**, £7,500, 12 months, Ethics and Policy Initiative [www.st-andrews.ac.uk](http://www.st-andrews.ac.uk)

## Rights and Justice programme

We aim to grow public support and empathy for the rights of racial and religious minorities, hold governments to account and strengthen the hand of those advocating with and for these communities.

To do this we fund charitable work that aims to: protect and promote human rights and their enforcement in the UK; promote rights and justice for minorities who face the most severe forms of racism; or promote rights and justice for refugees and other migrants.

## Grants made

**Amnesty International UK Section Charitable Trust**, £60,000, 36 months, Human Rights Consortium Scotland, [www.amnesty.org.uk](http://www.amnesty.org.uk)

**Barrow Cadbury Trust**, £20,000, 24 months, Running costs of the Funders for Race Equality Alliance, [www.barrowcadbury.org.uk](http://www.barrowcadbury.org.uk)

**British Future**, £10,000, 6 months,  
Enoch was wrong, [www.britishfuture.org](http://www.britishfuture.org)

**Citizens UK (Safe Passage)**, £59,365,  
24 months, Safe Passage's advocacy team,  
[www.safepassage.org.uk](http://www.safepassage.org.uk)

**Equality and Diversity Forum**, £16,400,  
6 months, Influencing funding for equality  
and human rights after Brexit, [www.edf.org.uk](http://www.edf.org.uk)

**Friends, Families & Travellers**, £39,473,  
24 months, Gypsy, Traveller and Roma  
All-Party Parliamentary Group secretariat,  
[www.gypsy-traveller.org](http://www.gypsy-traveller.org)

**Global Dialogue**, £20,000, 24 months,  
Migration Exchange, [www.global-dialogue.eu](http://www.global-dialogue.eu)

**HOPE not hate Charitable Trust**,  
£138,000, 36 months, Core costs,  
<https://charity.hopenothate.org.uk>

**Sarah Kyambi**, £7,200, 12 months,  
Broadening the network for migration policy  
Scotland

**Just Fair**, £120,000, 36 months, Core costs,  
[www.just-fair.co.uk](http://www.just-fair.co.uk)

**Maternity Action**, £75,000, 24 months,  
Policy, advocacy and campaigning project,  
[www.maternityaction.org.uk](http://www.maternityaction.org.uk)

**Medical Justice**, £130,000, 36 months,  
Core costs, [www.medicaljustice.org.uk](http://www.medicaljustice.org.uk)

**Migrant's Law Project** (Islington Law  
Centre), £105,000, 36 months, MLP core costs,  
[www.themigrantslawproject.org](http://www.themigrantslawproject.org)

**Migration Observatory at the University  
of Oxford**, £97,842, 36 months, Informing  
the migration policy debate before and after  
Brexit, [www.migrationobservatory.ox.ac.uk](http://www.migrationobservatory.ox.ac.uk)

**Network of European Foundations**,  
€135,000, 36 months, European Programme  
on Integration and Migration (EPIM),  
[www.nef-europe.org](http://www.nef-europe.org)

**Refugee Action**, £15,000, 6 months, Lift the  
Ban, [www.refugee-action.org.uk](http://www.refugee-action.org.uk)

**Roma Support Group**, £6,000, 3 months,  
Roma and Brexit - roundtable symposium,  
[www.romasupportgroup.org.uk](http://www.romasupportgroup.org.uk)

**Roma Support Group**, £90,000,  
36 months, Roma and Brexit campaigning and  
policy project, [www.romasupportgroup.org.uk](http://www.romasupportgroup.org.uk)

**Jo Wilding**, £7,950, 7 months, Immigration  
legal aid advocacy project

**Women for Refugee Women**, £120,000,  
36 months, Core costs,  
[www.refugeewomen.co.uk](http://www.refugeewomen.co.uk)

## Sustainable Future programme

We want to develop and promote sustainable, low-carbon alternatives to the current consumerist and growth-based paradigm. To do this we fund charitable work that focuses on exploring and promoting more sustainable economic options; moving beyond consumerism; or which involves marginalised groups and young activists ('new voices') in the transition to a low-carbon sustainable society.

### Grants made

**10:10**, £100,000, 36 months, Core costs, [www.1010uk.org](http://www.1010uk.org)

**Coal Action Network**, £90,000, 36 months, A just end to coal now, [www.coalaction.org.uk](http://www.coalaction.org.uk)

**The Comms Lab**, £42,000, 9 months, Reclaiming Agency leadership programme, [www.thecommslab.com](http://www.thecommslab.com)

**Demand Energy Equality CIC**, £60,000, 36 months, Demand Energy: training to help communities towards equal access to clean energy; and strengthening the organisation's financial viability, [www.demandenergyequality.org](http://www.demandenergyequality.org)

**DeSmog UK**, £90,000, 36 months, Investigative reporter, [www.desmog.uk](http://www.desmog.uk)

**Feedback**, £58,375, 18 months, Fighting the growth of 'bad energy' in the UK, [www.feedbackglobal.org](http://www.feedbackglobal.org)

**Global Action Plan**, £110,000, 15 months, Consumerism and young people's wellbeing, [www.globalactionplan.org.uk](http://www.globalactionplan.org.uk)

**InterClimate Trust**, £87,645, 36 months, Extending young climate voices for national reach, [www.interclimate.org](http://www.interclimate.org)

**The Landworkers' Alliance**, £88,000, 24 months, Farm Start Network, [www.landworkersalliance.org.uk](http://www.landworkersalliance.org.uk)

**Oil Change UK**, £45,000, 12 months, A managed decline of UK oil and gas production, [www.priceofoil.org](http://www.priceofoil.org)

**Platform**, £100,000, 36 months, Core costs, [www.platformlondon.org](http://www.platformlondon.org)

**Positive Money Ltd**, £120,000, 36 months, Escaping growth dependency, [www.positivemoney.org](http://www.positivemoney.org)

**Pure Leapfrog**, £105,000, 36 months, Leapfrog Launchpad, [www.pureleapfrog.org](http://www.pureleapfrog.org)

**Real Economy BRISTOL Ltd**, £76,080, 24 months, Proving the benefit of community food centres, [www.realeconomy.co.uk](http://www.realeconomy.co.uk)

**Sharenergy Co-operative**, £101,250, 36 months, Director, [www.sharenergy.coop](http://www.sharenergy.coop)

**Upper Space CIC**, £20,560, 12 months, Project costs and policy worker for the Adblock Bristol campaign, [www.adblockbristol.org.uk](http://www.adblockbristol.org.uk)

## Northern Ireland programme

We want to contribute to the ongoing transformation of the Northern Ireland conflict.

To do this we fund charitable work that aims to: strengthen human rights and equality; support inclusive, non-sectarian and participatory politics; support processes of demilitarisation; or deals appropriately with the legacy of the conflict

### Grants made

**Action for Community Transformation,** £152,790, 36 months, Project director costs, [www.act-ni.co.uk](http://www.act-ni.co.uk)

**Centre for Cross Border Studies,** £18,368, 12 months, Towards a New Common Chapter - stages 4 and 5, [www.crossborder.ie](http://www.crossborder.ie)

**Committee on the Administration of Justice,** £135,000, 36 months, CAJ's human rights work, [www.caj.org.uk](http://www.caj.org.uk)

**Conflict Resolution Services (Ireland),** £120,621, 24 months, Conflict resolution

**Craigavon Traveller's Support Committee,** £71,500, 18 months, Traveller accommodation policy officer, [www.craigavontravellers.org](http://www.craigavontravellers.org)

**Development Trusts NI,** £65,000, 24 months, Community rights legislation, [www.dtni.org.uk](http://www.dtni.org.uk)

**HERe NI,** £85,678, 36 months, Policy development officer, [www.hereni.org](http://www.hereni.org)

**NICVA,** £50,000, 6 months, Public policy NI, [www.nicva.org](http://www.nicva.org)

**Omagh Support and Self Help Group,** £18,463, 24 months, Advocacy project, [www.omaghbomb.co.uk](http://www.omaghbomb.co.uk)

**Quaker Service,** £12,500, 15 months, Good Friday Agreement project, [www.quakerservice.com](http://www.quakerservice.com)

**The Rainbow Project,** £128,200, 36 months, Core costs, [www.rainbow-project.org](http://www.rainbow-project.org)

**Sole Purpose Productions,** £20,000, 4 months, Mothers Out Front project, [www.solepurpose.org](http://www.solepurpose.org)

**Ulster University,** £59,300, 12 months, Gender budgeting

**VIEWDigital,** £13,410, 3 months, Legacy: voices of victims and survivors, [www.viewdigital.org](http://www.viewdigital.org)

**Trademark,** £22,600, 12 months, Conflict resolution work, [www.trademarkbelfast.com](http://www.trademarkbelfast.com)

**Women's Resource and Development Agency,** £145,000, 36 months, Women's lobbyist NI, [www.wrda.net](http://www.wrda.net)

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## Cross-cutting and other grants

In 2018 JRCT made a number of cross-cutting grants where the work directly related to more than one programme area. A small number of other grants were made at the discretion of trustees outside our programme areas. Details of the grants made are given below.

### Cross-cutting grants made

**David Gee**, £10,000, 12 months, Hope and social change, [www.informedchoice.org.uk](http://www.informedchoice.org.uk)

**Future-Fit Foundation**, £150,000, 36 months, Growth funding, [www.futurefitbusiness.org](http://www.futurefitbusiness.org)

**New Economy Organisers Network**, £60,000, 36 months, Media support for JRCT grantees, [www.neweconomyorganisers.org](http://www.neweconomyorganisers.org)

**Operation Black Vote**, £88,000, 24 months, Addressing UK race disparity, [www.obv.org.uk](http://www.obv.org.uk)

**Namir Shabibi**, £32,975, 12 months, Investigative journalism project

### Other grants made

**CAST**, £13,553, 3 months, GrantAdvisor UK, [www.wearecast.org.uk](http://www.wearecast.org.uk)

**Two Ridings Community Foundation**, £55,000, 12 months, The local fund for York, [www.trcf.org.uk](http://www.trcf.org.uk)

**Unlock Democracy**, £11,643, Single grant, Extension of the Repeal Bill civil society co-ordination project, [www.unlockdemocracy.org.uk](http://www.unlockdemocracy.org.uk)

**Woodbrooke Quaker Study Centre**, £337,672, 36 months, Quaker education programme, [www.woodbrooke.org.uk](http://www.woodbrooke.org.uk)

# Investments

## Approach to investment

We are clear that we cannot manage our investments in isolation and that the investments we make, and our behaviour as an investor, have a role in helping achieve the overall aims and objectives of the Trust. Accordingly, four main principles underlie our approach to investment. These are that we should:

- Be able to fund the Trust's grant-making programmes over the long term
- Invest in enterprises which seek to realise our aims
- Avoid investing in corporations whose activities conflict with our aims
- Encourage business to be ethical, socially responsible and to protect the environment.

To this end we choose to invest through managers who regard themselves as responsible investors and seek to invest sustainably. By adopting this approach, we can have confidence that the companies in which we are invested are a good match for our ethical concerns. We also believe that those companies which recognise future trends, whether they be the immediate impact of climate change or the movement towards greater transparency, accountability and fairer reward systems, are most likely to outperform in the long term.

As a long term investor we choose to invest almost entirely in equities. We appreciate that, because of this, the value of the portfolio is likely to be volatile and therefore that we need to keep the Trust's investment performance and spending policy under review.

Our approach to investment is explained further in our investment strategy which is available on our website at [www.jrct.org.uk](http://www.jrct.org.uk)

## Investment portfolio

As at 31 December 2018 our externally managed investments represented 99% (2017: 99%) of our portfolio. They were all invested through equity funds managed on a total return basis.

During the year we decided to diversify the portfolio and make two new, small, thematic investments: Impax Asian Environmental Markets (Ireland), increasing our exposure to both developing environmental technologies and to Asia, and Generation Sustainable Solutions Fund III. As long term investor we felt that we could afford to accept less liquidity on a small private equity investment in the hope of generating higher long-term returns. The first drawdown into this fund is expected in early 2019.

Although we surveyed the market broadly before committing to these investments, both have been made through managers with whom we have worked with in the past and in whose environmental, social and governance (ESG) processes we have confidence.

The small number of investments we manage ourselves represented 1% of the portfolio (2017:1%). These investments include a holding in C&J Clark International Ltd which we have held for many years and a small number of mission-related investments from which we hope to derive both social and financial gain. These include the Ethical Property Company, Ethical Property Europe and the Social Justice and Human Rights Centre.

More detailed information on our funds and directly held investments can be found on our website at [www.jrct.org.uk](http://www.jrct.org.uk)

## Investment performance and future plans

In reviewing investment performance, we take a long-term view of performance as is appropriate for our time horizon and have an above average risk tolerance. We monitor the market value of our fund holdings and other securities using returns over a rolling three-year period.

The return on the whole portfolio net of investment management fees for the year was 0.1% (2017: 15.2%). The three-year rolling performance was 35.0 % (2017: 45.0%) as compared to 19.5% (2017: 33.3%) for the FTSE All Share Index, the Trust's generic benchmark. In pursuing the Trust's long-term investment policy as described above, we recognise the limitations of comparing performance to a benchmark and therefore only regard the FTSE All Share Index as a guide. That said, over time global equities have become an increasing element of our portfolio and now represent 68% of it as compared to UK equities which represent 32% of our portfolio. Given this, in 2019 we are going to reconsider what is an appropriate benchmark for the Trust going forward. Nevertheless, we judge that a significant element of our outperformance over the last three years has resulted from our investment strategy and the weighting of our portfolio away from unsustainable sectors.

We have reviewed the Trust's investment performance during 2018. While, like other investors, we have begun to experience investment headwinds, we remain confident that the theoretical case for us to invest primarily in equities and in a responsible and sustainable manner is borne out in practice. Given this, we are likely to continue to invest almost entirely through sustainable equity funds into the foreseeable future.

## Review of investment activities

During 2018 we continued to actively oversee our whole portfolio both as a responsible investor and with an eye to returns. Our Investment Committee, which refers back to the Board, is supported in its work by three co-opted members with a professional investment background and an independent investment advisor. In addition, we employ the services of an independent performance measurement company to enhance our understanding of how the investment styles of our different managers contribute to overall performance.

Our usual practice is to meet twice a year with our managers. At one meeting we look at performance and asset allocation and at the other we concentrate primarily on ESG issues.



## Technology companies

This year we met with our investment managers collectively to discuss the power and accountability of technology companies.

We used to regard many technology companies as being, on balance, socially and environmentally beneficial. However, over time the power of companies such as Google, Amazon and Facebook has increased, with relatively little regulatory accountability. Although these companies are now being challenged by the media, regulators and society, many of these groups are struggling to understand and keep up with technological change. At the same time, in China we have seen the disturbing development of Orwellian government social surveillance systems.

As artificial intelligence applications continue to develop rapidly, and companies have increasing opportunity to harvest and manipulate personal data and to become involved in making choices which affect society as a whole, concerns around the activities of technology companies are only likely to intensify.

From a financial risk perspective the issues are clear. Technology companies are already attracting the attention of regulators and the risks from fines, regulation, the removal of licenses and the forced break up of companies cannot be ignored. But financial risk is not our only concern. As a charity our investments should ideally contribute to our mission and certainly not be to the detriment of public benefit. We need to ensure that our investee companies are, at the very least well placed to understand the impact of technologies as they develop and to anticipate the ways in which they could be used, abused or fail. Moreover, we need to ensure that our investee companies are 'value fit' guardians of the technologies of the future.

During our meeting with our managers we were able to have an open and honest conversation about these matters. We focused on three main areas: artificial intelligence, autonomous vehicles and data censorship and misuse in China. These are issues that we consider regulators have struggled to understand or have seen as being outside their remit. As always we were encouraged by our managers' willingness to address our concerns around these issues.

Following on from this event we have developed the third of our statements of expectations of our managers, all of which can all be found on our website at [www.jrct.org.uk](http://www.jrct.org.uk)

Our statement on technology lays out how we expect our managers to conduct themselves in this area and to engage with technology companies. In particular we are clear that our managers should work with other managers to share their expertise and present a united front when engaging with these companies, especially where there are only limited opportunities for engagement.

As with our other expectations documents, we will use this document to inform our discussions with our managers, and it will form an integral part of future requests for proposals for the provision of investment services.



## Gender balance in the fund management industry

During the year we continued to follow up on the work we commenced in 2016 looking at the gender balance of portfolio managers and senior analysts. We are particularly aware that while appointments at junior grades tend to be evenly split between the genders, for a number of reasons attrition rates result in proportionally far fewer women than men moving through the pipeline to become portfolio managers and senior analysts. Addressing this requires an appreciation of unconscious bias and robust action on mentoring, retention and promotion.

We asked our managers again to report on the progress they had made against the targets laid out in our gender balance statement of expectations. The results were varied with some managers making more progress than we had anticipated and others lagging behind. That said, they are all starting from different positions and have different hurdles to cross, and we recognise that in some cases progress will be slow. Nevertheless we do expect them to be able to demonstrate an appreciation of the structural barriers to progression and a firm commitment to improvement.

## Other activities

As a signatory to PRI (Principles for Responsible Investment) and having responded to the FRC UK Stewardship Code, we also held our managers to account on their own engagement activities and voting.

We are a member of the Church Investors Group on whose board we are represented and continue to be a member of the Institutional Investors Group on Climate Change (IIGCC), the UK Sustainable Investment and Finance Association (UKSIF), and a CDP (Carbon Disclosure Project) investor signatory. Through these networks and other collaborative initiatives, we engaged directly with companies and policy makers on a wide range of issues including, but not limited to, climate change, corporate tax, plastics, modern day slavery, sustainable protein and workforce issues.

We are divested from fossil fuel extractive companies and are a signatory to the Montréal Carbon Pledge.

# Finance

## Financial review

Total incoming resources in 2018 were £0.3 million (2017: £0.6 million), predominantly generated from investments. Our relatively modest level of income reflects the fact that we are predominantly invested in managed funds run on a total return basis. We have also taken the decision to reduce, over time, our much smaller internally managed investment portfolio which is having a direct effect on income.

£2.8 million (2017: £3.5 million) was spent on generating funds and £8.3 million (2017: £7.9 million) was allocated to charitable activities.

The value of the Trust's net assets fell to £237 million (2017: £246 million).

## Spend policy

In 2018, as part of our decennial review, we agreed that, for the next ten years, we will operate on the basis of a fixed total spend (to cover grant and non-grant expenditure, net of investment fees) to be increased by our grant inflator annually. We agree that the starting level for this expenditure will be £11.7 million based on a forecast of potential sustainable spend provided by a reputable investment house. We recognise that there is no certainty in that regard but also that trustees have freedom to spend at whatever level they see fit. We welcome and celebrate the opportunities that this new spend level will bring. We recognise that this represents a significant increase in expenditure and it may take a period of transition to reach this level.

## Reserves policy

We aim to maintain a free reserve of cash and cash equivalents sufficient to respond to applications for grants and ensure that the costs of raising funds (excluding fund manager fees, which are met out of our investments), governance and support are covered without becoming a forced seller of equities should there be a downturn in the market. That said, if prudent portfolio management demands it, we are prepared to hold as cash and cash equivalents up to three years of unrestricted expenditure net of income from investments.

In setting this level of free reserves, we are mindful that all the Trust's funds are in fact unrestricted and that, in the case of urgent need, further liquid assets can be generated. The balance held as unrestricted funds at 31 December 2018 was £237 million (2017: £246 million), of which £16 million (2017: £22 million) was held as free reserves. Budgeted expenditure before any income in 2019 is £11.7 million, as agreed under our new spend policy.

Given this, we believe that the current level of free reserves is reasonable.

## Going concern

The balance held as unrestricted funds at 31 December 2018 totalled £237 million. This figure reflected all known liabilities as at the balance sheet date and there were no material uncertainties. This sum comprised of assets totalling £247 million and creditors totalling £10 million. Of the assets, £246 million were in liquid form (cash deposits) or near liquid form (quoted equities).

Given the strength of the Trust's unrestricted reserves, its liquidity position and our projected expenditure levels, we are of the view that the Trust is likely to remain a going concern for the foreseeable future.

## Remuneration policy

We are a living wage employer.

The policy of the Trust is that those employed by it are fairly remunerated for the necessary skills and experience they bring to the work of the Trust, and for the responsibilities they undertake on its behalf. The pay policy is agreed by the trustee body and is consistent across all posts at the Trust. The principle of equal pay for work of equal value is adhered to.

A full pay review is carried out periodically, with the last review having taken place in 2016. External consultants were commissioned to assess current salary scales in relation to UK endowed grant-making charities of similar size and with a national UK remit, as per the Trust's pay policy. Trust policy is that salaries are set at levels at least as good as the median paid by comparator trusts.

Staff receive an annual cost of living award with effect from 1 April each year. In April 2018 the award was 2.3%, based on 50% average Retail Prices Index and 50% Average Weekly Earnings Index for the previous calendar year.

Under the Trust's scheme of delegation, authority to set the salaries of new posts is delegated to the Trust Secretary, in consultation with the Chair of Operations and Finance Committee for senior roles. As an exception to this, Operations and Finance Committee sets the salary to be paid on the appointment of a new Trust Secretary.

# Risk management

Trustees are responsible for the management of the risks faced by the Trust. The detailed review and consideration of risk management is delegated to the Operations and Finance Committee, which reports to the full Trust. Each year this committee considers the major risks to which the charity is exposed and ensures that there are systems and procedures to manage them. A risk register is maintained and, where appropriate, systems or procedures have been established to mitigate the risks the charity faces. We recognise, however, that we can only manage risk, we cannot eliminate it.

The principal risks facing the Trust are as follows:

## Poor grant-making means that the objectives of the Trust are not advanced or its reputation is put at risk

In particular we are concerned that desirable funding opportunities may be missed, or that grants are made which are poor or inappropriate, potentially wasting resources or putting our reputation at risk. We seek to mitigate this risk through a variety of measures:

1. We keep the areas of the Trust's concern under regular review, and have clear guidelines on the current ones
2. We widely disseminate our grant-making policies and staff are available to respond to enquiries
3. All grant applications are reviewed by experienced staff before being put forward for in-depth consideration by the relevant programme committee, including both trustees and external members with relevant expertise
4. We seek legal advice when needed in relation to unusual or challenging work
5. All grant-making decisions are made or confirmed by the full Trust
6. Grant officers continue to monitor projects throughout the life of a grant and, at its end, a closing report is reflected on by the committee
7. We have a regular programme of review of job descriptions, annual appraisals, supervision and training

During the year we implemented various improvements to further strengthen our grant-making practice and formal monitoring processes, including an in depth, on site financial review of two of our grantees.

## Significant investment losses through the poor investment management of our predominantly equity based portfolio

We mitigate this risk ensuring that our portfolio is properly diversified across industry sectors and geographical markets. The majority of our funds are invested through five external managers with different investment styles. We monitor them closely, using an independent performance measurement service to analyse their performance. Our trustees themselves actively review our internally managed investments on an ongoing basis, regularly meeting with management teams of the companies in which we are invested.

While we are comfortable with the level of risk inherent in equity markets, we keep our strategic asset allocation and all our investments under close review. That said, at all times we avoid speculative and opaque investments and other investments that we do not understand. Our independent investment advisor has a formal monitoring/advisory role in respect of investment risk and the involvement of co-opted members on Investment Committee ensure that the committee membership itself has an adequate skills base.

# Statement of trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by trustees on 16 March 2019 and signed on their behalf by:

**Helen Carmichael**, Chair of Trustees

# Independent auditor's report to the trustees of the Joseph Rowntree Charitable Trust

## Opinion

We have audited the financial statements of the Joseph Rowntree Charitable Trust (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, 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 charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, 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 Charities Act 2011.

## 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 charity 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

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

## Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 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.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

18 March 2019

## **Sayer Vincent LLP, Statutory Auditor**

Invicta House, 108–114 Golden Lane, London, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

Financial statements

2018

2018

## Statement of financial activities for the year ended 31 December 2018

		2018	2017
	Note	Total £000	Total £000
<b>Income from:</b>			
Donations and legacies	2	1	1
Investments	3	330	583
<b>Total income</b>		<b>331</b>	<b>584</b>
<b>Expenditure on:</b>			
Raising funds		2,788	3,474
Charitable activities		8,322	7,934
Other		11	1,259
<b>Total expenditure</b>	4	<b>11,121</b>	<b>12,667</b>
<b>Net (expenditure)/ income before net gains on investments</b>		<b>(10,790)</b>	<b>(12,083)</b>
Net gains on investments	12	2,539	37,172
<b>Net income before other recognised gains and losses</b>		<b>(8,251)</b>	<b>25,089</b>
Realised and unrealised gains on exchange		—	1
<b>Net movement in funds</b>		<b>(8,251)</b>	<b>25,090</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		245,684	220,594
<b>Total funds carried forward</b>	17	<b>237,433</b>	<b>245,684</b>

All income and expenditure in both periods was unrestricted.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

## Balance sheet at 31 December 2018

		2018	2017
	Note	Total £000	Total £000
<b>Fixed assets:</b>			
Tangible assets	11	37	6
Investments	12	231,114	236,050
		<b>231,151</b>	236,056
<b>Current assets:</b>			
Debtors	13	3,063	45
Short term deposits		2,584	2,563
Cash at bank and in hand		10,509	19,145
		<b>16,156</b>	21,753
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	14	(5,891)	(8,534)
<b>Net current assets</b>		<b>10,265</b>	13,219
<b>Total assets less current liabilities</b>		<b>241,416</b>	249,275
Creditors: amounts falling due after one year	15	(3,983)	(3,591)
<b>Total net assets</b>	16	<b>237,433</b>	245,684
<b>The funds of the charity:</b>	17		
Unrestricted income funds:			
Expendable endowment		237,433	245,684
Total unrestricted funds		<b>237,433</b>	245,684
<b>Total charity funds</b>		<b>237,433</b>	245,684

The Trust has no restricted or designated funds (2017: £0).

Approved by the trustees on 16 March 2019 and signed on their behalf by:

**Helen Carmichael**  
Chair of Trustees

**Jenny Amery**  
Trust First Vice-chair

## Statement of cash flows for the year ended 31 December 2018

		2018	2017
	Note	Total £000	Total £000
<b>Cash flows from operating activities:</b>			
Net (expenditure)/ income for the reporting period		<b>(8,251)</b>	25,089
(as per the statement of financial activities)			
Depreciation charges		<b>17</b>	4
Gains on investments	12	<b>(2,539)</b>	(37,172)
Defined benefit pension adjustment		<b>-</b>	(2,130)
Income from investments	3	<b>(330)</b>	(583)
(Increase)/ decrease in debtors	14	<b>(3,018)</b>	162
(Decrease)/ increase in creditors	15, 16	<b>(2,251)</b>	4,295
<b>Net cash used in operating activities</b>		<b>(16,372)</b>	(10,335)
<b>Cash flows from investing activities:</b>			
Income from investments	3	<b>330</b>	583
Purchase of fixed assets	11	<b>(48)</b>	(2)
Purchase of investments	12	<b>(5,103)</b>	(45,470)
Proceeds from sale of investments	12	<b>12,578</b>	63,516
Movement in cash deposits held by fund managers	12	<b>-</b>	523
<b>Net cash provided by investing activities</b>		<b>7,757</b>	19,150
<b>Change in cash and cash equivalents in the year</b>		<b>(8,615)</b>	8,815
Cash and cash equivalents at the beginning of the year		<b>21,708</b>	12,892
Change in cash and cash equivalents due to exchange rate movements		<b>-</b>	1
<b>Cash and cash equivalents at the end of the year</b>	a	<b>13,093</b>	21,708

*Continued overleaf ...*

## Statement of cash flows for the year ended 31 December 2018 *continued*

	At 1 January 2018	Cash flows 2018	At 31 December 2018
	£000	£000	£000
<b>Analysis of cash and cash equivalents</b>			
Operating cash at bank and in hand	1,502	(1,092)	410
Floating reserve:			
Cash held in deposit accounts on call	17,643	(7,544)	10,099
Notice deposits (more than 3 months)	2,563	21	2,584
<b>Total cash and cash equivalents</b>	<b>21,708</b>	<b>(8,615)</b>	<b>13,093</b>

# Notes to the financial statements for the year ended 31 December 2018

## 1. Accounting policies

### a. Organisation address and country of registration

The Joseph Rowntree Charitable Trust is an unincorporated charity, registered with the Charity Commission in England and Wales (number 210037). The registered office is The Garden House, Water End, York, YO30 6WQ.

### b. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

### c. Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

### d. Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Key judgements that the charity has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### e. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

### f. Interest receivable

Interest on investments, short term deposits and cash at bank is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

### g. Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.



**g. Fund accounting (continued)**

Under the terms of the Trust Deed, with the exception of any restricted funds received from third party donors, all of the Trust's funds are unrestricted and trustees may spend capital and accumulate unspent income on any purpose within the Trust's objects at the discretion of trustees.

**h. Expenditure and irrecoverable VAT**

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 under the following activity headings:

- Costs of raising funds include investment management fees, custodian fees, professional fees and other direct costs together with an allocation of staff costs, overhead costs and depreciation, based on the number of staff hours allocated to generating funds.
- Trustees consider that grant-making is the Trust's primary charitable activity. Grants approved represent grants approved net of cancelled grants and grants repaid and other grant adjustments. Grant related support costs include the direct costs of grant-making together with an allocation of staff costs, overhead costs and depreciation, based on the number of staff hours allocated to grant-making.
- Other expenditure represents those items not falling into any other heading. This includes the pension payments in respect of an ex employee and a settlement pension payment on behalf of one employee to restore benefits arising from the closure of the defined benefits pension scheme in 2017.

Grants and loans are recognised in the statement of financial activities as expenditure in the year in which they are approved and such approval has been communicated to recipients, except to the extent that it is subject to conditions that enable the Trust to revoke the award.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i. Allocation of support costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, non-grant specific legal fees and Trust meetings together with an apportionment of overhead and support costs.

Governance costs and support costs relating to the costs of raising funds and grant-making have been apportioned based on the number of staff hours allocated to these activities.

**j. Tangible fixed assets**

The existing leasehold building (The Garden House, Water End, York) was written off over the period of construction.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life, on a straight line basis.

Leasehold improvements and fixtures, fittings and equipment which are capable of being used for more than one year and have a cost equal to or greater than £5,000 are capitalised.

Depreciation costs have been apportioned to the costs of raising funds, grant-making, governance and support costs based on the number of staff hours allocated to these activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Leasehold improvements are depreciated over 10 years or the term of the lease if shorter. Furniture and equipment are depreciated over 5 years. Computers, other IT hardware and computer software are depreciated over 3 years. Occasionally these terms are reassessed for assets that have a longer or shorter life than as stated above.

**k. Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value.

Quoted equity investments are subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Unquoted equity investments, including social investment equities, are usually shown in the balance sheet based either on the value of the shares as determined by independent accountants or the boards of the companies themselves or on a market price where there have been recent trades of sufficient volume to reasonably indicate one. However, they are also subject to an annual impairment review and, where it is deemed necessary, valuations will be adjusted downwards to reflect this.

Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**l. Debtors**

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

**m. Short term deposits and cash at bank and in hand**

Short term deposits represent amounts held on deposit with a maturity of between three months and one year. 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.

**n. Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**o. Pension scheme**

Until the end of 2017 the Trust offered a defined benefit pension scheme to its staff members. As from 1 January 2018, a NEST defined contribution scheme has been made available.

**p. Foreign exchange**

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at the balance sheet date. All gains and losses on exchange, realised and unrealised, are separately identified in the Statement of Financial Activities.

**q. Taxation**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from UK taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. To the extent that the Trust engages in overseas activity, or derives income from overseas, it may incur a foreign tax liability depending on the application of the tax legislation in the relevant jurisdiction.

**r. Related party transactions**

Transactions with related parties are disclosed in the notes to these financial statements. The Trust's policy is for trustees, co-optees, staff and advisors to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.

## 2. Income from donations and legacies

	2018	2017
	£000	£000
Gifts	1	1
	1	1

All income from donations was unrestricted.

## 3. Income from investments

	2018	2017
	£000	£000
Income from listed investments	130	407
Income from unlisted investments	200	176
	330	583

All income from investments was unrestricted.

## 4a. Analysis of expenditure (current year)

	Cost of raising funds	Charitable activities	Other	Governance costs	Support costs	2018 total	2017 total
	£000	£000	£000	£000	£000	£000	£000
Staff costs (note 7)	85	514	11	29	138	777	710
Grants awarded (note 5)	-	7,308	-	-	-	7,308	7,069
Grant awarding related costs	-	211	-	-	-	211	101
Investment managers' fees	2,603	-	-	-	-	2,603	3,294
Legal and professional fees	46	17	-	1	5	69	79
Other investment related costs	14	-	-	-	-	14	11
Auditor's remuneration	-	-	-	13	-	13	12
IT consultancy	-	-	-	-	13	13	14
Premises and office costs	-	-	-	-	65	65	80
Depreciation	-	17	-	-	-	17	4
Other direct costs	11	-	-	19	1	31	35
Exceptional defined benefit pension scheme costs	-	-	-	-	-	-	1,258
	2,759	8,067	11	62	222	11,121	12,667
Support costs	22	192	-	8	(222)	-	-
Governance costs	7	63	-	(70)	-	-	-
<b>Total expenditure 2018</b>	<b>2,788</b>	<b>8,322</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>11,121</b>	<b>-</b>
Total expenditure 2017	3,474	7,934	1,259	-	-		12,667

All the expenditure in both years was unrestricted.

## 4b. Analysis of expenditure (prior year)

	Cost of raising funds	Charitable activities	Other	Governance costs	Support costs	2017 total
	£000	£000	£000	£000	£000	£000
Staff costs (note 7)	78	465	1	29	137	710
Grants awarded (note 5)	-	7,069	-	-	-	7,069
Grant awarding related costs	-	101	-	-	-	101
Investment managers' fees	3,294	-	-	-	-	3,294
Legal and professional fees	43	3	-	1	32	79
Other investment related costs	11	-	-	-	-	11
Auditor's remuneration	-	-	-	12	-	12
IT consultancy	-	-	-	-	14	14
Premises and office costs	-	-	-	-	80	80
Depreciation	-	3	-	-	1	4
Other direct costs	7	-	-	18	10	35
Exceptional defined benefit pension scheme costs	-	-	1,258	-	-	1,258
	3,433	7,641	1,259	60	274	12,667
Support costs	32	230	-	12	(274)	-
Governance costs	9	63	-	(72)	-	-
<b>Total expenditure 2017</b>	<b>3,474</b>	<b>7,934</b>	<b>1,259</b>	<b>-</b>	<b>-</b>	<b>12,667</b>

All expenditure in both periods was unrestricted.

## 5. Grant-making

	2018	2017
	£000	£000
Grants payable at the start of the year	8,715	7,731
Grants awarded in the year	7,265	6,939
Grants amended in the year	43	130
Net grant awards in the year (note 4)	7,308	7,069
Grants paid in the year	(6,207)	(6,085)
Grants payable at the end of the year	9,816	8,715
Creditors: amounts due within one year (note 14)	5,833	5,124
Creditors: amounts due in over one year (note 15)	3,983	3,591
<b>Total creditors at the end of the year</b>	<b>9,816</b>	<b>8,715</b>

## 6. Net incoming resources for the year

This is stated after charging/ crediting

	2018	2017
	£000	£000
<b>Depreciation</b>	<b>17</b>	<b>4</b>
<b>Operating lease rentals:</b>		
Equipment	-	2
<b>Auditor's remuneration (excluding VAT):</b>	<b>10</b>	<b>10</b>

## 7. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2018	2017
	£000	£000
Salaries and wages	561	513
Social security costs	57	53
Pension costs (defined contribution plan)	146	-
Life assurance costs	2	-
Operating costs of defined benefit pension scheme: employer contributions	-	143
	766	709
Other pension costs	11	1
	777	710

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	2018	2017
	No.	No.
£60,000 – £69,999	1	2
£70,000 – £79,999	1	-
£80,000 – £89,999	1	1

The total employee benefits including pension contributions and employer national insurance contributions of the key management personnel (as detailed in the legal and administrative section) were £532k (2017: £517k).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2017: £0). No charity trustee received payment for professional or other services supplied to the charity (2017: £0).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs plus the cost of sundry expenses including telephone and stationery totalling £26k (2017: £26k) incurred by 12 (2017: 14) trustees and sitting-in trustees relating to attendance at meetings of the trustees.

## 8. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018	2017
	No.	No.
Grant-making	9	8
Support	5	5
Governance	1	1
	15	14

## 9. Related party transactions

The amounts stated in the following note are calculated on a cash basis rather than an accrual basis.

### 9a. Grantees:

Occasionally trustees and co-opted committee members are involved with, or have connections to, organisations that we make grants to. This is not unexpected, given that trustees and co-opted committee members are expected to bring relevant experience in the specialist fields in which we work. All such conflicts are declared and are managed according to our Trust Deed and our conflict of interest policy which was updated in 2014 to reflect new statutory guidance. In the interests of transparency, in our related transactions note below we have made detailed disclosures of any such conflicts. In all cases, the trustees or co-opted committee members in conflict did not, and will not, participate in any decisions relating to the Trust's funding of the relevant organisations:

Linda Batten (trustee) is an occasional freelance tutor for Woodbrooke Quaker Study Centre, Margaret Bryan is a voluntary tutor, and Michael Eccles (trustee) works for them part-time. John Dash, partner of Helen Carmichael (trustee) is a voluntary Woodbrooke trustee. During the year grant payments totalling £108,675 (2017: £106,668) were made to the organisation and at the year end there were outstanding grant payments totalling £273,627, (the balance of a new grant made in 2018 of £337,672), (2017: £44,630).

Michael Eccles (trustee) works for FWCC - Europe & Middle East Section. During the year grant payments totalling £60,000 (2017: £94,500) were made to the organisation and at the year end there were outstanding grant payments totalling £60,000 (2017: £120,000).

John Fitzgerald (trustee) was a fundraiser at Friends of the Earth Scotland. During the year grant payments totalling £22,000 (2017: £20,409) were made to the organisation and at the year end there were outstanding grant payments totalling £27,500 (2017: £49,500).

Imran Tyabji (trustee) is an Advisory Board member and Penelope Shepherd (co-opted member) a voluntary Development Board member of 10:10. During the year grant payments totalling £25,005 (2017: £33,328) were made to the organisation and at the year end there were outstanding grant payments totalling £74,995 (2017: 0).

Nico Tyabji, son of Imran Tyabji (trustee) is a volunteer trustee of Quaker Social Action. During the year grant payments totalling £9,999 (2017: £13,332) were made to the organisation and at the year end there were no outstanding grant payments (2017: £9,999).



Sarah Cutler (co-opted member) is a consultant to Global Dialogue for Migration Exchange. During the year grant payments totalling £7,500 (2017: £10,000) were made to the organisation and at the year end there were outstanding grant payments totalling £20,000 (2017: £7,500). The grant is not used to pay Sarah Cutler's consultancy costs.

Lisa Faulkner-Byrne (co-opted member) is a trustee for Public Policy NI (NICVA). During the year grant payments totalling £25,000 (2017: £0) were made to the organisation and at the year end there were outstanding grant payments totalling £25,000 (2017: £0).

Sepi Golzari (co-opted member) and Jessica Metherringham (co-opted member) are Council Members of Unlock Democracy. During the year grant payments totalling £28,109 (2017: £14,000) were made to the organisation and at the year end there were outstanding grant payments totalling £39,801 (2017: £6,000).

David Hunter (co-opted member) is a director of Bristol Pound CIC. During the year no grant payments were made to the organisation (2017: £25,000) and at the year end there were no outstanding grant payments (2017: £25,000).

Avila Kilmurray (co-opted member) is a voluntary trustee of Conciliation Resources (UK), a grantee. During the year grant payments totalling £33,750 (2017: £34,836) were made to the organisation and at the year end there were outstanding grant payments totalling £101,250 (2017: £34,836).

Brian Gormally, partner of Avila Kilmurray (co-opted member), works for the Committee on the Administration of Justice. During the year grant payments totalling £44,000 (2017: £35,000) were made to the organisation and at the year end there were no outstanding grant payments (2017: £40,000).

Oliver Robertson, partner of Jessica Metherringham (co-opted member) is a voluntary clerk of Quaker Council for European Affairs. During the year grant payments totalling €34,484 (£30,818) (2017: €42,242 (£37,281)) were made to the organisation and at the year end there were outstanding grant payments totalling €51,722 (£45,000) (2017: €86,206 (£75,000)).

David Ruebain (co-opted member) is Chief Executive of Equality Challenge Unit. In 2017 a grant of £5,000 was made to the Equality Challenge Unit which was paid in the year.

Payments to the above grantees represented 6% of grant payments in 2018 (2017: 7%).

## **9b. Suppliers:**

Occasionally related party transactions arise in relation to suppliers. This is not unexpected since we avail ourselves of meeting rooms run by Quaker meetings and similar. Again, all such conflicts are declared and are managed according to our conflicts of interest policy and, in the interests of transparency, are disclosed below:

Linda Batten (trustee) became a Director of Friends House Hospitality Company. During the year invoices relating to meeting room hire were received totalling £12,384 (2017: £9,163).

Huw Davies (trustee) is Director of the Priory Rooms (Birmingham). During the year there were no invoices relating to meeting room hire received from the Priory Rooms (2017: £499).

David Hunter (co-optee) is a consultant for Bates Wells and Braithwaite London LLP. During the year invoices relating to legal advice were received totalling £12,016 (2017: £3,810).

David Ruebain (co-optee) is an associate for Advance HE. During the year an invoice relating to training was received from Advance HE for £500 (2017: £0).

## **9c. Investments:**

Occasionally co-opted members and advisors are involved with organisations through which we invest. This is not unexpected, given that responsible investment is still a relatively specialist area. Again, all such conflicts are declared and are managed according to our conflict of interest policy and, in the interests of transparency, are disclosed below:

### 9c. Investments (continued):

Stephen Beer, a co-opted member on our Investment Committee, is Chief Investment Officer of the Central Finance Board of the Methodist Church. Epworth Investment Management is owned by the Central Finance Board of the Methodist Church. At the year end the Trust had £5.0m invested in The Affirmative Deposit Fund for Charities (2017: £8.8m), a common deposit fund managed by Epworth Investment Management. As a matter of policy, Stephen did not participate in any decision relating to any investment by the Trust through Epworth Investment Management.

Nicola Parker, our Independent Investment Advisor, serves on the Royal London Asset Management Sustainable Leaders Trust Advisory Committee on responsible investment. At the year end the Trust had £44.3m invested in Royal London Sustainable Leaders Trust (2017: £43.5m). Nicola is not involved in making investment decisions on behalf of Royal London Asset Management.

## 10. Taxation

The charity is exempt from income tax as all its income is charitable and is applied for charitable purposes.

## 11. Tangible fixed assets

	Office premises	Office and computer equipment	Total
	£000	£000	£000
<b>Cost</b>			
At the start of the year	473	84	557
Additions in year	-	48	48
Disposals in year	-	(3)	(3)
<b>At the end of the year</b>	473	129	602
<b>Depreciation</b>			
At the start of the year	467	84	551
Charge for the year	1	16	17
Eliminated on disposal	-	(3)	(3)
<b>At the end of the year</b>	468	97	565
<b>Net book value at the end of the year</b>	5	32	37
<b>At the start of the year</b>	6	-	6

The Trust occupies The Garden House in York jointly with the JRSST Charitable Trust, with whom the capital costs have been shared. The premises are leasehold, the lease being for a term of 136 years from 1992 at a nominal rent. All of the above assets are used for charitable purposes.

## 12. Investments

	2018	2017
	£000	£000
Fair value at the start of the year	236,050	217,447
Additions at cost	5,103	45,470
Disposal proceeds	(12,578)	(63,516)
Realised gains	5,077	15,737
Unrealised (losses)/ gains from change in fair value	(2,538)	21,435
Movement in cash deposits	-	(523)
<b>Fair value at the end of the year</b>	<b>231,114</b>	<b>236,050</b>
<b>Investments comprise:</b>		
Listed investments:		
Global equity investment funds	156,682	156,905
UK equities	73,235	76,162
Unlisted investments:		
Overseas equities	197	222
UK equities	1,000	2,761
	<b>231,114</b>	<b>236,050</b>

## 13. Debtors

	2018	2017
	£000	£000
Sundry debtors	5	5
Sale of investments completing over the year end	3,000	-
Prepayments	4	8
Accrued income	54	32
	<b>3,063</b>	<b>45</b>

## 14. Creditors

Amounts falling due within one year

	2018	2017
	£000	£000
Grant commitments	5,833	5,124
Trade creditors	27	5
Taxation and social security	18	-
Accruals	13	17
Defined benefit pension fund exit payment	-	3,388
	5,891	8,534

## 15. Creditors

Amounts falling due after one year

	2018	2017
	£000	£000
Grant commitments falling due within 2–5 years	3,983	3,591
	3,983	3,591

## 16. Analysis of net assets between funds

Total funds (all unrestricted):

	2018	2017
	£000	£000
Tangible fixed assets	37	6
Investments	231,114	236,050
Net current assets	10,265	13,219
Long term liabilities	(3,983)	(3,591)
<b>Net assets at the end of the year</b>	<b>237,433</b>	<b>245,684</b>

## 17a. Movement in funds (current year)

	At 1 January 2018	Income & gains	Expenditure & losses	Transfers	At 31 December 2018
	£000	£000	£000	£000	£000
Expendable endowment	245,684	2,870	11,121	-	<b>237,433</b>
Total unrestricted funds	245,684	2,870	11,121	-	<b>237,433</b>
<b>Total funds</b>	245,684	2,870	11,121	-	<b>237,433</b>

## 17b. Movement in funds (prior year)

	At 1 January 2017	Income & gains	Expenditure & losses	Transfers	At 31 December 2017
	£000	£000	£000	£000	£000
Expendable endowment	222,724	37,757	12,667	(2,130)	<b>245,684</b>
Total unrestricted funds	222,724	37,757	12,667	(2,130)	<b>245,684</b>
Pension fund	(2,130)	-	-	2,130	-
<b>Total funds including pension fund</b>	220,594	37,757	12,667	-	<b>245,684</b>

## 18. Operating lease commitments

The Trust's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment	
	2018	2017
	£000	£000
Less than one year	-	1
<b>Total</b>	-	1

## 19. Pension scheme

Until 31 December 2017 the Trust was an admission member of the North Yorkshire Pension Fund and, through this means, provided employees with a defined benefit pension scheme. However, on 31 December 2017, all active scheme members triggered an exit from the scheme. The rights that members had already built up in the scheme were protected as at this date. The exit from the fund triggered an employer exit debt of £3.388 million, provided for in 2017, which was discharged in 2018, releasing the Trust from any future liability. All liabilities in respect of the scheme now lie with North Yorkshire Pension Scheme.

As from 1 January 2018 a NEST defined contribution scheme has been made available to all staff members. Contributions are made on a sliding scale with employees contributing from 5.0-7.5% of their gross salary and the Trust contributing between 12.5-15% depending on the employee contribution. Each participating member is able to select their own contribution rate provided that it falls within the prescribed range.

# Legal and administrative information

## Constitution

The Joseph Rowntree Charitable Trust is governed by its Trust Deed. It is a registered charity no. 210037.

## Trustees

### **Trustees who served during the year and up to the point that the financial statements were signed were:**

Jenny Amery (Vice-chair)  
 Linda Batten  
 Margaret Bryan  
 Helen Carmichael (Chair)  
 Huw Davies  
 Michael Eccles (Vice-chair) (until 31 December 2018)  
 John Fitzgerald  
 David Newton  
 Susan Seymour  
 Janet Slade  
 Hannah Torkington  
 Imran Tyabji

## Co-opted members

### **Co-optees who served on committees during the year were:**

Mohammed Aziz (Rights and Justice)  
 Stephen Beer (Investment Committee)  
 Sarah Cutler (Rights and Justice)  
 Lisa Faulkner-Byrne (Northern Ireland)  
 Kamran Fazil (Sustainable Future) (joined in April 2018)  
 Sepi Golzari-Munro (Sustainable Future)  
 Alan Goodman (Investment Committee)  
 Diane Greer (Northern Ireland)  
 Jonathan Heawood (Power and Accountability)  
 David Hunter (Sustainable Future)  
 Avila Kilmurray (Northern Ireland)

**Co-opted members continued**

Olivia Macdonald (Investment Committee)  
 Jessica Metherringham (Power and Accountability)  
 Nick Ritchie (Peace and Security) (joined January 2018)  
 David Ruebain (Rights and Justice)  
 Penny Shepherd (Power and Accountability)  
 Harmonie Toros (Peace and Security)  
 Vron Ware (Peace and Security) (joined January 2018)

**Staff****Key management personnel at the year-end:**

Maureen Grant	Assistant Trust Secretary
David Magee	Assistant Trust Secretary
Nick Perks	Trust Secretary
Michael Pitchford	Assistant Trust Secretary
Susannah Swinton	Operations Manager
Jackie Turpin	Head of Finance

**Principal Office**

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 Web [www.jrct.org.uk](http://www.jrct.org.uk)

**Auditor**

Sayer Vincent LLP, Invicta House, 108–114 Golden Lane, London, EC1Y 0TL

**Bankers**

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ  
 HSBC, 13 Parliament Street, York YO1 8XS

**Deposit Holders**

COIF Charities Deposit Fund, CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET  
 Epworth Investment Management, 9 Bonhill Street, London EC2A 4PE  
 Triodos Bank, Deanery Road, Bristol BS1 5AS

**Solicitors**

Bates Wells & Braithwaite, 10 Queen Street Place, London, EC4R 1BE



<b>Fund Managers</b>	Generation Investment Management LLP, 20 Air Street, 7th Floor, London W1B 5AN
	Impax Asset Management, 7th Floor, 30 Panton Street, London SW1Y 4AJ
	Liontrust, 2 Savoy Court, London WC2R 0EZ
	Royal London Asset Management, 55 Gracechurch Street, London EC3V 0RL
	Stewart Investors, 23 St Andrew Square, Edinburgh EH2 1BB
<b>Custodians</b>	Investec Wealth & Investment, Quayside House, Canal Wharf, Leeds LS11 5PU
<b>Independent Investment Advisor</b>	Nicola Parker

THE  
JOSEPH  
ROWNTREE  
CHARITABLE  
TRUST

*Joseph Rowntree*

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Charity registered in England and Wales: 210037