

COMPANY REGISTRATION NUMBER: 07432769
CHARITY REGISTRATION NUMBER: 1139515

The Constitution Society
Company Limited by Guarantee
Unaudited financial statements
For the year ended
30 June 2024

The Constitution Society
Company Limited by Guarantee
Financial statements
Year ended 30 June 2024

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The Constitution Society

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report)

Year ended 30 June 2024

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 June 2024.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Reference and administrative details

Registered charity name	The Constitution Society
Charity registration number	1139515
Company registration number	07432769
Principal office and registered office	61 Petty France London SW1H 9EU

The trustees

The trustees who served during the year and at the date of approval were as follows:

Mr A Kennon (Chairman)
Mr S Payne
Mr T L A Price (appointed 8 September 2023)
Mrs A Young (resigned 7 November 2023)
Mr T R Hickman
Ms C P Salters
Mrs S J Walshe (appointed 5 December 2024)
Mr C J Monaghan (appointed 5 December 2024)
Mr E H M Steedman (appointed 5 December 2024)

Independent examiner	Mr M Proctor FCA Lovewell Blake LLP Chartered accountants The Wherry Quay Street Halesworth Suffolk IP19 8ET
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The Constitution Society

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2024

Objectives and activities

The charity's objects, as defined in its Articles of Association, are to advance the education of the public on the subject of the British constitution.

Achievements and performance

Overall purpose of the Constitution Society

The Constitution Society is an independent educational foundation which works to promote public understanding of the UK constitution. We monitor constitutional developments and proposals for change, and assess them against core constitutional principles.

Improving the process of constitutional change

The Constitution Society works to encourage informed discussion between legislators, academics and the public about proposals for constitutional change and constitutional developments. During the year, the Society published a number of reports on a range of constitutional themes. These included *The Constitutional Status of Northern Ireland: Consent, Acquiescence, Subjugation, Indifference* by Dr Andrew McCormick, *The City and Federalism: The UK and Germany* by Matthew Heathcote, *Reporting the Divide: The Media and the Constitutional Debate in Northern Ireland* by Dr David McCann and *Semi-Presidentialisation and Executive Accountability: A Cautionary Tale from Sri Lanka to the UK* by Binendri Perera. The Society also published its first monograph: *Northern Ireland and the UK Constitution* by Dr Lisa Claire Whitten in association with Haus Publishing. Looking forward, the Society has commissioned reports on compulsory voting, compulsory constitutional education and democratic accountability in the NHS by David Klemperer, Emily Board and Dr Keegan Shepard respectively. The Society held several events in the House of Lords and one in Belfast over course of the year.

Website

The Society's website continued to attract hundreds of thousands of views across the year. This was driven in part by the pages addressed to the A-Level politics syllabus and in part by the regular blogs which the Society publishes, along with the reports of its research fellows, which are freely accessible. Having engaged a series of regular contributors, the Society has published around two blogs a week across the year.

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2024

Achievements and performance *(continued)*

United Kingdom Constitution Monitoring Group

The last year has seen the Constitution Society continuing to aid the United Kingdom Constitution Monitoring Group (UKCMG) via finance, editorial and administrative support. The Group, composed of experts and practitioners covering a range of areas of the UK constitution, has published two reports this year, with one geared towards June's election. The Group launched these reports at two events held in the House of Lords. After two members of the Group retired from activity, the Constitution Society facilitated the recruitment of two new members: Dame Ursula Brennan and Sir Paul Silk.

Governance and people

During the year Andrew Kennon has acted as Chair among the Society's directors. Sir Malcolm Jack is President of the Society.

In September 2023 Mr T L A Price was appointed as a trustee. In November 2023 Mrs A Young resigned as a trustee. Andrew Blick was employed as the director of the Society on a consultancy basis across the year, alongside his position as Head of the Department of Political Economy and Professor of Politics and Contemporary History at King's College London. Professor Blick reports to the trustees/directors. Dexter Govan continued to act in his role as Director of Research.

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Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2024

Financial review

Rothschild & Co were the Society's fund managers during the year to 30 June 2024 with a mandate to invest prudently in global equity markets.

The Directors are confident that the Society's internal resources are sufficient to support its activities at the current level for at least the next five years.

The charity's principal sources of funding during the year were from donations and investment income. The net incoming resources for the year amounted to £62,545 (2023 - net incoming resources of £9,010). The net outgoing resources for the year prior to any revaluation gains were £67,091 (2023 - £146,649).

The total funds held at the year end amounted to £2,567,615 (2023 - £2,505,070), which were comprised of £450,726 unrestricted general funds and £2,116,889 endowment funds. The endowment fund contains an investment portfolio which generates income to fund the charity's general activities.

The charity has appropriate funds to cover its day to day running costs for the next year and so faces 2024/25 confident that it can meet demands that will be made on the time and financial resources of the charity by those projects that may arise in the coming year.

Reserves policy

At 30 June 2024 the Society had free reserves of £38,960 (2023 - £217,602).

Policy issues

1. The donor has agreed that Endowment funds may be converted as necessary to Unrestricted funds, to fund operations at roughly the current level of expenditure.
2. A Charity Reserves Policy applies only to Unrestricted funds. The Society's current policy, last reviewed in 2021, is to maintain reserves of £400,000 (calculated as being approximately 3 years' expenditure at that time.)
3. A reserve calculated on the same basis would now amount to approximately £525K.
4. It is likely that the Society will receive donations of approximately £200K over the next three years.

Recommendations

- The Society should hold reserves of £350K; i.e. 2 years' current expenditure.
- If Unrestricted funds fall below £400K, sufficient Endowment funds should be allocated to boost Unrestricted Funds to approximately £500K.

The Constitution Society

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) *(continued)*

Year ended 30 June 2024

Structure, governance and management

Governing document

The Constitution Society is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Recruitment, appointment and training of trustees

Trustees are appointed from the membership of the charity which, in accordance with the Articles of Association, is open to any individual or organisation which is interested in furthering the charity's work.

All new trustees will be provided with copies of:

- The Memorandum and Articles of Association of the charity
- The latest financial statements of the charity

In addition, the trustees are encouraged to read Charity Commission and other guidance designed to keep them abreast of their duties and responsibilities.

Risk management

The charity acknowledges the Charity Commission's recommendation to undertake a review of the major risks to which the charity is exposed. In 2024 the trustees adopted a new and comprehensive register of risks, which details those risks to which the charity is exposed. This document is addressed and reviewed at each meeting of the trustees as a standing item.

Organisational structure

The trustees are responsible for the management of the affairs of the charity and are regarded as trustees under the Charities Act 2011 and directors within the meaning of the Companies Act 2006. The present trustees are listed on page 1.

Small company provisions

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

19/3/2025

The trustees' annual report was approved on and signed on behalf of the board of trustees by:



Mr A Kennon (Chairman)
Trustee

The Constitution Society

Company Limited by Guarantee

Independent examiner's report to the trustees of The Constitution Society

Year ended 30 June 2024

I report to the charity trustees on my examination of the financial statements of the company for the year ended 30 June 2024 which comprise the statement of financial activities (including income and expenditure account), balance sheet and the related notes.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's financial statements as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Lovewell Blake LLP

Mr M Proctor FCA
Independent Examiner

Lovewell Blake LLP
Chartered accountants
The Wherry
Quay Street
Halesworth
Suffolk
IP19 8ET

19/3/2025

The Constitution Society

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 30 June 2024

			2024		2023
	Note	Unrestricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	80,000	—	80,000	—
Investment income	6	10,915	—	10,915	18,048
Total income		<u>90,915</u>	<u>—</u>	<u>90,915</u>	<u>18,048</u>
Expenditure					
Charitable activities	7	158,006	—	158,006	164,697
Total expenditure		<u>158,006</u>	<u>—</u>	<u>158,006</u>	<u>164,697</u>
Net income and net movements in funds before gains and losses on investments		(67,091)	—	(67,091)	(146,649)
Net gains on investments	8	(3,917)	133,553	129,636	155,659
Net income and net movement in funds		<u>(71,008)</u>	<u>133,553</u>	<u>62,545</u>	<u>9,010</u>
Reconciliation of funds					
Total funds brought forward		521,734	1,983,336	2,505,070	2,496,060
Total funds carried forward		<u>450,726</u>	<u>2,116,889</u>	<u>2,567,615</u>	<u>2,505,070</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 16 form part of these financial statements.

The Constitution Society

Company Limited by Guarantee

Balance sheet

30 June 2024

		2024		2023	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	13		1,170		1,202
Investments	14		2,527,485		2,286,266
			<u>2,528,655</u>		<u>2,287,468</u>
Current assets					
Debtors	15	4,015		4,006	
Cash at bank and in hand		40,179		224,341	
		<u>44,194</u>		<u>228,347</u>	
Creditors: Amounts falling due within one year	16	<u>5,234</u>		<u>10,745</u>	
Net current assets			38,960		217,602
Total assets less current liabilities			<u>2,567,615</u>		<u>2,505,070</u>
Net assets			<u>2,567,615</u>		<u>2,505,070</u>
Funds of the charity					
Endowment funds			2,116,889		1,983,336
Unrestricted funds			450,726		521,734
Total charity funds	17		<u>2,567,615</u>		<u>2,505,070</u>

For the year ending 30 June 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The balance sheet
continues on the following page.
The notes on pages 10 to 16 form part of these financial statements.

The Constitution Society
Company Limited by Guarantee

Balance sheet *(continued)*

30 June 2024

These financial statements were approved by the board of trustees and authorised for issue on 19/3/2025, and are signed on behalf of the board by:

Andrew Kennon

Mr A Kennon (Chairman)
Trustee

Company registration number: 07432769

The notes on pages 10 to 16 form part of these financial statements.

The Constitution Society

Company Limited by Guarantee

Notes to the financial statements

Year ended 30 June 2024

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 61 Petty France, London, SW1H 9EU.

2. Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Going concern

There are no material uncertainties about the charity's ability to continue.

(c) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Constitution Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2024

3. Accounting policies *(continued)*

(d) Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

(e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

(f) Tangible assets

All fixed assets are initially recorded at cost.

Year ended 30 June 2024

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Dividends	10,306	10,306	13,983	13,983
Interest	609	609	4,065	4,065
	<u>10,915</u>	<u>10,915</u>	<u>18,048</u>	<u>18,048</u>

The Constitution Society

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Notes to the financial statements *(continued)*

Year ended 30 June 2024

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Editorial, articles and consultancy	10,100	10,100	5,574	5,574
Research fellow contracts	22,000	22,000	24,000	24,000
Office costs	4,522	4,522	5,671	5,671
Conferences, seminars and entertaining	1,950	1,950	5,732	5,732
Staff costs	93,260	93,260	78,312	78,312
Donations	1,600	1,600	2,850	2,850
Rent, rates, insurance and cleaning	20,129	20,129	19,955	19,955
Bank charges	382	382	—	—
Depreciation	302	302	286	286
Support costs	3,761	3,761	22,317	22,317
	<u>158,006</u>	<u>158,006</u>	<u>164,697</u>	<u>164,697</u>

Analysis of support costs

	Unrestricted Funds £	Total funds 2024 £	Unrestricted funds £	Total Funds 2023 £
Independent examination fees	2,706	2,706	2,544	2,544
Legal and professional fees	774	774	1,860	1,860
Advisory fees	281	281	17,913	17,913
	<u>3,761</u>	<u>3,761</u>	<u>22,317</u>	<u>22,317</u>

8. Net gains on investments

	Unrestricted Funds £	Endowment Funds £	Total Funds 2024 £
Gains/(losses) on listed investments	(8,849)	133,553	124,704
Gains/(losses) on foreign currency exchanges	4,932	—	4,932
	<u>(3,917)</u>	<u>133,553</u>	<u>129,636</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £
Gains/(losses) on listed investments	(42,973)	202,038	159,065
Gains/(losses) on foreign currency exchanges	(3,406)	—	(3,406)
	<u>(46,379)</u>	<u>202,038</u>	<u>155,659</u>

The Constitution Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2024

9. Net income

Net income is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation of tangible fixed assets	302	286

10. Independent examination fees

	2024	2023
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	2,706	2,544

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	93,260	78,312

The average head count of employees during the year was 1 (2023: 2).

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

12. Trustee remuneration and expenses

No remuneration or expenses paid to any trustees during the year.

13. Tangible fixed assets

	Office Equipment £	Total £
Cost		
At 1 July 2023	7,180	7,180
Additions	270	270
At 30 June 2024	7,450	7,450
Depreciation		
At 1 July 2023	5,978	5,978
Charge for the year	302	302
At 30 June 2024	6,280	6,280
Carrying amount		
At 30 June 2024	1,170	1,170
At 30 June 2023	1,202	1,202

The Constitution Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2024

14. Investments

	Listed investments £
Cost or valuation	
At 1 July 2023	2,286,266
Additions	2,393,931
Disposals	(2,286,265)
Fair value movements	133,553
At 30 June 2024	<u>2,527,485</u>
Impairment	
At 1 July 2023 and 30 June 2024	
Carrying amount	
At 30 June 2024	<u>2,527,485</u>
At 30 June 2023	<u>2,286,266</u>

All investments shown above are held at valuation.

15. Debtors

	2024 £	2023 £
Prepayments and accrued income	<u>4,015</u>	<u>4,006</u>

16. Creditors: Amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	4,195	8,524
Social security and other taxes	1,039	2,221
	<u>5,234</u>	<u>10,745</u>

17. Analysis of charitable funds

Unrestricted funds

	At 1 July 2023 £	Income £	Expenditure £	Gains and losses £	At 30 June 2024 £
General funds	<u>521,734</u>	<u>90,915</u>	<u>(158,006)</u>	<u>(3,917)</u>	<u>450,726</u>

	At 1 July 2022 £	Income £	Expenditure £	Gains and losses £	At 30 June 2023 £
General funds	<u>714,762</u>	<u>18,048</u>	<u>(164,697)</u>	<u>(46,379)</u>	<u>521,734</u>

The Constitution Society

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 June 2024

17. Analysis of charitable funds *(continued)*

Endowment funds

	At 1 July 2023 £	Income £	Expenditure £	Gains and losses £	At 30 June 2024 £
Permanent Endowment Fund	1,983,336	—	—	133,553	2,116,889

	At 1 July 2022 £	Income £	Expenditure £	Gains and losses £	At 30 June 2023 £
Permanent Endowment Fund	1,781,298	—	—	202,038	1,983,336

18. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	Total Funds 2024 £
Tangible fixed assets	1,170	—	1,170
Current assets	454,790	2,116,889	2,571,679
Creditors less than 1 year	(5,234)	—	(5,234)
Net assets	450,726	2,116,889	2,567,615

	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £
Tangible fixed assets	1,202	—	1,202
Current assets	531,277	1,983,336	2,514,613
Creditors less than 1 year	(10,745)	—	(10,745)
Net assets	521,734	1,983,336	2,505,070