

Annual Report and Financial Statements for the year ended 31 December

2021

Our mission

The Joseph Rowntree Foundation (JRF)'s mission is to inspire action and change to solve UK poverty. Together with the Joseph Rowntree Housing Trust (JRHT), we are working towards a shared vision of a prosperous UK without poverty.

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Structure, governance and management

Executive Directors



Paul Kissack,
Group Chief Executive



Helen Barnard,
Interim JRF Executive
Director
(Until Q2 2021)



Graeme Cooke,
Director of Evidence
and Policy
(From Q2 2021)



Sophia Parker,
Director of
Emerging Futures
(From Q3 2021)



Tracey Preece,
Director of Finance



Chris Simpson,
JRHT Executive
Director



Frank Soodeen,
Director of
Communications and
Public Engagement
(From Q2 2021)



**Claire
Townson,**
Director of
Corporate Services

Trustees and Statutory Directors



Will Haire CB
(Chair)



Saphié Ashtiany



Deborah Cadman
OBE



Dr Hilary Cottam
(From Q1 2021)



Farah Elahi
(From Q1 2021)



Helen Evans



Paul Jenkins



Maureen Loffill



David Lunts



Gillian Russell
(From Q1 2021)



Professor Jo
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(From Q4 2021)



Professor Carol
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Kené Umeasiegbu
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Introduction

WILL HAIRE – Chair of Trustees

In January 2021, I very much hoped that the coming year would offer all of us in the JRF-JRHT group the opportunity to reflect on the effects of the pandemic, recover from its challenges and rebuild even stronger. However, of course, Covid-19 cast a much longer shadow than expected. The spread of community infections continued to create challenges for colleagues and residents, especially in JRHT's care homes. And by necessity, the authorities' response to the crisis had to remain the dominant theme of JRF's research, policy, and advocacy work.

Performance

It is to their enormous credit that, despite the unrelenting pressures to maintain quality services, colleagues succeeded in creating significant change and improving our impact. The work of JRF teams and external partners for example helped to set the stage for some significant and tangible improvements to the social security system and a rebalancing of power between tenants and landlords in the private rented sector. While we all want to see so much more, these changes have the potential to improve the lives of millions of people.

For their part, JRHT colleagues – particularly in care – went to extraordinary lengths to keep our residents and services safe, responding calmly and determinedly to each new challenge – from waves of national or service lockdown, to the 'pingdemic' right through to compulsory vaccinations. In this they were ably supported by our support teams in



central services, who, for example, did much to improve our recruitment systems in the face of a challenging labour market, ensuring that care could be maintained.

Although this stability was our main goal, JRHT colleagues also managed to deliver important service improvements. The roll out of new medicines software was a further step in modernising systems across our care services, a journey partly recognised in the CQC's assessment this year of our New Lodge care home as 'good'. Likewise, the concerted internal campaign in 2021 to improve our complaints handling processes is just one part of our efforts to be a more responsive, community focussed housing association. Finally, the RSH's conclusion that JRHT now merits a G1 rating was a testament to several years' work to establish a robust governance framework that sets us up well for the future.

The start of a pivotal era

That future was a major preoccupation for trustees, JRHT board members, the executive team, and many colleagues in 2021. The record set out in the 'achievements and performance' section of this report reflects well on the organisational model we set out to build within JRF three years ago. Many decisions made then continue to be valid. We are still committed to being a social change organisation, rooted in real world challenges; focussed on disrupting dominant patterns of thinking; and alive to the dangers of marginalisation in producing purely academic or speculative work in the company of the like-minded. And we remain committed to organising our efforts around the goal of solving UK poverty.

However, the current challenges have made us determined to be bolder in our ambition, and deeper in the changes we are striving for. We must both directly confront the immediate manifestations of poverty – seeking to influence and bring about change wherever possible – as well as addressing the deeper shifts in our political economy that are essential. In 2022 we will cement this new model and approach, building more useful infrastructure for the constellation of people and groups working to end poverty, strengthening relationships and networks, and providing tools, content, funding, and methods for other organisations.

For JRHT, 2022 will also be a year when we do even more to realise our ideals as a community housing trust, with significant improvements planned around tenant and resident engagement, and community empowerment. The difficult decision we have taken to close the Lamel Beeches care home, coupled with the transfer of the Independent Living Service to highly qualified

providers, is another step forward in simplifying our network of care services to better cohere with our core organisational strengths. Having taken those decisions our priority now is to effectively support residents and staff through that transition. We also hope to see tangible progress in implementing our development strategy as planning permissions for some of our biggest projects start to come through.

Finally, in planning for the future, we needed to confront the past. In April we took the important and overdue step of acknowledging publicly, and apologising for, elements of our history. Our commitment then to being an anti-racist organisation comes from acceptance not only that we have responsibilities arising from the origins of our wealth, but also that we cannot be truly effective in our organisational mission if we overlook the role of racism in fuelling injustice and inequitable outcomes. As our strategies are refined over 2022, we will need to show how anti-racism is a consistent feature of JRF and JRHT's work.

As Chair of JRF Trustees, I want to conclude with a heartfelt thank you to all colleagues who have shown such commitment through a challenging year. I, and my fellow Trustees have been so impressed, and grateful to our colleagues for consistently going above and beyond, and for putting their own, understandable anxieties about organisational change aside, to support each other and (in the case of JRHT colleagues) our residents. Their efforts ensured the organisation functioned effectively throughout and is well positioned for the opportunities and challenges we will face next.

Governing document 2021

The Joseph Rowntree Foundation (JRF) was formed by a Deed of Foundation dated 13 December 1904, originally under the name of the Joseph Rowntree Village Trust. There have been a number of changes to the Deed since then, the most significant being effected under the Joseph Rowntree Memorial Trust Act 1959. The name was changed to the Joseph Rowntree Foundation in 1990.

Following a review of governance structures and an incorporation process in 2020, JRF is now constituted as a Company Limited by Guarantee and its governing document is the JRF Articles of Association.

As per the Articles of Association, JRF is the parent organisation of

the Joseph Rowntree Housing Trust (JRHT).

Trustees set the strategy for JRF and the wider Group; day-to-day management functions are the responsibility of the Executive Directors.

Both JRF and JRHT are supported by Group services which provide an enabling environment that focusses on Finance, People, Tech and Change, Risk Management, Facilities and Health and Safety services. Within this context, the Group aims for effective governance where staff are empowered to put value for money at the centre of everything they do supported by core values that seek to build trust, make a difference and show that we care.

RECRUITMENT OF TRUSTEES

As per the Articles of Association, JRF Trustees are appointed by existing Trustees to serve three-year terms. There is a maximum of three terms for each Trustee, so they can serve for a total of nine years.

Recent comprehensive recruitment drives have been conducted in partnership with external specialists, with diversity, skills and continuous improvement pivotal to the brief. A skills matrix is maintained for all

Trustees which informs recruitment of Trustees and nominations to other governance committees in the Group.

Trustee induction and personal development arrangements are regularly reviewed, and a specific budget is established for this purpose.

Some individuals are members of both JRF Trustees and the Board of JRHT.

ORGANISATIONAL STRUCTURE IN 2021

JRF is governed according to its Articles of Association by JRF Trustees. JRHT, a Community Benefit Society and subsidiary of JRF, is governed by its Board in accordance with its rules.

JRF is responsible for setting strategy and Group operations and there is an Intra-Group Agreement that specifies the relationship between the two organisations.

There are three sub-committees that support both JRF and JRHT.

- **Audit and Risk Committee (ARC).** This committee is responsible for ensuring that there is a robust and independent control framework across JRF and JRHT. It ensures compliance with the risk-management strategy and that there is best practice in the approach to internal audit. In 2021, the Committee consisted of three JRF Trustees, three JRHT Board Members and three independent members (seven individuals). This is up from two JRF Trustees, one JRHT Board Member and three independent members (five individuals) at the start of the year, two members having joined in Q2.

- **The Resources Committee** has responsibility for oversight of JRF's finances and for all corporate activities that straddle both JRF and JRHT, such as the People team, Technology and Finance. In 2021, the Committee consisted of four JRF Trustees, three

JRHT Board Members and four independent members. This is up from two JRF Trustees, two JRHT Board Members and three independent members at the start of the year.

- **The Nominations and Governance Committee** is responsible for ensuring that best practice in governance is adopted across JRF and JRHT. It is also responsible for recommending the appointment of all governance committee members to Trustees. There are up to five members of this Committee, all of whom are JRF Trustees and JRHT Board Members including the JRF and JRHT chairs.

In addition to the sub-committees that are shared with JRHT, there are two further committees that report directly to JRF Trustees alone.

- **Investment Committee.** This committee oversees the management of the financial investments in line with any financial and non-financial objectives or ethical considerations in the endowment and investment strategy set by JRF Trustees. The Committee consists of three Trustees and three independent members.

At the start of the year there were two JRF Trustees and two independent members. An additional independent member joined the Committee towards the end of 2021 who also became Chair. There was also rotation of the two Trustee members.

- Social Investment Committee.

This committee oversees the implementation of the social investment strategy in line with any financial and non-financial objectives or ethical constraints in the endowment and investment strategy set by JRF Trustees. The membership consists of two Trustees and two independent members. At the start of the year it was two JRF Trustees and one independent member.

Trustees are committed to delivering best practice in the governance of the Group and as such have commenced a running Board Effectiveness programme which culminates in a full, comprehensive review every three-years, the first of which took place in 2020. Trustee appraisals, including for the Chair of Trustees, and light-touch effectiveness reviews are conducted annually. The design of this process was developed in 2020 in conjunction with external experts.

JRF Trustees have adopted the Charity Governance Code which was refreshed in 2020 and self-assess against this annually.

Pay and remuneration is set by JRF Trustees, on the recommendation of Resources Committee and in consultation with JRHT Board.

STRATEGIC REPORT

(including the Directors' report as required by company law)

Objectives and activities

JRF shares its vision with its subsidiary JRHT to achieve a prosperous UK without poverty.

JRF and JRHT share a set of values which are core to the way the organisations work and are at the heart of everything that we do. They show what we care about, help us make decisions and show us how to behave together. Our values support us to deliver our mission to inspire action and change to solve UK poverty.

As well as values, JRF and JRHT also share two common outcomes which are:

- Everyone has a decent home in a good place.
- Everyone has good living standards and prospects.

Joseph Rowntree set up his trusts to search out the root causes of social 'evil' and influence social advancement through its research, policy, collaboration and practical solutions.

2021 was the last year of JRF's current strategic plan where its vision and mission was based on:

- Building the public and political will for the need for change, demand for solutions, and advocating for those solutions.
- Developing credible solutions with people and organisations who have

the power to effect change.

- Holding governments and others to account for their impact on UK poverty, positioning JRF as the leading authority on UK poverty.

To help us focus our work in the above areas we have four specific JRF outcomes:

- More people want to solve poverty, understand it and take action.
- More people find a route out of poverty through work.
- More people find a route out of poverty through a better social security system.
- More people live in a decent, affordable home.

The JRF operating model is based on a 'social change' approach which involves determining the methods, activities, partnerships and resources which will best achieve the outcome. Issues of this scale and complexity are, however, too big to tackle alone. We work collaboratively alongside people with lived experience of poverty and organisations with shared goals to achieve change. As well as enabling our own capacity to develop solutions, we have continued to actively explore where the activities we set out can be undertaken by others or in partnership.

The substantial endowment that came with the establishment of the trusts means that JRF does not need to fundraise and does not, therefore, have a fundraising policy. It does, however, have financial mechanisms which ensure the real value of the endowment is maintained whilst giving JRF access to a sustainable level of funding. The mechanisms include a calculation which compares the value of the underlying investments less any liabilities over the previous three years to a long-term target. The difference between the actual value and the target determines the percentage of the endowment that can be used as core funding during the following financial year. The amount of core funding is formally approved by the Resources Committee on an annual basis. This process acts as a proxy for a formal reserves policy.

During 2021, JRHT's objectives and activities were shaped by:

- JRF-JRHT Strategic Plan 2017-2021.
- Regulator of Social Housing and Care Quality Commission regulatory obligations.
- The impact and demands of the global Covid pandemic.
- JRHT in-year strategic and operational priorities for the organisation and in our key areas of work comprising Housing and Community Services, Development and Asset Management and Care.
- JRHT 30-year Financial Plan (a regulatory requirement).

Throughout the year, JRHT continued to be affected by the impact of the global Coronavirus pandemic. Despite significant and protracted disruption, it has still made significant progress.

JRHT – the organisation strengthened its Board with further

recruitment of members with finance and audit skills and experience.

Development and Asset Management

– activity around the New Lodge development continued with final completion in November 2021. The final handover was 48 apartments, with the overall scheme delivering a total of 105 extra care apartments and a 45-bed residential care home at a cost of £25 million. The planning application for 117 affordable homes on the north side of the New Earwsick village was delayed, with permission anticipated over the summer of 2022, but progress was made on planning applications for developments elsewhere.

Housing and Community Services –

key areas of operation remained rent collection, repairs delivery, relets and modifications – which all performed satisfactorily. Our support for residents facing financial hardship increased though our expanded Money and Benefit Advice service.

Care services – our care services were at the frontline of the response to Covid-19. Our efforts have been focussed on the response to the pandemic including maintaining infection prevention and control, implementing robust testing arrangements, and supporting colleagues through vaccination programmes. From time to time services have also responded to local outbreaks and lockdowns.

In addition to the above, the JRHT Board took the difficult decision to exit from providing the care element to Independent Living Services in York and Market Weighton, while retaining the landlord responsibility. This process took over four months and saw us work closely with residents, families, staff and commissioners to affect a well-structured and orderly transfer to new specialist providers.



How activities deliver public benefit

JRF's main activities are described in the section above. Our charitable activities focus on working with others to inspire action and change to solve UK poverty.

JRHT's objectives and activities are all intended to provide a public benefit. This is achieved through services such as:

- 1.** provision of affordable housing, care, and support; and
- 2.** collaboration with JRF to progress shared outcomes of everyone having a decent home in a good place, and everyone having a good standard of living and prospects.

Trustees have had due regard to guidance on public benefit produced by the Charity Commission and are of the opinion that undertaking these activities fully meets the requirements of section 17 of the Charities Act 2011 to deliver public benefit.



Achievements and performance



Analysis and research

The overall poverty rates in the UK are a function of five key economic factors: employment, net earnings, benefits, housing costs and inflation. Our statistical research this year aimed to shed light on how a rapidly changing economic picture and the surrounding policy framework affected people living on the lowest incomes. Inevitably, much of our focus was on gauging the impact of Covid-19 on living standards and the effectiveness of the UK and devolved governments' response.

Our flagship annual report on the nature and scale of UK poverty showed in January that incomes had fallen fastest among households in poverty before the onset of coronavirus (a reduction driven predominantly by the freeze in benefits rates between 2016 and 2020). It also provided some glimpses of the positive, albeit partial, impact of the UK Government's emergency financial measures. The report was strengthened by our collaboration

with the Grassroots Poverty Action Group (made up of 15 people from across the UK with lived experience of poverty) who helped to ensure the report was grounded in the realities of living in poverty.

The worsening position of the least well-off households before the pandemic, alongside the protection that temporary uplifts to Universal Credit provided against the then only creeping threat of inflation were reconfirmed later in the year by the annual Households below a Minimum Income Standard report (produced for JRF by the University of Loughborough's Centre for Research and Policy) and the annual update to the Minimum Income Standard. Our in-house analysts published further reports which delved deeper into various aspects of financial vulnerability. These included a study on the places that would be worst affected by the withdrawal of emergency Covid support and estimates of the rise in low-income households in arrears.

Ahead of the Scottish parliamentary elections in May JRF analysis carried a widely reported warning that despite the launch of its new Child Payment, Scotland was on course to miss its interim child poverty target by 4% - leaving 40,000 children locked in poverty. We followed this with polling which confirmed the high priority people in Scotland placed on tackling poverty. This activity may have contributed to the First Minister's pledge to double the Child Payment from April 2022. In the autumn we published a briefing that highlighted several areas contributing to rising poverty levels among minority ethnic groups in Scotland.

Engagement and commentary

Our policy and campaigns experts were frequently sought after by media outlets, political groups, and advisory bodies for commentary and advice. In addition to hundreds of appearances and comments in the national and regional press JRF personnel were invited to address meetings of the Work and Pensions Select Committee, the APPGs on Hunger, Universal Credit, Poverty and Health and the BEIS Equalities Working Group. Through membership of external advisory/steering groups we sought to share insights and support the work of aligned organisations and networks. This year these have included 'Covid Realities' (York University / CPAG / Nuffield Foundation); 'Social Security Solutions' (Fabian Society / Standard Life Foundation); 'Work incentives in the tax and benefit system' (Manchester Metropolitan University / Standard Life Foundation); 'Reframing Debate on Social Security' (Equally Ours / Trust for London / Commission on Social Security), the Social Metrics Commission and UK Onward's Social Fabric project.

Movement building

We believe strongly that people in poverty are entitled to a prominent place in the debates about how to solve it and see it as part of our role, through supportive grants, knowledge sharing and our own ways of working to ensure that this happens. This year we funded the North Tyneside Combined Authority and Scottish Poverty and Inequality Commission to develop their participatory approaches to policy development. We also agreed a new multi-year grant to Poverty Truth Commission to support local participatory approaches.

As an example of our 'funder plus' model JRF supported Poverty2solutions to develop their campaigning strategies and take their message to the Conservative Party conference. Our funding of the APLE collective enabled a trebling of members from 4 to 12, the strengthening of their governance functions and a step change in their campaigns around the digital divide as they developed partnerships with a wider range of organisations.

Through our new community voices programme, we made grants to Mums on a Mission, which is co-located in Barking, Dagenham and Halifax, and the Somali Welfare Trust, working with a group of predominantly Somali and Bangladeshi women facing income insecurity. The programme provides funding plus bespoke support based on the participants' identified goals and needs-connecting them into other mechanisms of support to enhance their skills and boost the visibility of their work. Finally, our funded partnership with London Unemployed Strategies enabled participants to support each other and develop capabilities via peer-to-peer

support, influence decision-makers, and participate in policy work.

In 2021 our online **Talking About Poverty** programme successfully trained 40 lived experience partners across the UK connected to organisations including Citizens UK, Z2K, The Bevan Foundation, Poverty Truth Community, and the Poverty Truth Network. Participants have gone on to use what they learnt on the course to communicate publicly about poverty. Most notably on television speaking about the cost-of-living crisis and the roll back of the £20 Universal Credit (UC) uplift.

Through our funding of 'A Writing Chance', a partnership project with the actor and philanthropist Michael Sheen, New North Writing, the New Statesman, and the Daily Mirror, we enabled writers from underrepresented backgrounds to gain mentoring and journalistic opportunities to hone their craft.

Reframing narratives

Facts are important but we know that they are rarely enough on their own to change minds. To increase our effectiveness, we continue to invest in research to understand why people feel the way they do about the issues we work on and locate effective strategies for connecting across divides.

Drawing confidence from our successful **Talking about Poverty** programme, since 2020 JRF and the Nationwide Foundation have worked with the FrameWorks Institute to explore public attitudes to housing. The aim being to develop insight-driven strategies that can build support across the sector and the public for greater investment in social housing. In 2021 we published the

first major output from this work, naming three main obstacles that future communications strategies will need to contend with and address. The research has already influenced the design of a new public facing campaign on social housing, led by one of the most prominent organisations in the housing sector.

This year also saw the formal launch of a new charity, Open Knowledge Research Entertainment (OKRE) with funding from JRF, Wellcome Trust, Unbound and UKRI. Over the coming years OKRE will bring together research, direct lived experience and the entertainment industries, enabling each to benefit from the other's knowledge and help audiences to better engage with the ideas that shape society.



Working with partners

JRF have partnered with the Chartered Institute for Professional Development - the leading HR professional body - in their new campaign to raise awareness of in-work poverty amongst their members.

JRF continues to work closely with the Living Wage Foundation. We supported the calculation of the Living Wage and the Living Wage Commission. Almost 9,000 employers are now real Living Wage accredited employers. JRF has also supported the development of the Living Hours standard - a new stretching accreditation for Living Wage employers aimed at reducing insecure work. We also supported a new toolkit for commissioners of social care to build a real Living Wage into social care commissioning.

Making Jobs Work

In 2021 we embraced the principles of co-design to mount a two-year policy development and advocacy project, working with people with experience of poor-quality jobs to develop solutions and build support for change. The process led us to broaden our conception of in-work poverty to encompass issues of power, agency, control, and treatment alongside

our traditional focus on rates of pay and hours worked. Combining the experiences of our partners with wider research, we collectively designed a set of solutions focused on the Government's promised Employment Bill.

We sought to push the issue up the agenda by publishing two analytical briefings. The first on the impact of Covid-19 on people whose jobs were poorly paid and insecure and the second on their uncertain labour market prospects. We also commissioned a feature length supplement with Prospect magazine.

The stronger than expected labour market recovery dampened the market for our core message. However, and crucially, the relationships built over the course of the policy design stage enabled our partners to take a leading role during the advocacy stage, moving from a position of storytellers to vision and solution holders. JRF's public affairs team created a series of opportunities for the co-designers to engage influential stakeholders. This included sharing a speaking platform with the BEIS Minister at our Conservative Party Conference event, a briefing event for MPs within the 'Northern

Research Group', a meeting with the Deputy Leader of the Labour Party, and officials from the Number 10 Delivery Unit, oral testimony to the APPG on Poverty, written responses to the Government's consultation on flexible working and meetings with constituency MPs. We repeatedly received feedback from decision makers about their thought-provoking impact.

Levelling up

Our rapid reaction analysis of the Levelling Up White Paper, which was done in conjunction with the Northern Powerhouse Partnership and PACE (University of Teesside), found that eight out of ten of the areas that stand to see the biggest cuts per person are in the north of England due to the design of the new Shared Prosperity Fund.







The ‘Keep the Lifeline’ campaign

Research by JRF and many others over several years had already shown how much cuts to the social security system had left it unfit to protect people in crisis. The Government’s temporary uplift to Universal Credit at the start of the pandemic was an admission of this stark fact. We thought it imperative that the uplift was preserved for the entirety of the pandemic and made permanent afterwards. Therefore, we opted to direct considerable resources to continuing with the campaign launched in 2020.

This took the form of cultivating a broad coalition of MPs from across the ideological spectrum and many civil society organisations. Together we maintained an intense, year-long push in the hope of creating enough political pressure to overturn the deep opposition within the Treasury to our latter goal. Deploying a blend of proactive interventions and

message discipline through the cycle of key fiscal events we successfully framed the decision as a test of the Government’s stated determination to avoid the mistakes of previous administrations. The willingness of former Cabinet Ministers to openly join the calls and a steady stream of analysis from JRF and others showing the stakes involved ensured that the decision remained high on the political agenda through the summer and autumn.

Ultimately the campaign helped to create the conditions for, firstly, a six-month extension of the £20 uplift to Universal Credit and finally a significant permanent investment in social security through increased work allowances and a reduction of the taper rate, while building support for social security investment within parliament. Hopefully, the political forces it unleashed have now reduced the likelihood of further social security cuts.



Private rented sector

A succession of reports by JRF over 2021 into the numbers of tenants experiencing rising rental arrears and higher chances of eviction provoked extensive engagement with officials from Number 10, The Treasury, DHLUC and the DWP over a sustained period. In October, this activity yielded a new £65 million fund to support vulnerable tenants.

Through our involvement with the longstanding Renters' Reform Coalition, comprising other organisations such as Shelter, Generation Rent, Citizens Advice and other housing campaigners we helped to influence the Government's proposal for a National Landlord Register and abolition of Section 21 (both proposals featuring in the Levelling Up White Paper).

In September we published an innovative report that sought to build a framework for understanding the structural drivers of racial inequalities in housing. It was acknowledged by Think House (a group of housing academics), as one of their must read reports of 2021 and is now being used by housing organisations to help their work programmes on race, housing, and homelessness.

Social housing

JRF's report on the proposed Infrastructure Levy was also highly commended by Think House and led to good engagement from senior officials in DHLUC. We are led to understand that some of the challenges we identified are being fed into the design of the Levy.

Our report on the unaffordability of the private rented sector for low-income households identified the inadequacy of current solutions in addressing this problem, including the inability of the plethora of ownership schemes to help low-income renters. We disseminated this report widely with MPs, civil servants, and housing association chief executives, in addition to organising a fringe event on social housing at one of the party conferences which was well attended with lots of engagement from the audience on the importance of increasing the supply of homes for social rent. The report was well covered in the press and has been cited widely including by the Centre for Social Justice and the RSA.

In JRHT, performance against its core outcomes is set out below.



MORE PEOPLE ARE INDEPENDENT AND WELL

The **Folk Hall**, which is a social hub in the heart of New Earswick and includes a Post Office, café, library, and function/meeting rooms, remained open throughout 2021, providing essential services and a welcoming social space for local residents. Rigorous attention to Covid safety measures ensured staff and customers felt safe and supported, giving people confidence while they were out and about. The Post Office enabled people to access essential services – topping up gas and electricity meters, paying rent and bills, and accessing benefits over the counter.

The opening hours and the warm and friendly welcome offered by Folk Hall staff provided a consistent place for people to go when in need of some social contact and a chat, or use of the facilities whilst out exercising. This approach has led to a sustained increase in customer numbers at the Folk Hall Post Office and increased footfall in the café, Explore library and other services.

At each stage of restrictions the Folk Hall adapted, initially offering hot drinks via the 'Takeaway Window' and later re-opening spaces enabling community groups such as X Martial arts, Over 50s Keep Fit, Storytime, Yoga, Art for Wellbeing, NELLI (New Earswick Less Loneliness Initiative), and Seated Pilates to meet in-person. The numbers of people attending these groups demonstrated how keen people were for in-person activities, and all of which support positive mental health and physical wellbeing.

The Folk Hall was also delighted to once again host family celebrations such as weddings, big birthday parties, dance competitions and regular community film nights.

The year ended on a high with a family visit from Santa at the Folk Hall Family Christmas Event.

The **Homestead Park** Team worked in conjunction with Blueberry Academy to provide opportunities for those with learning difficulties and disabilities to learn new skills and access employment. Training opportunities were created to learn new horticulture skills and assist with the Homestead Park Plant Shop. Volunteers and interns have also worked with the Landscaping Team in New Earswick to learn new skills

New Earswick Catering, which is a joint service of Folk Hall and New Lodge catering, makes effective use of the Folk Hall kitchen, providing a value for money option in that it is able to deliver a multi-faceted food offer for New Lodge Care Home, the Folk Hall Café, and the many events such as weddings and parties which are held there.

It's not just about the food, it's about bringing people together at mealtimes for a lovely, shared experience and so alongside the daily menu, all JRHT catering sites have a plan of theme days, events and activities with food that supports the activity co-ordinator and contributes to the inclusion and well-being of residents.

The Folk Hall kitchen team is of a very high calibre, with our Chefs previously working in boutique and Michelin star restaurants; they have a wonderful work ethic and set high standards. The Head Chef, Paul Murray, won the title of Regional Care Chef of The Year in the National Care Catering Awards in 2021.



This Chinese New Year, Rowntree Lodge went all out with plenty of activities for the residents to get involved in. Activities included lantern making, hat making and themed food tasting!



MORE PEOPLE ARE SHAPING OUR COMMUNITIES

In the last year JRHT has improved its consultation and engagement within our developments (Derwenthorpe and The Orchard Sites). This has helped to ensure we are encouraging greater/broader participation in our consultation events to allow more people to help shape JRHT's work in relation to ongoing work in Derwenthorpe around improvements to the central area and wider landscape strategy, and the proposed housing sites in New Earswick. Consultation events were held for two sites in New Earswick (Orchard sites) during Autumn 2021. We were fortunate to be able to offer in person events as well as an online provision of information. Following feedback from residents, staff and other stakeholders we are now producing a 'you said we did' document to highlight the impact that our stakeholders can have on our development plans.

In 2021 we delivered several key pieces of work, designed to help us to understand our residents better and to provide them with an opportunity to tell us what is important to them. The **Residents' Census**, provided up-to-date information about resident demographics and preferences, such as household mix and whether or not they had access to the internet. The **Residents' Satisfaction Survey** provided further insights into the areas in which residents wish us to focus improvements. Finally, the **Housing Discovery** element of the Housing System replacement project, provided a platform to engage with residents on their views around how they wish to access services in future.

All of these pieces of work used a mixture of methods, with initial data gathered through surveys followed by qualitative focus group discussions. They have created a wealth of evidence to support key strands of work, helping us to transform services and identifying opportunities to increase diversity and inclusion.

During the pandemic, a group of **resident volunteers** have facilitated the coffee morning at Hartfields every Thursday. The intermittent closure of services was a really difficult time for both staff and residents but the resident volunteers have worked with the Management Team throughout and have been involved at every level of reopening – as a takeaway in early 2020 when Government guidelines allowed, moving to an outdoor coffee morning, before finally being able to move back indoors!

All of these stages have had robust risk assessments running alongside and the volunteers have adapted to them and still delivered for the benefit and wellbeing of their fellow residents. It has been a significantly challenging time given the number of local lockdowns and outbreak statuses but they have continued to work with us and provide this service safely to ensure residents had this to look forward to.



MORE PEOPLE CAN IMPROVE THEIR PROSPECTS

Through the construction phase of **New Lodge**, a large number of people were able to benefit from opportunities created by the scheme, a total of **12 apprenticeships** were completed throughout the development. Alongside this, over 50 placements for young people were generated with a focus on those not in education, employment, or training (NEETs) through the Building Futures Programme.

Hartfield's Extra Care scheme in Hartlepool is integrated into the broader Hartlepool community and is very active in **supporting people into training and work opportunities**.

The team are currently working with four (non-residents) as part of the national "permitted earners scheme". This scheme helps people who might be furthest from the jobs market to learn skills and gain confidence in paid supported work, whilst still being able to claim their allowed benefits. The team members at Hartfields, who are part of the permitted earnings scheme, mainly carry out general assistant duties. In 2021, they were an invaluable part of the cleaning and domestic team, ensuring that a Covid-safe environment was maintained for residents and staff.

The **Money and Benefit Advice (MBA)** Team offers a support and advice service to JRHT residents. In Summer 2021 a JRHT resident in arrears with her rent contacted the service for help. She was retired, in receipt of benefits, and previously eligible to have her rent covered in full by Housing Benefit, contacted the service for help. She was unsure how the arrears happened and had become distressed due to the outstanding debt and risk to her tenancy. After consulting the resident's paperwork and liaising with the local authority, it transpired that her former partner's income was being taken into account for benefit purposes, reducing the amount of Housing Benefit (and Council Tax Support) that she would otherwise be entitled to. Contact was later made with the DWP, who ultimately rectified the discrepancies with the resident's income figures. This allowed for her benefit claims to be reassessed correctly, with full backdates being awarded, bringing the resident's rent (and council tax) account back up to date. Whilst the MBA team provided ongoing support to the resident over the course of several months, a £200 Household Support Fund grant from the local authority was also applied for and obtained on her behalf, to help towards rising energy costs.



MORE PEOPLE LIVE IN A DECENT AFFORDABLE HOME

In November 2021, after four years of construction, the final phase of New Lodge was handed over to JRHT and now consists of a 45-Suite Residential Care Home and 105 Extra Care living apartments for Social Rent and Shared Ownership. The scheme is allowing more residents to remain independent for longer and the development, as a whole, is Stirling accredited – a standard created by the University of Stirling that ensures the development design includes the vital components for people living with Dementia to be able to live as independently as possible. It is also helping to reduce isolation and loneliness by acting as a centre for the community in conjunction with other community facilities such as the Folk Hall. By providing a mixed tenure development (Social Rent and Shared Ownership) we are promoting a sustainable community.

New Lodge offers a range of person-centred care in both Residential Care and Extra Care and in 2021 was rated by the CQC as 'Good'.



Residents' vegi-pod growing a range of edibles for New Lodge residents.

If a resident becomes unable to live independently through medical reasons or their personal choice, New Lodge offers the option to transition from Extra Care to Residential Care which means they will still live within the same environment and interact with the same staffing teams. New Lodge also offers mixed occupations for residents who wish to remain close to each other but due to health issues are not able to live together in a property – in this instance one resident can live in Extra Care and one in Residential care.

New Lodge is now a thriving and happy community. Our teams ensure that residents can be part of and enjoy a range of activities and events to ensure they have a full and active life, ranging from themed food events, home baking sales, and live entertainment to a variety of resident-led groups such as our gardening club whose hard work ensures New Lodge entrances are an array of flora for both residents and visitors.

JRHT is committed to ensuring that all of our residents can live in a decent affordable home that meets their needs. As part of this commitment, we offer practical support to disabled residents through our minor adaptation service and also in some cases carry out more complex adaptations. The minor adaptations service provides funds for smaller adaptations up to the value of £1,500. These include works such as the installation of grab handles by entrance doors, baths or toilets, grab rails and second banister rails to stairs, installation of small ramps to entrance doors and installation of over-bath showers.

For more extensive adaptations, JRHT supports residents to apply to their local authority for a Disabled Facilities Grant. The need for the adaptation is assessed by the local authority's occupational therapist who makes recommendations for the work needed. The work is usually arranged by the local authority after JRHT has reviewed the proposals. Occasionally, we receive a grant payment from the local authority to carry out the work ourselves.

Examples of major adaptations include converting a bathroom to a level access shower, creating a new downstairs bathroom or toilet, installing hoists, stairlifts and other specialised equipment

JRHT recently worked with the local council to provide home adaptations to a family with a son with significant physical and learning difficulties. The home was completely transformed, with the layout redesigned, allowing easy wheelchair use, a wet-floor bathroom adjacent to the son's bedroom, an open plan family kitchen and living areas, and ramped access to the external doors to allow ready access to the property's garden. This really highlights the importance of working together to achieve positive outcomes.

Our commitment to anti-racism

In 2021, JRF committed to a renewed focus on racial justice in our work. In particular, we recognised that we cannot truly be an anti-poverty organisation unless we are also an anti-racist organisation. Over the last year we have built a broad plan which covers many different elements of our work across JRF. Every line of the plan has a lead member of the Executive, and in each area we have different staff involved, helping to shape the work, as well as often bringing in expert voices. Every month, the Group Executive meets to work through the different lines of the plan, challenging ourselves on the progress we are making. If progress is slow, we ask ourselves whether we need to deploy more time and resource onto it. And every so often we add a new line to the plan, as we reflect on another area where our work offers the possibility to demonstrate our commitment to anti-racism. We also spend time as an Executive regularly reflecting on whether, taken together, the plan adds up to something which matches the spirit and ambition of our commitment.

Over the last 12 months, we have undertaken and published new analysis on race, in housing for example, and after conversations with data funders and survey owners have introduced additional samples on race data we commission. In our Emerging Futures work we have begun to include the importance of racial justice from the beginning. We have also started to experiment with new recruitment platforms to try to ensure more diverse recruitment. In terms of the endowment and investment strategy we have chaired work with the Charities Responsible Investment Network (CRIN) on what an anti-racist investment approach would look like.

The role of social investments

Since 2015, 5% (currently notionally set at £20 million) of JRF's endowment has been allocated to fund social investment.

Our social investments are a mix of direct and fund investments, supporting organisations that further JRF's overarching charitable mission through their operating activities. Alongside meaningful social impact, social investments are also expected to deliver a modest financial return. However, the overriding purpose of the commitments is to contribute towards the achievement of JRF's charitable aims.

From 2015 through 2021, JRF committed £13.7 million to 28 social investments. The following 26 investments were still active as of December 2021 (having exited or written-off our investment in two others).

AFFORDABLE HOUSING

Ashley Community Housing (ACH) - £200,000

ACH provides a resettlement service for refugees in the West of England and the West Midlands. It helps its tenants by providing supportive housing and a training course comprising language, culture, health, and personal finance training. JRF has committed funding for ACH to purchase houses in Birmingham to rent to refugees.

Funding Affordable Homes (FAH) - £500,000

FAH is a fund launched in 2015 investing in general needs and specialist affordable housing in the UK. The fund has deployed over £147 million of capital across 11 projects.

Hartlepool Housing Heroes - £75,000

The Housing Heroes project, run by Hartlepool NDC Trust in partnership with JRHT and the Hartlepool Action Lab, purchases properties for young care leavers to refurbish and move in to, and supports the young people's transition to adulthood.

London Community Land Trust (CLT) - £100,000

London CLT works with teams of local residents to create permanently affordable homes that are priced according to local income and are owned by local people.

London Rebuilding Society (LRS) - £250,000

LRS helps older homeowners who are income poor to manage and finance refurbishment of their homes to a safer and greener standard so that they can live longer and better in their own homes.

Micro Rainbow International - £400,000

Micro Rainbow provides safe temporary housing, move-on support, and social inclusion activities for LGBTQI asylum seekers and refugees in the UK.

National Homelessness Property Fund (NHPF) - £500,000

NHPF provides move-on accommodation for people at risk of homelessness. The fund has purchased homes in Oxford, Bristol, and Milton Keynes, and works with St Mungo's to support tenants so that they can transition into the private rented sector.

Social and Sustainable Housing (SASH) - £1,000,000

The SASH fund provides flexible loans to small and medium-sized charities across the UK to finance the purchase of housing to support disadvantaged clients.

York Refugee Housing - £500,000

This investment is for the purchase of up to three homes for refugees in York. The properties provide housing for the most vulnerable refugees, such as those with disabilities, who would otherwise struggle to access suitable accommodation.

Women in Safe Homes Fund (WISH) - £300,000

The WISH fund provides safe, secure and affordable homes to vulnerable women and their children across the UK. It works with women's sector organisations who provide specialist support to women who are victims of domestic abuse, are leaving prison or have complex mental health problems.

SOCIAL IMPACT FUNDS**Big Issue Invest Social Enterprise Investment Fund II (SEIF II) - £500,000**

SEIF II is a fund that invests in social enterprises and charities with sustainable business models. The fund has invested in organisations operating in areas such as social care, early years education, financial inclusion, mental health and employment.

Bridges Evergreen Holdings - £500,000

Bridges Evergreen makes long-term investments in for-profit organisations with a clear social mission. Bridges Evergreen has invested in five organisations operating across impact areas including fuel poverty, affordable housing, healthcare for the elderly, skills training and care for young people with complex needs.

Fair by Design - £3,000,000

Fair by Design is a £10 million fund set up by JRF and Big Society Capital in 2015 to invest in early-stage ventures that find fairer ways to serve low-income consumers, tackling the poverty premium in key sectors such as financial services, energy, insurance, and food/household goods.

Mustard Seed - £500,000

JRF has invested in a managed account, run by Mustard Seed, which invests in for-profit social purpose enterprises.

North East Social Investment Fund (NESIF) - £500,000

NESIF is a fund that supports charities and social enterprises across the North East of England. The fund has invested in 29 organisations across impact areas including social care, education and mental health.

FINANCIAL INCLUSION

Fair Finance - £180,000

Fair Finance provides microlending and financial advice to individuals excluded from mainstream banking. It is particularly focused on serving areas of need in London.

Fair For You - £500,000

Fair For You offers loans for the purchase of white goods and other essential household goods. This has enabled low-income and vulnerable consumers to benefit from the provision of flexible, low-cost credit.

Five Lamps - £500,000

Five Lamps is a microlender based in the North East of England providing low-cost flexible loans.

Leeds City Credit Union - £250,000

Leeds City Credit Union is one of the largest credit unions in the UK.

Bristol Credit Union - £350,000

Great Western Credit Union (formerly Bristol Credit Union) is a community credit union committed to serving Bristol, Bath, and surrounding areas.

EMPLOYMENT RELATED

Glasgow Together - £250,000

Glasgow Together has created employment opportunities for ex-offenders in the construction sector by building new affordable homes and bringing empty properties back into use.

RefuAid - £210,000

RefuAid helps people with refugee status access language tuition, education, finance, and employment. Its Access Loan scheme provides support by offering interest-free loans of up to £10,000 for refugees to pay for UK accreditation, requalification, or training, thereby facilitating people to return to employment in their professional fields.

Resolution Foundation (Workertech) - £150,000

The Resolution Foundation's Workertech Partnership seeks to finance and support new social ventures that are seeking to use technology to improve the prospects of workers in the UK.

Timewise - £250,000

Timewise is a social consultancy working to unlock the flexible jobs market in the UK to enable those who need flexibility to find good quality jobs. By tackling the lack of decent flexible work Timewise aims to reduce in-work poverty and gender inequality.

SPECIALIST

Nottinghamshire YMCA - £500,000

Nottinghamshire YMCA is the largest YMCA in the Midlands, with services including supported housing, residential care for children, health and fitness, and support programmes for children and families. JRF has committed funding for development of a Community and Activity Village in Newark and Sherwood. The project seeks to tackle root causes of underlying social and health problems, while also creating new jobs in an economically disadvantaged area.

Shared Lives Investments - £350,000

Shared Lives Investments is a fund launched in 2015 as a proof of concept to help expand Shared Lives care in England, enabling a greater number and variety of vulnerable adults to access high-quality community care.



Risk

Trustees own Group risks and are responsible for setting the risk appetite of the organisation with input from JRHT Board. All staff have a responsibility to identify and manage risk throughout the Group. The Risk Management Strategy is updated and approved by Trustees annually. It is the responsibility of the executive to identify the corporate risks, which are reported to the Audit and Risk Committee, and reviewed at monthly directors' meetings. The corporate risks are those which the executive collectively monitors.

Each risk is assessed for its likelihood and its impact both before and after controls ('inherent risk' and 'residual risk'). Controls are identified together with responsibility for management of each risk. Where necessary, actions to improve the management of the risks are identified.

The Group has identified the following principal risks which are detailed in a corporate risk register shared between JRF and JRHT. Trustees have considered the risks to which the organisation is exposed and have taken appropriate steps to mitigate these risks, as described.

RISK		MITIGATION	
REPUTATION			
Risk to the credibility of, and trust in, the organisation.		Strategic and business plans ensure that our activity is strongly aligned to our vision and outcomes. We have close relationship management with our stakeholders. Risks arising from JRHT activity are reported to the JRHT board by the executive director.	
COMPLIANCE AND REGULATION			
Failure to comply with any regulators' requirements.		Regulatory requirements are tracked, and regulators notified where needed. Dedicated compliance roles are established. Actions arising from inspections and audits are tracked and monitored, with progress regularly reported to relevant leadership team and committee.	
Failure to adequately comply with GDPR, other UK laws, sector specific regulations and contracts relating to data and technology.		Information governance and security policies are in place. A dedicated Information Security Manager is supported by other sector specific compliance managers. We have retention policies in place and compulsory data protection training for staff.	
OPERATIONAL/SERVICE DELIVERY			
Operations disrupted by external factors beyond our control. Lack of readiness when outages or emergencies occur.		A corporate emergency protocol is in place with local disaster recovery and business continuity plans developed at department and operational level. Systems and processes were successfully tested and operational during the coronavirus crisis.	
FINANCE			
Pension risk - Cost of DB pension deficit payments increase as a result of significantly lower investment returns globally, increase in liabilities and reduction in the value of assets.		Our defined benefits scheme is now closed and we only have defined contributions pensions available. Briefing and training has been provided to Resources Committee and we have specialist pension advisers in place.	

RISK	MITIGATION
PEOPLE AND CULTURE	
<p>Risk to the mental and emotional wellbeing of, particularly frontline staff, during, and in the aftermath of, the Covid-19 pandemic.</p>	<p>We regularly monitor staff absences. We communicate to staff advising of help available to support health and wellbeing. A Listening Ears group was established for reactive staff support during the pandemic and a proactive outbound calling group is in place should there be incidents at particular settings. The whole group is being engaged in a programme aimed at reflecting on the impact of the pandemic and what we need to consider as part of the recovery process.</p>
INVESTMENTS	
<p>Investments fail to deliver the Total Return that is required to meet JRF financial objectives, including returns and portfolio valuations poor enough to erode the 'real' value of the endowment.</p>	<p>Our Investment Committee is informed by independent members and advisers.</p> <p>We have an Investment policy with an emphasis on real assets.</p> <p>A review of asset allocations is undertaken annually with a more strategic review every four to five years.</p> <p>A financial planning mechanism has been established to guide the level of drawdowns without eroding the value of the overall endowment.</p> <p>Investments equivalent to three years' expenditure in liquid assets are held.</p> <p>Stress testing of financial plans to extreme conditions is undertaken.</p>
SOCIAL INVESTMENTS	
<p>Failure of a social investment risks loss of our investment in full or part, damage to our reputation with investees and/or partners and failure of an investment to deliver any impact.</p>	<p>An Investment policy is in place with the need to perform risk assessments being a key part of this. The policy is reviewed annually.</p> <p>An impact framework has been agreed by the Social Investment Committee.</p> <p>There is monitoring of investments both regular and intensive as needed.</p> <p>Suitably skilled individuals manage the portfolio - a Head of Social Investment supported by an Investment Portfolio Manager and retained external specialist expertise.</p>

Financial review

TRUSTEES' POWERS AND RESERVES POLICY

The Trustees have power to spend both income and capital. There are no restricted or designated reserves and all JRF's capital is regarded as free reserves.

OBJECTIVES

JRF's financial objectives are:

- To maintain the level of expenditure on achieving its mission and outcomes; and
- To ensure that the value of JRF capital is maintained in real terms over the long term.

The Trustees monitor the level of the endowment against the target on a quarterly basis. The endowment's performance against the long-term target is the key factor in determining the sustainable level of spending.

INVESTMENT POLICY AND STRATEGY

The majority of JRF's investments are held as financial investments, although Trustees have decided to allocate £20 million of the fund for social investments.

The objective for JRF's financial investments is to maximise the 'total return' over the long-term, subject to not taking undue risk. This 'total return' represents the combination of changes in capital values and income received. Thus, a neutral position is taken as to whether a return is received by way of capital growth or distribution of income: it is the total which is important.

We have determined that investment in real assets, principally equities, represents the most appropriate strategy for meeting JRF's financial and investment objectives. As the chart below shows, equities account for almost 88% of the investment portfolio.

Trustees appreciate that this approach will result in short-term

volatility in the market value of the portfolio, but it considers that the organisation's financial strength and absence of significant fixed liabilities means that JRF is able to withstand such fluctuations. The Investment Committee reviews the asset allocation policy on at least an annual basis, taking appropriate professional advice.

Although the financial investments are designed to maximise returns, JRF believes strongly in investing our funds responsibly. We define 'responsible investment' as an investment approach which is based on the view that the effective management of environmental, social and governance (ESG) issues is not only the right thing to do but is also fundamental to creating value. We believe that companies which are successful in avoiding ESG risks and / or capturing ESG opportunities will outperform over the longer-term. This longer-term view is consistent with JRF's investment time horizon.

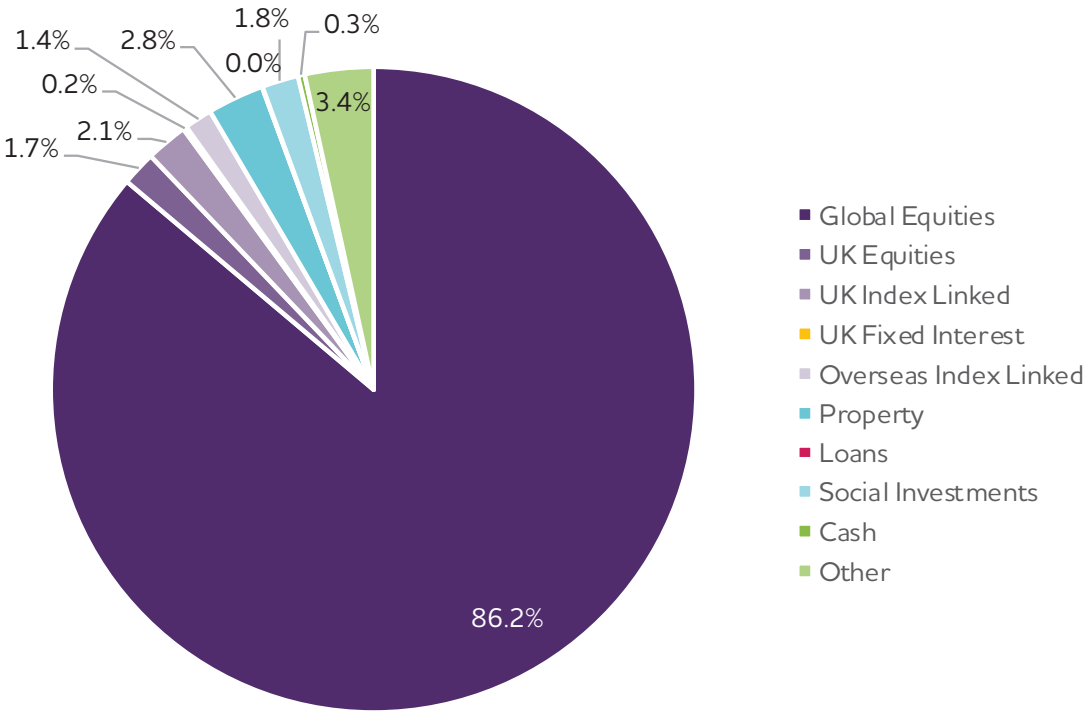
JRF seeks to incorporate ESG issues fully in its investment activities. We do this by:

- Including an assessment of the approach to Responsible Investment in the selection of Fund Managers and subsequent monitoring of their performance.
- Authorising Fund Managers to exercise the vote with JRF shares in accordance with agreed policies but subject to an over-ride by JRF in circumstances where there would be a conflict with JRF’s charitable objectives.
- Within available resources, engaging with companies on ESG issues and also those issues which are directly relevant to the strategic priorities and work of JRF. This engagement may

be through the Fund Managers or in partnership with other investors. We are members of the Charities Responsible Investment Network.

JRF also follows an ethical investment policy within the overarching theme of Responsible Investment. JRF does not invest in stocks and shares in companies which are significantly associated with the manufacture of armaments, tobacco, brewing and gambling. ‘Significant’ is defined as 10% of either profits or turnover.

The asset allocation at the end of 2021 was:



2021 ACCOUNTS AND FINANCIAL PERFORMANCE

Balance Sheet

The group balance sheet brings together both JRF and JRHT assets and liabilities. The latter includes housing properties, care homes and other fixed assets.

As an endowed foundation, the majority of JRF's reserves are held as investments.

Group long-term creditors include JRHT's loans (£59 million) and refundable fees (£31 million) associated with Hartrigg Oaks continuing care retirement community.

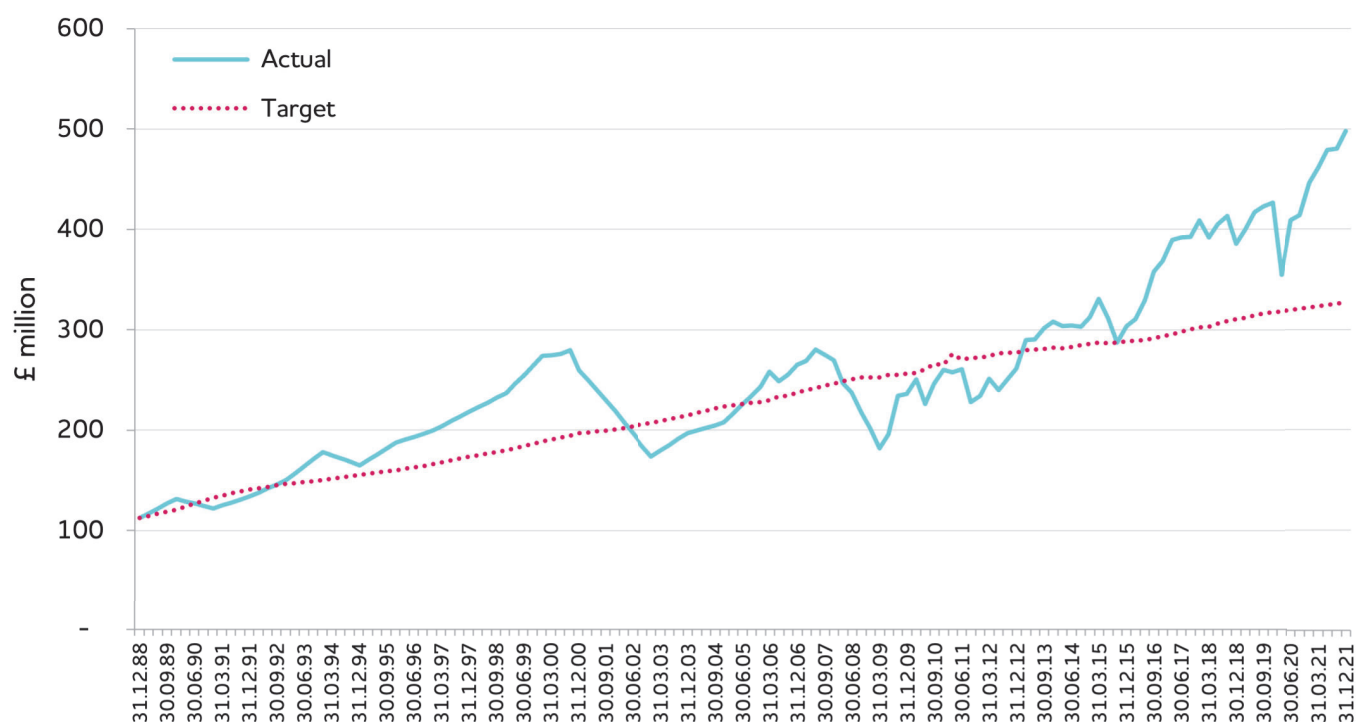
	GROUP		PARENT	
	2021	2020	2021	2020
	£000	£000	£000	£000
Fixed assets (tangible and intangible)	194,664	191,343	2,789	2,723
Investments (market value)	509,674	464,390	506,588	461,364
Homebuy loans (JRHT)	2,227	2,356	-	-
Net current (liabilities) / assets, excluding pension liabilities	1,043	340	(1,879)	(2,438)
Long-term creditors excluding pension liabilities	(102,054)	(100,983)	(393)	(334)
Pension liability	(9,037)	(14,996)	(9,037)	(14,996)
Foundation capital	596,517	542,450	498,068	446,319

Despite the continuing pandemic, the value of JRF's investments increased significantly in 2021. The year-end positions held in the balance sheet are after allowing for spending of capital as shown in the Statement of Financial Activities (below).

The Trustees have agreed that up to £50 million of the investment portfolio should be ring-fenced to help fund the future development of new affordable housing through its subsidiary JRHT. 2021 saw the second year of some early stage funding for this purpose (circa £0.1 million) with the expectation that more significant drawdowns will be seen over the next two to five years.

The endowment, which is the value of the investment portfolio less outstanding liabilities, increased from £446 million to £498 million. This is an increase of almost 12% over the year and remains 52% ahead of JRF's internal target. This is the primary key performance indicator for financial performance, although individual investment manager performance is tracked against agreed benchmarks.

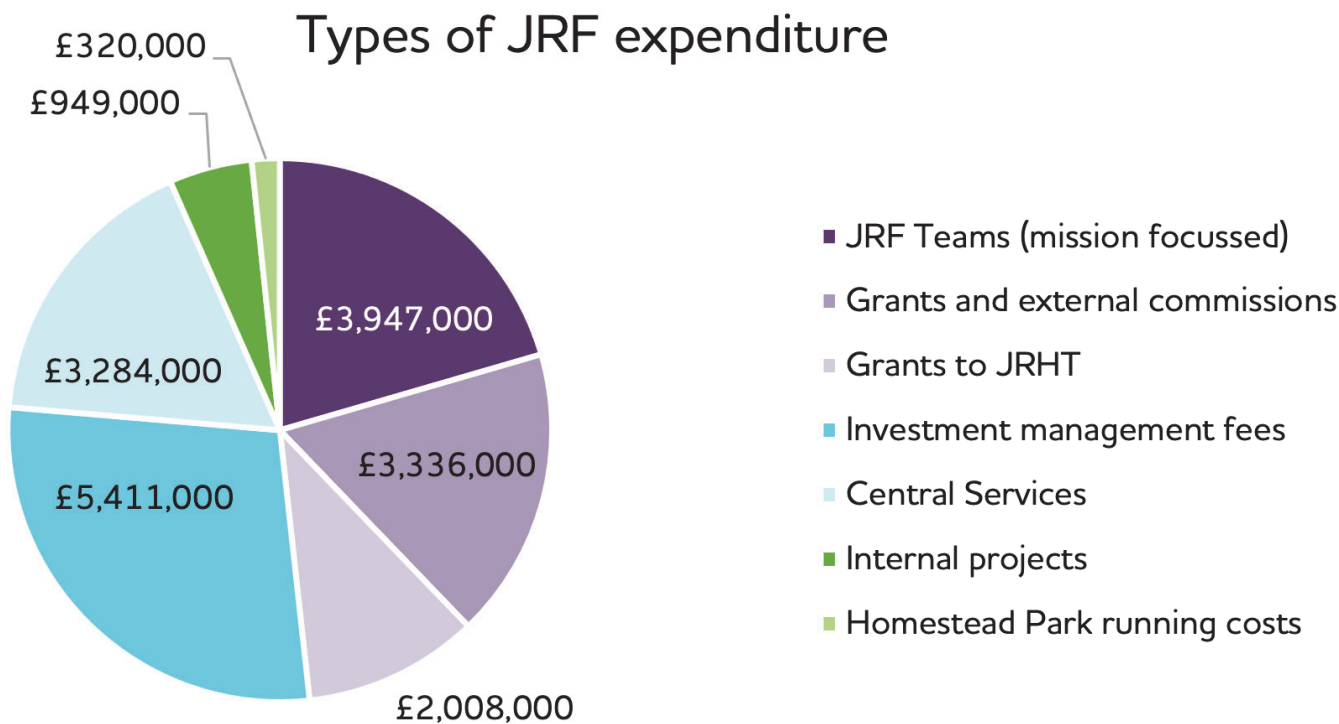
A chart showing the long-term performance of the endowment versus the target is provided on the next page:



STATEMENT OF FINANCIAL ACTIVITIES (JRF company only)

	2021	2020
	£000	£000
Total income	5,844	4,735
Grant commitments	(5,664)	(5,799)
Support and governance costs	(8,180)	(7,418)
Cost of raising funds	(5,411)	(3,415)
Total expenditure	(19,255)	(16,632)
Net expenditure, funded from capital	(13,411)	(11,897)
Actuarial loss in respect of pension scheme	-	(3,910)
Re-measurement of pension scheme obligations	4,569	-
Gains / (losses) on investments	60,481	34,294
Net movement in funds	51,639	18,487

The audited financial statements can be found on the JRF website at www.jrf.org.uk. The financial statements have also been filed with the Charity Commission.



The chart above summarises expenditure in JRF during 2021.

PENSIONS

Since the end of 2019, JRF has been able to identify its share of assets and liabilities held within the defined benefit element of the industry-wide Social Housing Pension Scheme (SHPS). The defined benefit option has been withdrawn for JRF colleagues although there continue to be legacy members – these are a combination of current staff, deferred members and those who have drawn their pension. With the availability of this data from SHPS, JRF has, since 2019, applied defined benefit accounting, which means that the scheme assets are

measured at fair value and liabilities on an actuarial basis. At the end of 2021, the fair value of JRF’s proportion of scheme assets had increased to £58 million from £54 million at the end of the previous year. Over the same period, the actuarial value of scheme liabilities reduced from £69 million to £67 million. The overall impact of these changes together with receipts, payments and other movements throughout the year was a reduction in the pension liability from £15 million to £9 million.

CENTRAL SERVICES TEAMS

JRF and JRHT are supported by a number of central teams including Technology and Change, People, Finance, Health and Safety and

Facilities, Internal Communications and a Project Management Office. Central Services’ teams also continued to progress key strategic and value-

for-money activities which will deliver greater efficiency, effectiveness and economy including discovery work to modernise a number of our core systems. Key amongst these was the

requirements gathering for a new Finance system which will form part of a wider programme of technology improvements.

GOING CONCERN

The financial statements show that:

- At the end of 2021, the charity had investments of £506.6 million compared to its annual expenditure of £19.3 million.
- Unrestricted capital reserves increased during the year by £51.7 million to £498.1 million.
- The vast majority of the investment portfolio (87%) is invested in global equities. As such, these funds are relatively easy to access.
- The charity has no debt.

In December 2021, JRF's Trustees formally approved the charity's budget for 2022. Separately, the amount of cash required to fund activities over the year was calculated and arrangements put in place to liquidate investments. Provisional calculations have also been prepared for 2023 to ensure there is sufficient liquidity within the portfolio. The arrangements with investment managers allow the amounts scheduled to be drawn down to be reduced or increased at short notice should cash requirements change.

Despite JRF's significant investment holdings, management has:

- produced a stressed cash-flow forecast to test that, in all situations, JRF will have access to sufficient liquid funds to meet its commitments; and
- satisfied itself that it will continue to be possible to draw funds down from its investment portfolio even in a stressed scenario.

Consideration has also been given to the impact on stock markets around the world of the conflict in Ukraine. At the end of March 2022, the value of the investment portfolio had fallen by 4%. As a long-term investor we expect the value to recover over time.

JRHT undertook its own scenario analysis to understand the financial impacts of adverse changes to the external and internal environment. Reverse stress testing was also undertaken to understand the point at which:

- cash would run out / or;
- covenants with banks would be broken.

Even in what could be considered a worst-case scenario, cash remains available and covenants are not breached.

At the end of the financial year JRHT had unused borrowing facilities of £17.5 million. £15 million of the total unused facilities relates to a loan facility with JRF and this is detailed in the related party transactions note to the accounts.

Based on the above, Trustees are of the opinion that the group has adequate resources to continue to operate without disruption for the foreseeable future, this being at least to 31 December 2023. As such it is appropriate to adopt a going concern basis for the 2021 financial statements.

Plans for the future

As we come to the end of our current strategy cycle, a series of interconnected and urgent challenges form an increasingly visible backdrop to our efforts:

- Poverty is growing by almost all conceivable measures, with notable rises in deep poverty and for households experiencing intersectional challenges such as racism and disablism.
- We are in the grip of a climate crisis, meaning that any work to find better ways of sharing prosperity needs to be done within the finite means of the planet on which we live.
- Technology is changing capitalism, our relationship to each other and the non-human world. It is shifting who holds power. And it is creating new forms of inequality and insecurity that we are ill-equipped to deal with through existing systems of governance, law and democracy.
- Politics is becoming more volatile as voters' historic loyalties break down, with differences around values and economic prospects creating new electoral coalitions.
- Our public and social infrastructures are not coping well with the challenges brought about by these shifts. For example, we have a crisis in care, and in mental health, both of which are felt disproportionately by those on low incomes in insecure jobs.

Together they give rise to two inescapable conclusions. First, we must continue to confront the immediate manifestations of poverty and bring about change wherever possible. Second, poverty in the UK cannot be

truly solved without catalysing some deeper shifts in the economic and social models that give it its shape and scale.

No roadmap exists for securing such a level of change. It is complex, uncertain, and contingent with implications not only for the kind of work that we should do, but how we work with others, and how we judge our impact. It calls for greater emphasis on testing and experimentation, and collective process, alongside imaginative and systematic analysis. And a shift from an 'organisational' mindset to one more concerned with the effectiveness of the wider ecosystem.

None of this negates the need for a clear sense of direction and a guide to the areas around which we will prioritise time and resource. Therefore, three core themes will anchor all our work in the coming years and provide a framework for building coherent programmes. These are:

Ending destitution - by addressing the clustering of corrosive disadvantages (including very low income) that, especially over time, block people's access to the basics that are necessary to lead a decent life.

Economic insecurity - by addressing the experience and impacts of living with economic insecurity and the deeper social and economic forces which underpin it.

Taking a longer view – by searching out and investing in promising ideas that model alternative futures where prosperity is more fairly shared.

In 2022 we will cement this new model and approach and expect to have made good progress against the following aims:

- Deliver influential work across all four nations on salient issues connected to destitution and economic security.
- Raise our priorities further up the political agenda.
- Create a nationally significant insight and analytical infrastructure on poverty-related issues.
- Build a clear, tested proposition for an ambitious 10-year emerging futures programme.
- Clarify and establish our role in York and the Northeast.
- Identify the most plausible routes for building an effective narrative infrastructure.
- Consistently deliver on our commitment to be an anti-racist organisation.
- Integrate our investment strategy with the wider JRF strategy.
- Complete our organisational restructure, and embed the new processes, tools, and systems to enable it to succeed.

In JRHT, future priorities will focus on:

- Work with our communities.
- Sustainability in Care services.
- 10-year housing development programme.
- Continuing to respond to the pandemic.
- Equality, Diversity and Inclusion.

Work with our communities

We are taking steps to put residents at the heart of what we do. We do this to reflect the priorities in the recent

Social Housing White Paper but also because it is the right thing to do and is in line with our values and the Rowntree legacy.

We haven't had to start from a standing position on this – rather we are building on our established place-based work in JRHT communities and as part of our newly formed **Resident Assembly** we have brought together people from New Earswick, Hartrigg Oaks, Derwenthorpe, Hartfields and elsewhere. Colleagues in Housing and Community services and Communications have played a key role in this but in time we hope that teams across the organisation will take the opportunity to engage with our active communities. As an initial step our Housing and Communities colleagues are putting in place plans to build a **better understanding of all our communities** – developing profiles are underway and we want to collect survey and census responses, data, photos, reports and stories to build a richer understanding of the people and the places we work with.

The Housing and Community Services team are also focussing on **upgrading our digital offer and transforming how we deliver services**. Crucial to this work is the involvement of colleagues in Tech and Change and Finance.

Sustainability in Care services

The Board has made the decision to close Lamel Beeches residential care home, and this was communicated to residents, their families and colleagues in early 2022. This setting had not been fully occupied for a number of years and was in need of significant investment. Indications are that most residents will move to another JRHT setting. Alongside, the decision to transfer the care

element of Independent Living Services to a specialist third party, this closure of Lamel Beeches will contribute to JRHT's longer-term financial sustainability. We are also focussing on ensuring the best arrangements for our remaining care services. A key challenge is around restoring **occupancy and staffing levels** in residential care but we are also committed to ensuring that our services are delivered in the most effective way for residents, families, staff and the organisation. A key area of our work in care will also focus on **improving our recruitment process, staff development and boosting our retention of staff in care.**

10-year housing development programme

We have made a commitment to deliver **1,000 new affordable homes in the next ten years**. Having completed New Lodge last November, we are very much focussed on progressing planning applications for new homes at **Willow Bank (117), Orchards (30) and Sturdee Grove (8)**. Already this year we have seen colleagues across JRHT teams and central services working collaboratively through the Development Programme Board in order to wider the understanding and development in a key area of the organisation's growth and sustainability.

Pandemic response

JRHT will continue to respond to the demands placed upon us by the Covid-19 pandemic. Whilst there is a move towards 'living with Covid' we know that the impact on our Care services will require particular and careful attention. We will continue to prioritise keeping residents and staff safe wherever we can and will make the necessary time and resources to deliver this.

Equality, Diversity and Inclusion (EDI)

2022 will be a significant year for JRHT as it continues to develop its approach to EDI. In particular, we will be working on progressing the commitments we made in the NHF EDI Baseline Study including setting ambitious, measurable targets for improving the diversity of the JRHT Board, leadership team and work forces and improving outcomes for underrepresented groups. We will also work specifically on JRF-JRHT's plan to become an Anti-Racist Organisation.

Carbon emissions

Disclosures required under the Streamlined Energy and Reporting (SECR) legislation are set out below. These include all subsidiaries.

	MEASURE
Total UK energy use	12,219 MWh
Total carbon emissions	2,339 tonnes
Intensity ratio 2021 1 (property)	0.96 tonne per property
Intensity ratio 2021 2 (communal)	3.73 tonne

The breakdown of carbon emissions is as follows:

	ACTIVITY	ANNUAL KWH	ANNUAL CO ^{2E}
Scope 1 (sources which are owned and controlled by JRF and JRHT)			
	Gas (CNG)	9,124,753.45	1,671.29
	Vehicles	327,516.05	82.20
	Renewable Generation	87,220.00	0
	Total		1,753.49
Scope 2 (indirect emissions associated with the purchase of energy)			
	Electricity	2,679,961.86	594.93
	Electricity From PV	42,060.00	0
	Total	2,679,961.86	594.93
Scope 3 (indirect emissions within the value chain)			
	Transmission and Distribution	2,637,901.86	52.89
	Total	2,637,901.86	52.89
Gross Emissions		12,219,451.34	2,348.42
	Renewables	45,160.00	9.59
	Total	Metric Tonnes	2,338.83

Key environmental impacts

The primary factor is the combustion of gas for heating purposes across the estate. The vehicle fleet was responsible for less than 4% of the total annual emissions for the group.

2022 priorities include:

- a commitment to continue to develop our Environmental Strategy for the organisation, complete with underpinning Policy and Procedures; and
- improving the quality of data to support SECR disclosures.

Quantification and reporting methodology

In preparing this SECR report, the Group has followed the 2019 UK Government Environmental Reporting Guidelines to include Streamlined Energy and Carbon Reporting Guidance.

Some aspects of the GHG Protocol Value Chain (Scope 3) have also been reported although we are not yet able to report on all categories that may be relevant. UK Government GHG Conversion Factors for Company Reporting (2021) have been used.

Organisational boundary

The Group has reported on all sources of environmental impact over which it has financial control. An organisation has financial control over an operation if it has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities.

SECTION 172(1) STATEMENT

As directors of a large company limited by guarantee, registered as a charity, the Trustees are required to report how they have performed their duty under section 172(1) ("s.172(1)") of the Companies Act 2006. This provides that (for charitable companies where the purpose of the company is something other than the benefit of its members), the Trustees must act in the way they consider, in good faith, would be most likely to achieve its charitable purposes specifically, they must have regard (amongst other matters) to the factors (contained in s172(1) (a) to (f)) and set out in the table below:

FACTOR	HOW THIS IS CONSIDERED
a) the likely consequences of any decision in the long term;	With direct involvement of the Trustees, the group develops long-term plans which focus on the charitable objectives of the organisation. These are translated into shorter-term strategic and operational plans. Decisions are anchored to these plans to ensure that these contribute to the overall charitable objectives.
b) the interests of the Trust's employees;	The Trustees have due regard to the interests of employees underpinned by a set of values and expected behaviours. Regular staff surveys are undertaken and the results cascaded across the organisation. Colleagues are directly involved in developing action plans. Investment is made in colleague learning and development as well as supporting colleague support groups. Pay awards are benchmarked externally each year and Trustees are directly involved in this decision making.
c) the need to foster the organisation's business relationships with suppliers, customers and others;	A key focus of JRF is delivering its work in collaboration with partners with similar objectives. For JRHT, it's 'customers' are primarily service users including tenants and residents of its homes. Feedback from tenants and residents is captured and acted upon. Relationships are held with key suppliers through the group's approach to contract management.
d) the impact on the organisation's operations on the community and the environment;	The group seeks to achieve a prosperous UK without poverty. JRF delivers this through its programmes of focussed initiatives and JRHT through delivery of housing and care services. The group is cognisant of its impact on the environment as set out in its carbon emissions statement.
e) the desirability of the organisation maintaining a reputation for high standards of business conduct; and	The group adopts the highest corporate governance standards complying with relevant legislation and codes that are applicable at the time. JRHT is also subject to the Regulator of Social Housing's standards. In April 2021, the regulator advised that it had rated JRHT's governance as G1 – the highest rating possible.
f) the need to act fairly as between members of the organisation.	As a company limited by guarantee, JRF has no members. In JRHT, the directors are the only members. Notwithstanding this, the governance structure and associated strategy ensures there is fairness across the group and those that benefit from the charitable activities of both material legal entities.

Trustees' statement of responsibility

The trustees (who are also directors of Joseph Rowntree Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

The trustees confirm that:

- ☐ so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ☐ the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approval

This report and, specifically, the strategic report were approved by the Board of Trustees at its meeting on 6 June 2022. It is signed on behalf of the Trustees by the Chair of Trustees.

Will Haire

Will Haire (Chair of Trustees)

18 August 2022

Independent auditor's report to the members and trustees of Joseph Rowntree Foundation

Opinion

We have audited the financial statements of Joseph Rowntree Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated 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 group's and parent charitable company's affairs as at 31 December 2021 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding 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 group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

Other information

The trustees are responsible for the 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report,

prepared for the purpose of company law, included in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

- the Strategic Report and the Directors' Report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Annual Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 51, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 misstatements, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity, and the sector in which it operates. We determined that the following laws and regulations were most significant; financial reporting legislation (Charities SORP (FRS 102), United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102), and the Charity Commission Code of Governance. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the Charity is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the audit and risk committee, and through our legal and professional expenses review.
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
 - The Charity's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
 - The Charity's control environment including the adequacy of procedures for authorisation of transactions
- Audit procedures performed by the engagement team included:
 - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;

- Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing related party transactions; and
 - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
 - We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.
 - We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Charity operates in and their practical experience through training and participation with audit engagements of a similar nature. All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of companies of a similar size and complexity, appropriate to their role within the team.

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Deborah Watson BSc (Hons) FCA

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountant
Leeds 19/8/2022

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

	Note	Restricted £'000	Unrestricted £'000	2021 Total £'000	2020 Total £'000
INCOME AND ENDOWMENTS FROM:					
Investments	1	234	5,977	6,211	4,934
Charitable Activities					
Housing Trust turnover	9	28,011	-	28,011	24,303
Other income	2	-	3	3	4
TOTAL INCOME		28,245	5,980	34,225	29,241
EXPENDITURE ON:					
Raising funds - investment management	3	(12)	(5,410)	(5,422)	(3,481)
Charitable activities					
Grant commitments	4	-	(3,656)	(3,656)	(4,818)
Support and governance costs	5	-	(10,407)	(10,407)	(9,768)
Housing Trust operating costs	9	(25,722)	-	(25,722)	(24,469)
TOTAL EXPENDITURE BEFORE INVESTMENT MOVEMENTS		(25,734)	(19,473)	(45,207)	(42,536)
NET EXPENDITURE BEFORE INVESTMENT MOVEMENTS		2,511	(13,493)	(10,982)	(13,295)
Other Comprehensive income					
Actuarial Loss in respect of Social Housing Pension Scheme	8	-	4,569	4,569	(3,910)
TOTAL OTHER COMPREHENSIVE INCOME		-	4,569	4,569	(3,910)
Investment Movements					
Gain on Quoted Investments	13	-	58,642	58,642	27,941
Gain on Other Investments	13	-	1,838	1,838	6,453
Gain on Directly Managed Investment Properties	13	-	-	-	335
TOTAL INVESTMENT MOVEMENTS		-	60,480	60,480	34,729
TOTAL COMPREHENSIVE INCOME		2,511	51,556	54,067	17,524
Total Funds brought forward at 1 January		97,127	445,323	542,450	524,926
TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER		99,638	496,879	596,517	542,450

The Statement of Financial Activities includes all gains and losses recognised in the period. All income and expenditure derives from continuing activities.

Joseph Rowntree Foundation
Registered Charity

BALANCE SHEET
as at 31 December 2021

		Group		Parent	
		2021	2020	2021	2020
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	10	194,318	191,065	2,443	2,445
Intangible Assets	11	346	278	346	278
Homebuy Loans	12	2,227	2,356	-	-
Investments	13	509,674	464,390	506,588	461,364
		706,565	658,089	509,377	464,087
Current Assets					
Properties held for sale	14	2,599	793	-	-
Stock		72	84	-	-
Debtors	15	1,851	1,889	604	516
Cash and Cash Equivalents		6,336	5,645	3,058	2,154
		10,858	8,411	3,662	2,670
Current Liabilities					
Creditors: Amounts falling due within one year	16	(9,815)	(8,071)	(5,541)	(5,108)
Net Current Assets/(Liabilities)		1,043	340	(1,879)	(2,438)
Total Assets Less Current Liabilities		707,608	658,429	507,498	461,649
Creditors: Amounts falling due after more than one year					
Net Pensions Liability	8	(102,054)	(100,983)	(393)	(334)
		(9,037)	(14,996)	(9,037)	(14,996)
		596,517	542,450	498,068	446,319
Funds					
Restricted Funds		99,638	97,127	-	-
Unrestricted Foundation Capital		496,879	445,323	498,068	446,319
Total Funds		596,517	542,450	498,068	446,319

The Financial Statements were approved by the Board of Trustees on 6 June 2022. They were signed on behalf of the Trustees by the Chair of Trustees on 18 August 2022.

Chair of the Trustees

Will Haire

Will Haire

**CONSOLIDATED STATEMENT OF CASH
FLOWS**
for the year ended 31 December 2021

		2021		2020	
	Note	£'000	£'000	£'000	£'000
Net cash outflow from operating activities	19		(14,230)		(10,034)
Cash flows from investing activities					
Interest received		106		54	
Purchase of other fixed assets		(7,347)		(6,213)	
Disposal of other fixed assets		2,817		2,244	
Homebuy Loans redeemed		128		36	
Purchase of quoted investments		(67,642)		(168,355)	
Sale of quoted investments		72,834		187,307	
Purchase of other investments		(44,666)		(24,588)	
Sale of other investments		51,557		15,386	
Social housing grant received		2,672		-	
			10,459		5,871
Cash flows from Financing activities					
Interest paid		(2,152)		(2,262)	
Taxation		-		(1)	
Increase in Capitalised community fees		440		373	
Increase in Hartrigg Oaks residence fees		1,537		1,085	
Increase in bank loans		1,983		1,484	
Bonds and loan stock repaid		(459)		(212)	
			1,349		467
Management of liquid resources					
Decrease in cash held for investment			3,113		4,462
Net change in cash and cash equivalents			691		766
Cash and cash equivalents at 1 January			5,645		4,879
Cash and cash equivalents at 31 December			6,336		5,645
Analysis of changes in net debt					
		At 1.1.21 £'000	Cash Flows	Other non cash changes	At 31.12.21 £'000
Cash		5,645	691	-	6,336
Bank Loans due within one year		(18)	17	(18)	(19)
Bank Loans due greater than one year		(57,204)	(2,000)	18	(59,186)
Net debt		(51,577)	(1,292)	-	(52,869)

STATEMENT OF ACCOUNTING POLICIES

1 Legal status

Joseph Rowntree Foundation (JRF) is a charity registered with the Charity Commission and was originally formed by a Deed of Foundation. It was incorporated as a Company Limited by Guarantee (CLG) on 31 July 2019, but remained dormant until 1 January 2020.

JRF is the parent of a Group comprising the following:

Joseph Rowntree Housing Trust (JRHT) is a charity registered with the Regulator for Social Housing and the Charity Commission. JRHT is a Community Benefit Society and its registered office is The Homestead, 40 Water End, York, YO30 6WP.

Clifton Estate Limited (CEL) is a private company limited by share capital, registered under the Companies Act 2006 and incorporated in England. Its registered office is The Homestead, 40 Water End, York, YO30 6WP. JRF owns 100% of the share capital of CEL.

2 Basis of accounting

The Financial Statements of JRF meet the requirements of its Articles of Association and have been prepared under the historic cost convention modified to include the valuation of investments in accordance with applicable accounting standards, the Charities Statement of Recommended Practice effective 1 January 2019, Financial Reporting Standard 102 (FRS 102) and comply with the Charities Act 2011.

JRF is a public benefit entity in accordance with FRS 102.

CEL has not been consolidated into these financial statements on the basis that its results are immaterial to the Group.

The Financial Statements are presented in Sterling (£).

3 Fund Accounting

The JRF endowment is an expendable endowment fund, with no restricted or designated reserves. Trustees have power to spend both income and capital, but have set a financial objective that the level of spending and the value of the endowment should be maintained in real terms. A sustainable level of annual spending is determined to meet this objective by reference to projected total return from the investments and future inflation. The distribution rate for 2021 was 4.6% per annum.

4 Going Concern

The Group's activities, current financial position and future plans are set out in the Trustees' Annual Report. All parts of the Group have detailed financial planning processes with appropriate governance to approve plans and budgets.

Cash flow forecasts are prepared covering the current and following year to ensure that cash balances are sufficient to meet planned expenditure.

For JRF, and despite significant investment holdings, management has:-

- produced a stressed cash flow forecast to test that, in all situations, JRF will have access to sufficient liquid funds to meet its commitments; and
- satisfied itself that it will continue to be possible to draw funds down from its investment portfolio even in a stressed scenario.

Separate going concern modelling and cash flow forecasting has been undertaken for JRHT which concluded that even under the most extreme scenario:-

- Cash does not run out.
- Bank covenants continue to be met.

Although modest in size, Clifton Estate also produces cash flow forecasts including one that shows the position under stressed conditions.

Based on this above, Trustees are of the opinion that the Group has adequate resources to continue to operate without disruption for the foreseeable future, being a period until 31 December 2023. For this reason, JRF continues to adopt the going concern basis in the financial statements.

STATEMENT OF ACCOUNTING POLICIES (continued)**5 Significant Management Judgements**

The following are the significant management judgements made in applying the accounting policies of JRF that have the most significant effect on the financial statements:

Judgements**(i) Timing of grant commitments**

Management estimates the value of grant commitments payable within one year by looking at the average expenditure over previous years and applying this as a percentage to the year end creditor. Since expenditure varies from year to year this represents an estimate of sums due. The liability at 31 December 2021 due within one year was £3,180,000 and more than one year was £393,000.

(ii) Impairment

As part of JRHT's continuous review of the performance of assets, management identify any properties or schemes that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of these properties. These factors are considered to be an indication of impairment.

Where there is an indication of impairment, the assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses.

(iii) Merger Accounting

Management, having reviewed the true and fair override implicit in the Charities SORP, considered that it appropriate to prepare the financial statements on a merger accounting basis when the Group began operating on 1 January 2020.

Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenditure is provided below. Actual results may be substantially different.

(i) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based upon the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and housing property assets are split into different components that are depreciated using different useful economic lives which requires estimation. Group accumulated depreciation at 31 December 2021 was £37,788,000. Parent accumulated depreciation at 31 December 2021 was £2,604,000.

(ii) Retirement Benefits

Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates.

As at the year ended 31 December 2021, the net defined benefit liability in respect of SHPS-DB was £9,037,000 which has been recognised in full in the balance sheet. The movement in the Scheme deficit is charged or credited to the actuarial gain or loss reported on the face of the statement of financial activities.

(iii) Recovery of Social Investment

Management have included social investments at their book cost or market value (where there is a reliable source) less any provisions and revaluations. For the year ended 31 December 2021, the value of social investments net of new provisions of £722,000 and revaluations in the year of £444,000, was £9,236,000

STATEMENT OF ACCOUNTING POLICIES (continued)**5 Significant Management Judgements (continued)****Estimation Uncertainty (continued)****(iv) Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets including investment properties. This involves developing estimates and assumptions consistent with how market participants would price the instrument or asset. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from actual prices. Fair value measurements have been applied to bonds and loan stock and investment properties. The total values of these at 31 December 2021 were £869,000 and £3,198,000 respectively.

(v) Shared ownership sales percentages

Future shared ownership sales at New Lodge are estimated at 50% reflecting the percentage of each property expected to be sold at completion. This estimate influences the value of work in progress properties held for sale within debtors and shared ownership assets under development in housing land and buildings. The total value of both these at 31 December 2021 was £nil.

6 Turnover and revenue recognition

Income from UK and Overseas Equities is brought into account on the date that the stock is declared ex-dividend. Income from overseas equities are stated in sterling at the prevailing exchange rate. All other income is accounted for on an accruals basis. Income which is received directly into managed funds is accounted for within the Statement of Financial Activities with a corresponding amendment being made to the movement on the market value of the investment.

Housing Association turnover comprises rental and fee income receivable in the year, income receivable from shared ownership first tranche sales, other goods and services supplied in the year (excluding VAT) and grants receivable in the year.

Rental income is recognised at the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Charges for care and support services funded under supporting people and local authority care contracts are recognised as they fall due under the contractual arrangements with the Administering Authorities.

Government grant income received for the acquisition or development of properties is credited to restricted funds when receivable providing any conditions attaching to the grants are fulfilled. Where, at the balance sheet date, conditions remain unfulfilled, the grants are deferred pending satisfaction of these conditions.

Sales of Housing Land and Buildings are recognised on the date of the legal completion of the sale. The proceeds of sale of the first tranche of shared ownership properties are stated net of any contribution required to cross subsidise other elements of the scheme concerned and are included in turnover.

Surpluses on subsequent tranches and from other sales are recognised in their entirety in the Statement of Comprehensive Income on the date of the legal completion of the sale. At JRHT's Extra Care schemes the Trust is committed to buying back property on the termination of the lease. The price paid to the outgoing resident is the original price paid plus a percentage of the equity appreciation and is included in surpluses on sale. The remaining equity appreciation is retained by JRHT.

7 Investments**(i) Quoted Investments, Property Unit Trusts and Other Investments**

Quoted Investments, Property Unit Trusts and other investments are included in the Balance Sheet at market value on 31 December 2021. Overseas investments are included at market value at the prevailing exchange rate at the Balance Sheet date. Income from overseas investments is shown at the prevailing exchange rate at the time of receipt.

STATEMENT OF ACCOUNTING POLICIES (continued)**7 Investments (continued)****(ii) Properties Held for Investment**

Properties held for investment are held at fair value within the Statement of Financial Position with gains and losses recognised in the Statement of Comprehensive Income. A formal independent valuation of directly managed investment properties in accordance with the RICS Valuation Standards guidelines is obtained every three to five years. The historic cost of properties includes directly attributable finance costs which were capitalised until the property reached practical completion.

(iii) Social Investments

Social Investments are programme related investments, as defined by the Charity Commission and represent funding to organisations in order to further JRF's charitable objects. The primary purpose of Social Investments is to provide a social return rather than a financial return. Social Investments that are loans are accounted for at the outstanding amount of the loan less any provision for unrecoverable amounts. Unquoted equity or bonds, social investment funds and partnerships, and similar social investments are held at cost, less any provision for diminution in value, unless JRF is able to obtain a reliable estimate of fair value.

8 Fixed Assets**(i) Housing Land and Buildings**

Housing Land and Buildings, which includes properties for letting, residential care homes and extra care schemes, are stated at cost and includes properties in the course of construction which are being developed with a view to JRHT retaining a long-term interest. Cost of Housing Land and Buildings includes directly attributable management expenses and directly attributable finance costs which are capitalised until the property reaches practical completion.

The cost of pre-1990 rented property in New Earswick was re-stated at the Existing Use Value - Social Housing as at 31 December 2013, in accordance with the SORP at that time. The increase in cost is reflected through a Revaluation Reserve.

Costs of modernisation and improvements to existing properties are capitalised if they result in the replacement of a component or the enhancement of the economic benefit of the structure.

(ii) Shared Ownership Properties

Included within Housing Land and Buildings is JRHT's retained interest in dwellings developed on Shared Ownership terms. Under Shared Ownership arrangements the purchaser acquires a portion of the equity of the property and has an option to acquire at any time further portions up to a limit determined by JRHT. The price payable is a corresponding portion of the market value of the property at the date of the initial purchase or the exercise of the option. A rent is payable on any portion of the equity which is retained in the JRHT's ownership.

At the discretion of JRHT, the terms of tenure between rent, shared ownership and outright ownership can be varied over time.

The book value of JRHT's retained interest in Shared Ownership properties is stated at cost, plus cost of equity subsequently repurchased by JRHT.

The book value of the equity in Shared Ownership Properties held for resale is included within Current Assets as Housing Stock Held for Resale.

STATEMENT OF ACCOUNTING POLICIES (continued)**8 Fixed Assets (continued)****(iii) Deferred Land**

JRHT has a number of housing schemes where land has been purchased on deferred consideration terms. Where the terms allow for final payment of the land value to be made by a specified date, the liability has been recognised at the net present value of estimated future cash flows and the value of land within Housing Land and Buildings has been increased accordingly. Where no date for the purchase of the land exists, the liability is shown within contingent liabilities.

(iv) Hartrigg Oaks

Hartrigg Oaks represents the cost of construction of 152 bungalows, 43 rooms in the Care Centre, and communal facilities, together with apportioned management expenses, start-up costs, and directly attributable finance costs incurred up to completion.

On subsequent sales, when a new lease for the occupation of a bungalow at Hartrigg Oaks is entered into, the cost of the bungalow is restated at the Fully Refundable Residence Fee, or equivalent sum, included in the lease for that bungalow.

(v) Other Land and Buildings

Other Land and Buildings, which are held to support the wider social housing community or which are let at sub-market rents, are treated as 'property, plant and equipment' and are stated at cost. Cost of Other Land and Buildings includes directly attributable management expenses and directly attributable finance costs which are capitalised until the property reaches practical completion.

9 Homebuy

Under the Homebuy loan arrangements JRHT has made loans to individuals to enable them to purchase a property. The loan is equivalent to a specified percentage, ranging from 12½% to 30% of the market value of the property. No interest is charged on the loan but JRHT is entitled to receive the specified percentage of the market value of the property which is credited in full to interest receivable in the Statement of Comprehensive Income when it is sold. The loans are secured on the properties to which they relate. This scheme is supported by Homes England through the provision of Social Housing Grant which has been recognised as a revenue grant when received.

10 Depreciation and Amortisation**(i) Housing Land and Buildings**

No depreciation is provided on freehold land.

Housing Properties are categorised into their main components and these components are depreciated over their estimated useful economic lives to their estimated residual value. Depreciation of Housing Properties and their components are calculated at the following rates:

Structure of Housing Properties built since 1 January 2000: over 100 years

Structure of Housing Properties built prior to 1 January 2000:-

Housing Properties built before 1950: over 50 years from 1 January 2000

Housing Properties built since 1950: over the balance of 100 years from 1 January 2000

Roofs: over 45 years

Windows: over 35 years

Boilers : over 15 years

Kitchens: over 25 years

Mechanical Systems: over 20 to 40 years

Bathrooms: over 30 years

Lifts: over 30 years

Fire Protection: over 20 years

Resident Safety and Security Equipment: over 20 years

STATEMENT OF ACCOUNTING POLICIES (continued)**10 Depreciation and Amortisation (continued)****(ii) Shared Ownership Properties**

No depreciation is provided on freehold land.

Shared Ownership properties are depreciated over their estimated useful economic lives to their estimated residual value. Under shared ownership, residents may acquire additional shares in the property and ultimately own the property outright, known as 'staircasing out'. The useful economic life is therefore dependent upon choices made by residents. Based on past experience of 'staircasing out', an estimated useful economic life of 70 years has been applied to shared ownership properties

(iii) Hartrigg Oaks

The buildings at Hartrigg Oaks are depreciated on a straight line basis, so as to write down the net book value of the buildings to their estimated residual value over their estimated useful economic lives. Depreciation is calculated over the balance of 100 years from 1 January 2000.

(iv) Other Land and Buildings

Other Buildings are depreciated on a straight line basis, so as to write down the net book value of the buildings to their estimated residual value over their estimated useful economic lives at rates ranging from fifteen to fifty years.

Other Buildings more than 50 years old at 1 January 2000 and those from which no financial benefit is received have been fully depreciated.

The Group's freehold offices at The Homestead, 40 Water End, York are maintained to a high standard by carrying out a continuing and planned programme of refurbishment and maintenance. As a consequence, the buildings are estimated to have an outstanding economic life of a minimum of 100 years: the charge for depreciation is, therefore, immaterial so no provision has been included in the Accounts.

(v) Vehicles, Furniture and Equipment

Vehicles, Furniture and Equipment are written off over five years by a straight line method. Computer Equipment is written off over three years by a straight line method. Kitchen fittings and equipment at the newly refurbished Folk Hall New Earswick are written off at various rates ranging between 8 and 40 years by a straight line method.

(vi) Intangible Fixed Assets

Computer software is written off over five years by a straight line method.

11 Government Grants

Government grants includes grant receivable from Homes England, local authorities and other government agencies. All government grants received are credited to restricted funds providing any performance conditions have been met. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors. Where properties are under construction at the reporting date, associated government grant is shown in the Statement of Financial Activities as deferred government grant.

STATEMENT OF ACCOUNTING POLICIES (continued)**12 Other Grants**

Other Grants, which includes legacies and other donations, are recognised as revenue when the grant is receivable

13 Deferred Income- Amounts Received in Advance

JRHT has entered into Leases in which it is required to defer income to match against future expenditure on maintenance and repairs and equipment from sums collected via the service charge. Interest is added to the sums set aside at JRHT's marginal cost of borrowing.

14 Hartrigg Oaks Capitalised Community Fees

Hartrigg Oaks Capitalised Community Fees represent sums paid in advance by residents at Hartrigg Oaks towards the Community Fee. Capitalised Community Fees are not refundable when a resident leaves Hartrigg Oaks on a permanent basis, except partial repayments, on a decreasing basis, are made over the first 56 months of residence. Capitalised Community Fees are amortised in the Accounts over the anticipated lives of the residents at a rate based on advice from JRHT's actuaries.

15 Recycled Capital Grant Fund

Following the full sale of a rented property (other than under the Voluntary Purchase Grant or Social Homebuy programmes), the demolition of a property, the partial sale of a shared ownership property or upon a Homebuy redemption, the Social Housing Grant attributable to that property is transferred to the Recycled Capital Grant Fund. Sums in that Fund must be applied in accordance with criteria established by the Homes England.

16 Hartrigg Oaks Residence Fees

Hartrigg Oaks Residence Fees represents sums received from residents under the Lease and Care Agreements at Hartrigg Oaks. Fully Refundable Residence Fees are refundable in the original sum within 14 days of a resident leaving Hartrigg Oaks on a permanent basis. No interest is payable by JRHT on the sums received. Non-refundable Residence Fees are not refundable when a resident leaves Hartrigg Oaks on a permanent basis except partial repayments, on a decreasing basis, are made over the first 56 months of residence. Non-refundable Residence Fees are amortised in the Accounts over the anticipated lives of the residents at a rate based on advice from JRHT's actuaries.

17 Bonds and Loan Stock

JRHT has issued Bonds and Loan Stock at its Residential Care Homes. Residents who take up Bonds or Loan Stock are entitled to a rebate on their fee. Any interest which is earned on the Bonds or Stock in excess of the rebates given is available to provide Bursary Support to those residents in the Homes who are unable to meet the full fee. Repayments are made when a resident ceases to be in occupation or following a re-assessment of a resident's financial position.

Bonds and Loan Stock are recognised in the Statement of Financial Position at the Net Present Value of the estimated future cash flows. The timing of future payments, which will be triggered when a resident ceases occupation, are uncertain and it has been assumed that one in eight residents will cease occupation in any one year based on past experience

18 Cost of raising funds - Investment Management Costs

Investment management costs consist of fees paid to investment managers, for investment advice, costs incurred in managing JRF's portfolio and costs of direct property investments.

Certain fees are performance related and are payable if an investment manager delivers an out-performance versus the relevant benchmark. An accrual has been raised for amounts which relate to past performance and which fall due for payment within the following accounting year.

Where fees paid or due to investment managers have been deducted from either distributions or the asset value and are available from asset managers, these are all adjusted to ensure that the financial statements reflect the gross amounts.

STATEMENT OF ACCOUNTING POLICIES (continued)**19 Charitable activities - Grant Commitments**

Grant commitments are recognised in full in the year where there is a legal or unconditional obligation to the third party. Grant commitments for which expenditure was outstanding at the year-end are shown as liabilities in the Balance Sheet.

20 Charitable activities - Support and Governance Costs

Support costs comprise staff costs and associated overheads incurred on staff directly engaged in the management, dissemination, influencing and demonstration of the results of work funded by JRF, together with staff costs and associated overheads incurred by teams providing central services.

21 Employee costs

Employee costs include liabilities for the cost of all benefits which employees are entitled to but which were unpaid at the Balance Sheet date.

22 Retirement Benefits

JRF participates in the Social Housing Pension Scheme (SHPS) which is a multi-employer defined benefit scheme which is in actuarial deficit and JRF is committed to meeting the cost of past service deficits at a pre-determined rate until March 2028. These contributions are accounted on a defined benefits basis. (see 6 ii above)

The defined benefit scheme was closed on 1 April 2017. Employer contributions to direct contribution schemes are charged to the Statement of Financial Activities in the year they are incurred.

NOTES TO THE ACCOUNTS

1 Investment Income

	Restricted £'000	Unrestricted £'000	2021 Total £'000	2020 Total £'000
Quoted Investments				
UK Fixed Interest and Index Linked	-	93	93	162
UK Equities	-	376	376	478
Overseas Fixed Interest and Index Linked	-	25	25	-
Overseas Equities	-	4,834	4,834	3,624
Other Investments				
Other Investments	-	-	-	-
Property Unit Trusts	-	515	515	488
Social Investments	-	275	275	187
Directly Managed Investment Properties				
Rents and other income	-	-	-	-
net of voids and bad debts	128	63	191	176
Other income	-	-	-	-
Interest receivable/(payable) (net)	106	(204)	(98)	(181)
	234	5,977	6,211	4,934

Interest payable/(receivable) represents sums received on Hartrigg Oaks loans and cash held for investment net of overdraft interest.

2 Other Income

	Restricted £'000	Unrestricted £'000	2021 Total £'000	2020 Total £'000
Other	-	3	3	4
	-	3	3	4

3 Raising funds - investment management

	Restricted £'000	£'000	2021 Total £'000	2020 Total £'000
Investment management fees	-	5,249	5,249	3,406
Expenditure on directly managed investment properties	12	148	160	70
Expenditure on Social Investments	-	13	13	5
	12	5,410	5,422	3,481

4 Grant Commitments

The Group funds external activity to support its outcomes, details of which are included in the Trustees' Annual Report. All grant commitments relate to unrestricted funds and individual projects committed during the year within the Group's programmes, in excess of £25,000, are set out below.

Project	Organisation	£'000
Destitution in the UK Research Project (2022 - 2023)	Heriot-Watt University	494
Fair Way Scotland (Homelessness and Destitution)	Heriot-Watt University	296
Living standards, poverty and inequality 2021 - 2023	Institute for Fiscal Studies	235
Sheffield Action Narrative Project	Blavatnik School of Government	229
Fair by Design Campaign 2021 - 2024	Barrow Cadbury Trust	150
Social Metrics Commission : Launch of a Poverty Strategy Commission and policy simulator model	Legatum Institute	150
Building upon the growing impact of Poverty Truth Commissions	Poverty Truth Network	120
Collaborative funding with Lankelly Chase of six grassroots organisations	Fundng 6 grassroots organisations	100
Reframing Race: Testing times for new frames	Voice4Change England	92
Co-producing solutions with lower-income renters in Scotland	Edge Hill University	83
Carers' Co-design Project	London Unemployed Strategies	82
Poverty Truth Community 2021 – 2024: Partnership Agreement	Faith in Community Scotland	75
Bevan Foundation Partnership 2022	Bevan Foundation	75
Assessing the impact of the Local Housing Allowance on poverty and low-income households	Manchester Metropolitan University	59
A Living Wage in Social Care	Citizens UK	55
Community Voices Programme - Mums on a Mission	Mums on a Mission	43
Little Village Support Funding	Little Village	40
The Orwell Prize for Exposing Britain's Social Evils 2022	The Orwell Foundation	40
Core Funding to ReGenerate Partnership 2022	RE: generate Trust	36
Repairing our Social Fabric	Onward	36
Support the development of a national structure for the Poverty Truth Network	Poverty Truth Network	35
Documenting the lives of people in Temporary Accommodation: Living in Limbo 2021	Shelter	35
The financial position of low income households as Covid support comes to an end	Savanta	31
Dundee Fighting for Fairness 2021 – 2023: Partnership Agreement	Faith in Community Dundee	31
We're Right Here: the campaign for community power	Power to Change	30
Action on Poverty and Hardship Bursaries Funding	Staffordshire University	30
Amazon Fife community project	Achievegood Ltd	29
A centre ground on race: conversations on building a diverse society: essay collection	Bright Blue	28
Commission on Poverty and Place	Fabian Society	28
End Poverty Edinburgh	The Poverty Alliance	25
Grants under £25,000	Edelman Intelligence	315
Total grants linked to JRF outcomes		3,107
Other Non Research and Development Grants made were:		
Strategic Support		125
The Homestead Park		320
Regional Grants (Note i)		191
Write-back projects approved in previous years no longer required		(87)
		3,656
Note (i)		
Regional Grants comprised:-		£'000
York		126
Hartlepool		65
		191

Further information on the grant commitments in the year is available in the Trustees' Annual Report and on the JRF website.

4 Grant Commitments (continued)

Individual projects committed during 2020 within programmes, in excess of £25,000 all of which relate to unrestricted funds, are set out below.

Project	Organisation	£'000
IGH Year 2 commitment	Centre for Progressive Policy	675
Minimum Income Standards 2021-2024	Loughborough University	674
Crisis Commitment 2020	Crisis	250
Challenge Poverty Week 2020 - 2023: Partnership agreement	The Poverty Alliance	224
Reframing Housing in the UK	Nationwide Foundation	210
Talking About Poverty in the Media – Scaling up the work	On Road Media	200
How the pandemic has impacted on public attitudes to poverty	Britain Thinks	152
Workertech Programme Grant + Extension	Resolution Foundation	150
Harnessing business to tackle society's greatest challenges	Generate Trust	111
Good things foundation	Good Things Foundation	106
Poverty2Solutions Phase 4: Implementing a legal duty to put the voice and experience of lived experience of socio-economic disadvantage at the heart of policy making	Thrive Teesside	104
2 Ridings Commitment 2020	Two Ridings Community Foundation	100
Trussell Trust commitment 2020	Trussell Trust	100
Citizens UK partnership with JRF on Grassroots Strategy	Citizens UK	82
Addressing Poverty with Lived Experience (APLE) Oct 2020-Sep 2021	Joseph Rowntree Foundation	77
Anti-poverty Conservative conference	ResPublica	60
Real Time Vacancy Analysis	Institute for Employment Studies	56
Frameworks support: March 2020 - October 2020	Frameworks Institute	53
The Orwell Prize for Exposing Britain's Social Evils 2020 - 21	The Orwell Foundation	50
Overarching Portrait of Britain	JRF	46
Involving Experts by Experience	Poverty and Inequality Commission	45
JRF Partnership with Little Village	Little Village	40
How Coronavirus policy responses can restart adult education in the community and build a skills ladder out of poverty	Social Market Foundation	36
Welfare to Support Low Income Homeowners	Centre For Policy Studies	36
Tackling single parent poverty after Coronavirus	Learning and Work Institute	35
Different Class	New Writing North	30
Impact Accelerator	Impact Accelerator Ltd	30
London Unemployed	London Unemployed Strategies CIC	30
London Unemployed Strategies Partnership	Joseph Rowntree Foundation	30
Designing high quality bridging homeless accommodation	Design Council	30
Edelman Intelligence - 12 months access to the Command Centre including support	Edelman Intelligence	28
Poverty Truth Community Extension	Poverty Truth Community	25
Faith in the Community Dundee	Faith in the Community Scotland	25
Grants under £25,000		435
Total Research and Development Grants		4,335
Other Non Research and Development Grants made were:		
Strategic Support		96
The Homestead Park		327
Regional Grants (Note i)		184
Write-back projects approved in previous years no longer required		(124)
		4,818
Note (i)		
Regional Grants comprised:-		£'000
York		119
Hartlepool		65
		184

5 Support and Governance Costs

Group support and governance costs, all of which relate to unrestricted funds, are set out below:

	2021 £'000	2020 £'000
Staff costs, including welfare, training and temporary staff	7,433	6,723
Office costs	1,604	1,926
Travel and subsistence	43	91
Consultancy and professional fees	1,173	880
Governance (Note i)	154	148
	10,407	9,768
(i) Governance		
	2021 £'000	2020 £'000
Trustees' travel and subsistence	4	3
Trustees' meeting expenses and training	2	4
Trustees' appointment	19	4
External Auditors' remuneration	45	41
External Auditors'- Non Audit Fees	5	27
Internal audit	79	69
	154	148

All the above costs are inclusive of applicable VAT. External Auditors' remuneration in 2021 includes £6,240 billed in 2021 which relates to 2020. Non audit fees comprised tax compliance and advisory work £5,231. (2020: Tax compliance services £3,640 and tax advisory services £23,160). Fees charged for the audit of subsidiaries, not included in the table above and inclusive of vat were JRHT £36,605 (2020: £39,120) and CEL £3,704 (2020: £3,360). Non-audit fees in relation to subsidiaries not included in the above table and inclusive of vat were JRHT £9,980 (2020: £3,636) and CEL £3,180 (2020: £2,898).

6 Trustees' Emoluments

No Trustee received any emoluments or benefits in kind in respect of their services. Trustees are reimbursed for travel and subsistence costs incurred in carrying out their duties. The total sum reimbursed in the year was £4,971 (2020: £4,392) and is included within Governance (Note 5). The number of Trustees reimbursed during the year was ten (2020: 9).

7 Employee Information
(a) Staff Costs

Total staff costs incurred between the parent (JRF) and the subsidiary (JRHT) were:-

	2021			2020		
	Parent £'000	JRHT £'000	Group £'000	Parent £'000	JRHT £'000	Group £'000
Wages and salaries	5,825	12,555	18,380	5,612	12,222	17,834
Retirement, redundancy and exit payments	164	144	308	-	118	118
National insurance contributions	595	975	1,570	551	929	1,480
Other pension costs (Note 8)	351	647	998	331	625	956
	6,935	14,321	21,256	6,494	13,894	20,388

The average weekly number of Executive Directors and employees and full time equivalent (FTE) Officers and employees was:

	2021 Headcount No.	2021 FTE No.	2020 Headcount No.	2020 FTE No.
Parent				
Number of Executive Directors	6	6	5	5
Employees, including those on joint contracts with the subsidiary	159	150	159	149
	165	156	164	154
Subsidiary	572	470	549	445
	737	626	713	599

(b) Higher Paid Employees

The number of employees, excluding directors, whose full year, full time equivalent emoluments, including pension contributions and benefits in kind, employed by the Group in the following ranges were:-

	2021	2020
£60,001 - £70,000	10	9
£70,001 - £80,000	4	7
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1

The above bandings include two employees who left during the year. Equivalent annual remuneration places one of these employees in the banding £60,001 to £70,000 and one employee in the equivalent band for £70,001 to £80,000. In addition one employee who joined during the year and is included within in the £60,001 to £70,000 band.

(c) Executive Directors and Key Management Personnel

	2021				2020			
	Basic Salary £'000	Benefits in kind £'000	Pension contributions £'000	Total Benefits £'000	Basic Salary £'000	Benefits in kind £'000	Pension contributions £'000	Total Benefits £'000
Group Chief Executive - from 1 September 2020	151	-	9	160	50	5	3	58
Director of Communication and Public Engagement from 1 April 2021	74	1	4	79	-	-	-	-
Director of Evidence and Policy from 21 June 2021	52	-	3	55	-	-	-	-
Director of Emerging Futures from 7 September 2021	25	8	2	35	-	-	-	-
JRHT Executive Director	98	-	6	104	98	-	6	104
Director of Finance	98	-	6	104	98	-	6	104
Director of Corporate Services	98	-	6	104	98	-	6	104
Acting JRF Executive Director - from 20 April 2020 to 20 June 2021	41	-	2	43	54	-	3	57
JRF Executive Director - to 17 April 2020	-	-	-	-	39	-	2	41
	637	9	38	684	437	5	26	468

The aggregate remuneration of Key Management personnel was as follows:-

	2021 £'000	2020 £'000
Basic Salary	637	437
Compensation for loss of office	-	-
Benefits in Kind	9	5
Pension Contributions	38	26
Employer's NIC	79	52
	763	520

The emoluments of the highest paid director, the Group Chief Executive, excluding pension contributions were £151,000. (2020: the JRHT Executive Director, the Director of Finance and the Director of Corporate Services £98,000 each)

The benefits in kind of the Director of Communication and Public Engagement and the Director of Emerging Futures were in relation to relocation expenditure.

8 Social Housing Pension Scheme

JRF participated in the Social housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The SHPS scheme was closed to staff from 1 April 2017.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the pensions regulator and Technical Actuarial Standards issued by the Financial reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

The scheme is classified as a "last-man standing arrangement". Therefore JRF is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the Scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the Scheme. JRF is meeting the past service deficit contribution which has arisen from the 2008 , 2011 , 2014 , 2017 and 2020 actuarial valuations.

a Deficit contributions schedule

	2021 £'000	2020 £'000
Year 1	1,693	1,628
Year 2	1,788	1,660
Year 3	1,878	1,694
Year 4	1,971	1,727
Year 5	2,069	1,319
Year 6	2,172	-
Year 7	549	-

8 Social Housing Pension Scheme (continued)

b Key financial assumptions

Key financial assumptions	2021 % pa	2020 % pa
Discount rate	1.83	1.43
Inflation (RPI)	3.34	2.97
Inflation (CPI)	2.92	2.50
Salary Growth	3.92	3.50

The allowance for commutation of pension for cash at retirement was 75% in both 2019 and 2020.

c Average life expectations

	2021 Years	2020 Years
The mortality assumptions adopted at 31 December 2021 imply the following life expectancies at the age of 65:		
Male retiring in 2021	21.60	21.50
Female retiring in 2021	23.50	23.30
Male retiring in 2041	22.90	22.90
Female retiring in 2041	25.10	24.50

d Amounts recognised in the statement of financial activities

	2021 £'000	2019 £'000
Expenses (note 4)	49	49
Interest cost (note 2)	203	239
Total charged to statement of financial activities	252	288

e Reconciliation of defined benefit obligation

	2021 £'000	2020 £'000
Defined benefit obligation at beginning of year (initial recognition)	69,223	59,901
Expenses	49	49
Interest cost	976	1,208
Actuarial (gain)/loss due to Scheme experience	(622)	376
Actuarial loss/(gain) due to change in demographic assumptions	259	(733)
Actuarial loss due to change in financial assumptions	(906)	10,717
Benefits paid	(1,917)	(2,295)
Total charged to statement of financial activities	67,062	69,223

f Reconciliation of fair value of Scheme assets

	2021 £'000	2020 £'000
Fair value of Scheme assets at beginning of year (initial recognition)	54,227	47,492
Interest income on Scheme assets	773	969
Experience loss on plan assets (excluding amounts included in interest income)	3,300	6,450
Contributions by JRF	1,642	1,611
Benefits paid	(1,917)	(2,295)
Fair value of Scheme assets at end of year	58,025	54,227

8 Social Housing Pension Scheme (continued)

g Amounts recognised in the balance sheet

	2021 £'000	2020 £'000
Fair value of Scheme assets	58,025	54,227
Actuarial value of scheme liabilities	(67,062)	(69,223)
Deficit in the scheme	<u>(9,037)</u>	<u>(14,996)</u>

h Analysis of assets

	2021 £'000	2020 £'000
Global Equity	10,840	8,661
Absolute Return	2,736	2,573
Distressed Opportunities	1,845	1,300
Credit Relative Value	1,745	1,415
Alternative Risk Premia	2,166	1,867
Fund of Hedge funds	2	7
Emerging Markets Debt	2,355	2,261
Risk Sharing	1,713	1,928
Insurance-Linked Securities	1,241	1,329
Property	1,351	1,061
Infrastructure	3,593	3,309
Private debt	1,299	1,233
Opportunistic Illiquid Credit	1,700	1,268
High Yield	2	1,673
Opportunistic Credit	380	1,279
Cash	264	541
Corporate Bond Fund	3,841	3,130
Liquid Credit	393	613
Long Lease Property	1,280	836
Secured Income	1,985	1,804
Liability Driven Investment	17,245	16,018
	(92)	-
Net Current assets	141	121
Total Assets	58,025	54,227

i Analysis of return on assets

	2021	2020
	£'000	£'000
Interest on scheme assets	773	969
Actuarial gains	3,300	6,450
Actual return on assets	4,073	7,419

j **Analysis of return on assets recognised in other comprehensive income**

	2021	2020
	£'000	£'000
Gains on Scheme assets	3,300	6,450
Experience gain/(Loss) on Scheme liabilities	622	(376)
Gain/(loss) on change in assumptions (financial and demographic)	647	(9,984)
Actual return on assets	4,569	(3,910)

Joseph Rowntree Foundation
Registered Charity

9 Joseph Rowntree Housing Trust Turnover and Operating Costs

The results of JRHT, available on its website, prepared under the Housing SORP 2018 but modified to the Charities SORP for the purpose of consolidation are :-

	2021		2020	
	£'000	£'000	£'000	£'000
Turnover		25,339		24,303
Grants Received		2,672		-
Recycled grant utilised		-		-
		<u>28,011</u>		<u>24,303</u>
Operating Costs				
Staff Costs	(15,693)		(14,966)	
Other Costs	(5,481)		(4,555)	
Interest Payable	(1,948)		(2,027)	
Gain on Disposal of Fixed Assets	674		746	
Property Depreciation	(3,008)		(2,587)	
Taxation	-		(1)	
Recycled grant repaid	(266)		(1,079)	
		<u>(25,722)</u>		<u>(24,469)</u>
Gain on revaluation of investment properties		-		435
Income from investment properties		128		113
Expenditure on investment properties		(12)		(70)
Interest Receivable		106		54
		<u>2,511</u>		<u>366</u>

Joseph Rowntree Foundation
Registered Charity

10 Tangible Fixed Assets**Group**

	Properties £'000	Properties under construction £'000	Furniture and Equip-ment £'000	Total £'000
Cost				
At 1 January 2021	211,471	10,497	2,412	224,380
Additions	6,064	4,443	75	10,582
Transfer	1,527	(1,547)	20	-
Disposals	(2,738)	(15)	(186)	(2,939)
Completions	11,290	(11,290)	-	-
Transfer to Assets held for sale	(12)	(1,557)	-	(1,569)
At 31 December 2021	<u>227,602</u>	<u>531</u>	<u>2,321</u>	<u>230,454</u>

Depreciation

At 1 January 2021	31,450	-	1,865	33,315
Charge in the year	3,438	-	155	3,593
Disposals	(583)	-	(185)	(768)
Transfer to Assets held for sale	(4)	-	-	(4)
At 31 December 2021	<u>34,301</u>	<u>-</u>	<u>1,835</u>	<u>36,136</u>

Net Book Value

At 1 January 2021	<u>180,021</u>	<u>10,497</u>	<u>547</u>	<u>191,065</u>
At 31 December 2021	<u>193,301</u>	<u>531</u>	<u>486</u>	<u>194,318</u>

Properties are represented by:

Freehold Land and Buildings	186,514
Long Leasehold Land and Buildings	6,787
	<u>193,301</u>

Properties consists of Social Housing Properties held for letting, business and office premises including solar panels, communal areas at extra care schemes, non- housing property in New Earswick and Derwenthorpe and the continuing care retirement community at Hartrigg Oaks, New Earswick.

Parent

	Properties £'000	Furniture and Equipment £'000	Total £'000
Cost			
At 1 January 2021	2,342	1,158	3,500
Additions	-	45	45
Disposals	-	(150)	(150)
At 31 December 2021	<u>2,342</u>	<u>1,053</u>	<u>3,395</u>

Depreciation

At 1 January 2021	-	1,055	1,055
Charge in the year	-	46	46
Disposals	-	(149)	(149)
At 31 December 2021	<u>-</u>	<u>952</u>	<u>952</u>

Net Book Value

At 1 January 2021	<u>2,342</u>	<u>103</u>	<u>2,445</u>
At 31 December 2021	<u>2,342</u>	<u>101</u>	<u>2,443</u>

Properties consists of JRF's freehold offices at The Homestead, York.

JRF has a reversionary interest in the property known as Ouse Lea which will mature in the year 2119. No value has been placed upon the reversion in these Financial Statements.

11 Intangible Fixed Assets**Group****IT Software
£'000****Cost**

At 1 January 2021	1,805
Additions	197
Disposals	(4)
At 31 December 2021	<u>1,998</u>

Amortisation

At 1 January 2021	1,527
Charge in the year	129
Disposals	(4)
At 31 December 2021	<u>1,652</u>

Net Book Value

At 1 January 2021	<u>278</u>
At 31 December 2021	<u>346</u>

Parent**IT Software
£'000****Cost**

At 1 January 2021	1,745
Additions	197
Disposals	(4)
At 31 December 2021	<u>1,938</u>

Amortisation

At 1 January 2021	1,467
Charge in the year	129
Disposals	(4)
At 31 December 2021	<u>1,592</u>

Net Book Value

At 1 January 2021	<u>278</u>
At 31 December 2021	<u>346</u>

12 Homebuy Loans**Group****2021
£'000****2020
£'000**

At 1 January	2,356	2,392
Repayments	(129)	(36)
At 31 December	<u>2,227</u>	<u>2,356</u>

There are no Homebuy Loans in the Parent.

13 Investments**Group**

	Market Value 1.1.21	Purchases/ Additions	Sales/ Repay- ments	Gains/ (Losses)	Market Value 31.12.21	Cost 31.12.21
	£'000	£'000	£'000	£'000	£'000	£'000
Quoted Investments						
UK Index Linked	6,081	10,434	(6,374)	417	10,558	9,640
UK Fixed Interest	4,393	2,786	(6,167)	(78)	934	939
UK Equities	11,154	3,701	(8,054)	1,912	8,713	7,503
Overseas Index Linked	15,201	-	(8,239)	89	7,051	6,525
Overseas Fixed Interest	-	-	-	-	-	-
Overseas Equities	372,333	50,721	(44,000)	56,302	435,356	239,196
	<u>409,162</u>	<u>67,642</u>	<u>(72,834)</u>	<u>58,642</u>	<u>462,612</u>	<u>263,803</u>
Other Investments						
Other	24,609	42,972	(50,261)	17	17,337	17,367
Property Unit Trusts	12,936	3	(59)	1,448	14,328	14,990
	<u>37,545</u>	<u>42,975</u>	<u>(50,320)</u>	<u>1,465</u>	<u>31,665</u>	<u>32,357</u>
Investment Properties						
Directly Managed	4,448	-	-	-	4,448	2,238
Social Investments	8,409	1,691	(1,237)	373	9,236	9,300
Unquoted Investments						
Clifton Estate Limited	-	-	-	-	-	17
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
Cash held for Investment	4,826	-	(3,113)	-	1,713	1,713
	<u>464,390</u>	<u>112,308</u>	<u>(127,504)</u>	<u>60,480</u>	<u>509,674</u>	<u>309,428</u>

Joseph Rowntree Foundation
Registered Charity

Parent

	Market Value 1.1.21 £'000	Purchases/ Additions £'000	Sales/ Repay- ments £'000	Gains/ (Losses) £'000	Market Value 31.12.21 £'000	Cost 31.12.21 £'000
Quoted Investments						
UK Index Linked	6,081	10,434	(6,374)	417	10,558	9,640
UK Fixed Interest	4,393	2,786	(6,167)	(78)	934	939
UK Equities	11,154	3,701	(8,054)	1,912	8,713	7,503
Overseas Index Linked	15,201	-	(8,239)	89	7,051	6,525
Overseas Equities	<u>372,333</u>	<u>50,721</u>	<u>(44,000)</u>	<u>56,302</u>	<u>435,356</u>	<u>239,196</u>
	<u>409,162</u>	<u>67,642</u>	<u>(72,834)</u>	<u>58,642</u>	<u>462,612</u>	<u>263,803</u>
Other Investments						
Other	24,609	42,972	(50,261)	17	17,337	17,367
Property Unit Trusts	<u>12,936</u>	<u>3</u>	<u>(59)</u>	<u>1,448</u>	<u>14,328</u>	<u>14,990</u>
	<u>37,545</u>	<u>42,975</u>	<u>(50,320)</u>	<u>1,465</u>	<u>31,665</u>	<u>32,357</u>
Investment Properties						
Directly Managed	1,250	-	-	-	1,250	2,238
Social Investments	8,409	1,691	(1,237)	373	9,236	9,300
Unquoted Investments						
Clifton Estate Limited	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
Amounts owed by Group undertakings						
Hartrigg Oaks Loans- Fixed	<u>172</u>	<u>-</u>	<u>(60)</u>	<u>-</u>	<u>112</u>	<u>112</u>
	<u>172</u>	<u>-</u>	<u>(60)</u>	<u>-</u>	<u>112</u>	<u>112</u>
Cash held for Investment	<u>4,826</u>	<u>-</u>	<u>(3,113)</u>	<u>-</u>	<u>1,713</u>	<u>1,713</u>
	<u>461,364</u>	<u>112,308</u>	<u>(127,564)</u>	<u>60,480</u>	<u>506,588</u>	<u>309,540</u>

Other Investments represents holdings in unit trusts in gold and precious metals, credit and illiquid strategies and money market funds at the year end.

A formal revaluation of JRF's one investment property was carried out in December 2020 by an independent, qualified, chartered surveyor. The carrying value in the balance sheet reflects this valuation.

JRF owns 100% of the Ordinary Share Capital of Clifton Estate Limited. No value has been placed on this shareholdings in the Accounts: in the opinion of the Trustees, any sum would be immaterial in the context of the JRF's total investment portfolio.

A parcel of land has been retained following the sale of the investment property known as Beverley House in 2019 but no value has been placed upon this in these financial statements as it is considered as not material.

14 Properties held for sale

	Group	
	2021	2020
	£'000	£'000
Shared ownership properties		
Completed properties	1,141	236
Work in progress	-	516
	<u>1,141</u>	<u>752</u>
Housing Land and Buildings	<u>1,458</u>	<u>41</u>
	<u>2,599</u>	<u>793</u>

There are no properties held for sale in the parent undertaking.

15 Debtors

	Group		Parent	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Rent arrears	347	405	-	-
Prepayments	254	264	334	258
Sundry debtors and accrued income	<u>1,250</u>	<u>1,220</u>	<u>270</u>	<u>258</u>
	<u>1,851</u>	<u>1,889</u>	<u>604</u>	<u>516</u>

16 Creditors: Amounts falling due within one year

	Group		Parent	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Outstanding Grant Commitments (Note 17)	3,180	2,445	3,180	2,445
Recycled Capital Grant	288	47	-	-
Rents in advance	318	329	-	-
Accruals	3,670	3,433	1,755	2,016
Other Creditors	2,340	1,799	606	647
Debt (note 18)	<u>19</u>	<u>18</u>	<u>-</u>	<u>-</u>
	<u>9,815</u>	<u>8,071</u>	<u>5,541</u>	<u>5,108</u>

17 Creditors: Amounts falling due after more than one year

	Group		Parent	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Outstanding Grant Commitments:				
At 1 January	2,779	2,419	2,779	2,419
New grant commitments during year (Note 4)	5,664	5,799	5,664	5,799
Grants paid during year	<u>(4,870)</u>	<u>(5,439)</u>	<u>(4,870)</u>	<u>(5,439)</u>
	3,573	2,779	3,573	2,779
Less: Amounts falling due within one year (Note 16)	<u>(3,180)</u>	<u>(2,445)</u>	<u>(3,180)</u>	<u>(2,445)</u>
At 31 December	393	334	393	334
Deferred grant income on properties being Developed	-	2,175	-	-
Recycled Capital Grant	1,523	1,496	-	-
Deferred income- amounts received in advance	3,813	3,709	-	-
Deferred Land	3,234	3,276	-	-
Capitalised Community Fees	2,429	2,192	-	-
Residence Fees at Hartrigg Oaks	30,607	29,278	-	-
Bonds and Loan Stock	869	1,319	-	-
Debt (Note 18)	<u>59,186</u>	<u>57,204</u>	<u>-</u>	<u>-</u>
	<u>102,054</u>	<u>100,983</u>	<u>393</u>	<u>334</u>

The timing of grant payments is largely dependent upon the submission of claims from the receiving institution. The classification of outstanding grant commitments between those payable within one year and those payable after more than one year is, therefore, not certain. The classification between those payable within one year and those payable after more than one year is based on an estimate.

18 Debt Analysis

Group Borrowings are represented by :

	2021 £'000	2020 £'000
Housing Loans (Note i)	44,205	42,222
THFC Bond (Note ii)	15,000	15,000
	<u>59,205</u>	<u>57,222</u>

Note i

The Housing Loans comprise:-

	2021 £'000	2020 £'000
Orchardbrook Ltd	705	722
Lloyds Banking Group plc Facility A	10,000	10,000
Lloyds Banking Group plc Facility B (Tranche 1)	8,000	8,000
Lloyds Banking Group plc Facility B (Tranche 2)	5,000	5,000
Handelsbanken Loan 1	8,000	8,000
Handelsbanken Loan 2	12,500	10,500
	<u>44,205</u>	<u>42,222</u>

- (a) The loans from Orchardbrook Ltd are settled by equal half-yearly instalments of capital and interest over the estimated life of the scheme for which the loan was provided. The final instalments fall to be repaid in the period 2022 to 2047. The rates of interest are fixed and range from 9.25% to 15.875%. The loans are secured against 65 of JRHT's properties.
- (b) Facility A from Lloyds Banking Group plc is for a 30 year term with a bullet repayment at a fixed rate of interest. The average rate charged during the year was 4.76%. The margins increase over the life of the loan so that from September 2030 the rate, including margins, is 4.83%. The loan is secured against 123 of JRHT's properties and is fully repayable on 9 December 2036.
- (c) Facility B (Tranche 1) from Lloyds Banking Group plc is for a 28 year term with a bullet repayment at a fixed rate of interest. The interest rate charged during the year was 4.35%. The margins increase over the life of the loan, so that from 24 March 2036 the rate, including margins, is 4.38%. The loan is secured against 119 of JRHT's properties and with a final repayment due on 24 December 2037.
- (d) Facility B (Tranche 2) from Lloyds Banking Group plc is for a 20 year term with repayments at 3 yearly intervals and a final repayment on 28 December 2034. Interest charged during the year was 3.58%. The margins increase over the life of the loan, so that from 28 March 2028 the rate, including margins, is 3.62%. The loan is secured against 86 of JRHT's properties.
- (e) Handelsbanken Loan 1 represents a revolving credit facility of £8m . Interest is charged at a variable rate linked to LIBOR: the average rate charged during the year was 1.62%. The Facility, which is available until June 2023, is secured against 128 of JRHT's properties.
- (f) Handelsbanken Loan 2 represents a revolving credit facility of £15m . Interest is charged at a variable rate linked to LIBOR: the average rate charged during the year inclusive of non- utilisation fees was 2.22%. The Facility, which is available until June 2023, is secured against 215 of JRHT's properties.

The Housing Loans are repayable in the following periods:-

	2021 £'000	2021 £'000	2020 £'000
In one year or less (Note 16)		19	18
Between one and two years	1,021		19
Between two and five years	4,074		1,071
In five years or more	39,091		41,114
	<u>44,186</u>		<u>42,204</u>
	<u>44,205</u>		<u>42,222</u>

Note ii

A bond of £15m from THFC was taken out in 2013. Interest is charged at a fixed rate of 5.2%. The bond is secured against 240 of the JRHT's properties and is repayable in 2043.

The THFC Bond is repayable in the following periods:-

	2021 £'000	2021 £'000	2020 £'000	2020 £'000
In one year or less		-		-
Between one and two years	-		-	
Between two and five years	-		-	
In five years or more	15,000		15,000	
	<u>15,000</u>		<u>15,000</u>	
	<u>15,000</u>		<u>15,000</u>	

19 Cash Flow from Operating Activities

	2021		2020	
	£'000	£'000	£'000	£'000
Net expenditure before investment movements in the year		(6,413)		(17,205)
Depreciation of tangible fixed assets	3,593		3,182	
Amortisation of intangible fixed assets	129		120	
Amortisation of Non-refundable Residence Fees	(295)		(267)	
Amortisation of Capitalised Community Fees	(203)		(173)	
Decrease in Net Present Value of Loan Stock	18		40	
Increase in outstanding grant commitments	794		360	
Decrease in Stock of Materials	12		9	
Surplus on sale of properties	(2,437)		(2,052)	
(Increase)/Decrease in housing stock held for sale	(1,806)		167	
Decrease in debtors	29		1,001	
(Decrease)/Increase in creditors	(1,692)		2,197	
(Decrease)/Increase in Net Pension Liability	(5,959)		2,587	
		(7,817)		7,171
Net cash outflow from operating activities		(14,230)		(10,034)

20 Leasing Commitments

Total future minimum operating lease payments are set out below:

	Group		Parent	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Within one year	207	190	148	173
Between two and five years	23	137	-	132
Over five years	-	-	-	-
	<u>230</u>	<u>327</u>	<u>148</u>	<u>305</u>

Leases relate to shared office space in one location, vehicles and photocopiers.

The annual charge for rental of office space under operating leases which relates to the parent only was £113,008 (2020: £114,588)

21 Financial Assets and Liabilities

	Group		Parent	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets that are debt instruments measured at amortised cost	10,604	8,147	3,328	2,412
Financial liabilities measured at amortised cost	(110,598)	(107,337)	(5,829)	(5,336)
Financial liabilities that are measured at fair value through the surplus or deficit	(9,906)	(16,315)	(9,037)	(14,996)
	<u>(109,900)</u>	<u>(115,505)</u>	<u>(11,538)</u>	<u>(17,920)</u>

Financial assets measured at amortised cost are represented by current assets excluding prepayments and accrued income.

Financial liabilities measured at amortised cost are represented by all short and long term liabilities excluding those measured at fair value and liabilities to HMRC.

Financial liabilities measured at fair value are represented by the deferred pension liability and deferred bonds and loan stock. The difference between the carrying amount and contractually obliged payments is:-

	Group		Parent	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Carrying amount	9,906	16,315	9,037	14,996
Contractual Obligations	10,411	16,370	9,037	14,996
	<u>(505)</u>	<u>(55)</u>	<u>-</u>	<u>-</u>

22 Post Balance Sheet Events

After the year end, the Board decision to close Lamel Beeches residential care home was communicated to residents, their families and colleagues. This setting had not been fully occupied for number of years and was in need of significant investment. Indications are that most residents will move to another JRHT setting. This decision will also contribute to JRHT's longer-term financial sustainability.

23 Restricted Funds

Group

	Income and Expenditure Reserve	Sales Reinvestment Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2021	86,511	1,082	9,534	97,127
Income and movement in market value of investments	28,245	-	-	28,245
Expenditure	(25,734)	-	-	(25,734)
Transfer	(2)	2	-	-
Transfer of revaluation reserve to unrestricted reserve	70	-	(70)	-
Balance at 31 December 2021	<u>89,090</u>	<u>1,084</u>	<u>9,464</u>	<u>99,638</u>

	Income and Expenditure Reserve	Sales Reinvestment Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2020	86,077	1,080	9,604	96,761
Income and movement in market value of investments	24,905	-	-	24,905
Expenditure	(24,539)	-	-	(24,539)
Transfer	(8)	8	-	-
Transfer to income and expenditure reserve	69	-	(69)	-
Balance at 31 December 2020	<u>86,504</u>	<u>1,088</u>	<u>9,535</u>	<u>97,127</u>

There are no restricted funds in the parent entity.

24 Analysis of Net Assets between Funds

	Restricted Funds	Group Unrestricted Funds	Total	Parent Unrestricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Fixed Assets					
Properties	190,959	2,342	193,301	2,342	2,342
Property schemes in progress	531	-	531	-	-
Motor vehicles & equipment	385	101	486	101	101
Intangible Fixed Assets	-	346	346	346	346
Homebuy Loans	2,227	-	2,227	-	-
Investments	3,198	506,476	509,674	506,476	506,476
Current Assets Less Liabilities	(97,662)	(12,386)	(110,048)	(12,386)	(12,386)
Total Net Assets	99,638	496,879	596,517	496,879	496,879

At 31 December 2020

	Restricted Funds	Group Unrestricted Funds	Total	Parent Unrestricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
Fixed Assets					
Properties	177,679	2,342	180,021	2,342	2,342
Property schemes in progress	10,497	-	10,497	-	-
Motor vehicles & equipment	444	103	547	103	103
Intangible Fixed Assets	-	278	278	278	278
Homebuy Loans	2,356	-	2,356	-	-
Investments	3,198	461,192	464,390	461,192	461,192
Current Assets Less Liabilities	(97,047)	(18,592)	(115,639)	(18,592)	(18,592)
Total Net Assets	97,127	445,323	542,450	445,323	445,323

25 Capital Commitments and Contingent Liabilities

At the balance sheet date, commitments made by JRHT in relation to the construction or refurbishment of property amounted to £5.240m (2020: £7.824m). There is a contingent liability for deferred land payments with no fixed repayment date of £3,497,000.

26 Related Party Transactions**Joseph Rowntree Housing Trust (JRHT) - Related Party Transactions****(a) Loans**

Outstanding loans to JRHT at 31 December 2021 amounted to £111,976 (2020: £172,368). Loans advanced were £nil and loan repayments amounted to £60,392. Interest charged on loans to JRHT during the year was £10,443 (2020: £14,464). These loans are included in investments in the parent (JRF) balance sheet.

(b) Loan Facility

JRF provides a facility for up to £15,000,000 to JRHT, for any short term cash flow requirements, negating the need to source external funding. Interest will be charged at market value rates, taking external advice as necessary. As at 31 December 2021, none of this facility had been drawn (2020: £Nil).

(c) Grants

JRF provided a bursary support grant of £314,000 to JRHT in 2021. The amount provided in 2020 was £314,000.

JRF provided a revenue support grant to JRHT in 2021 of £1,200,000 (2020: Nil).

JRF provided a grant to JRHT in 2021 to fund early-stage costs of its house building programme of £66,000 (2020: £271,000). This is the second drawdown of grants of up to £50m agreed with JRHT to create 1,000 new homes over 10 years.

JRF provided a grant of £428,000 to JRHT in 2021 towards the direct running costs of heritage assets. The amount provided in 2020 was £396,000.

(d) Overhead Recharge

An overhead recharge was charged by JRF to JRHT during the year. The amount of the recharge in 2021 was £2,227,000 (2020: £2,350,000).

27 Clifton Estate Limited (CE) - Related Party Transactions

JRF holds all the share capital of CE, a property management and development company operating in York. At the year end, two of the Directors of CE were also Trustees of JRF. No Trustee or Director received any payment in respect of this service.

28 Trustees' Related Party Transactions

There were no Trustee related party transactions in the year. (2020 £Nil)

29 Directors' Related Party Transactions

There were no director related party transactions during the year (2020: £nil)

**COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL
ACTIVITIES**

	Note	Restricted £'000	Unrestricted £'000	2020 Total £'000
INCOME AND ENDOWMENTS FROM:				
Investments	1	167	4,767	4,934
Charitable Activities				
Housing Association turnover	9	24,303	-	24,303
Other income	2	-	4	4
TOTAL INCOME		24,470	4,771	29,241
EXPENDITURE ON:				
Raising funds - investment management	3	(70)	(3,411)	(3,481)
Charitable activities				
Grant commitments	4	-	(4,818)	(4,818)
Support and governance costs	5	-	(9,768)	(9,768)
Housing Association operating costs	9	(24,469)	-	(24,469)
TOTAL EXPENDITURE BEFORE INVESTMENT MOVEMENTS		(24,539)	(17,997)	(42,536)
NET EXPENDITURE BEFORE INVESTMENT MOVEMENTS		(69)	(13,226)	(13,295)
Other Comprehensive income				
Actuarial Loss in respect of Social Housing Pension Scheme	8	-	(3,910)	(3,910)
Re-measurement of Social Housing Pension obligation	8	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	(3,910)	(3,910)
Investment Movements				
Gain on Quoted Investments	12	-	27,941	27,941
Gain on Other Investments	12	-	6,453	6,453
Gain/(Loss) on Directly Managed Investment Properties	12	435	(100)	335
TOTAL INVESTMENT MOVEMENTS		435	34,294	34,729
TOTAL COMPREHENSIVE INCOME		366	17,158	17,524
Total Funds brought forward at 1 January		96,761	428,165	524,926
TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER		97,127	445,323	542,450

The Statement of Financial Activities includes all gains and losses recognised in the period. All income and expenditure derives from continuing activities.