

# Annual Report and Financial Statements for the year ended 31 December

2022

**JRF**

JOSEPH  
ROWNTREE  
FOUNDATION

**JRHT**

JOSEPH  
ROWNTREE  
HOUSING TRUST

Company Limited by Guarantee: 12132713  
Registered Charity: 1184957 (England & Wales);  
SCO49712 (Scotland)

# Our shared missions

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The Joseph Rowntree Foundation (JRF) works to speed up and support the transition to a more equitable and just future, free from poverty, in which people and planet can flourish.

The Joseph Rowntree Housing Trust (JRHT) works towards a UK without poverty through the provision of affordable, comfortable and secure homes to people in York and parts of the north-east of England.

Both organisations continue to draw inspiration from our founder, Joseph Rowntree, in working to end the poverty that blights the lives and life chances of millions of people, and to ensure dignity and esteem for everyone in the UK, addressing insecurity, exclusion and powerlessness.

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# Structure, governance and management

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## Executive Directors



**Paul Kissack,**  
Group Chief Executive



**Graeme Cooke,**  
Director of Insight  
& Policy



**Sophia Parker,**  
Director of Emerging  
Futures



**Tracey Preece,**  
Director of Finance



**Chris Simpson,**  
JRHT Executive  
Director



**Frank Soodeen,**  
Director of  
Communications &  
Public Engagement



**Claire Townson,**  
Director of  
Corporate Services

# Trustees and Statutory Directors



**Will Haire CB**  
Chair to April 2023



**Professor Carol  
Tannahill OBE**  
Chair from April 2023



**Saphié Ashtiany**



**Anita Bhatia**  
(from December 2022)



**Deborah Cadman  
OBE**



**Dr Hilary Cottam**



**Farah Elahi**



**Helen Evans**



**Paul Jenkins**



**David Lunts**



**Gillian Russell**



**Professor Jo  
Swaffield**



**Kené Umeasiegbu**

# Reference and administration information

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# Introduction

WILL HAIRE CB – Chair of Trustees

This is my final report as Chair after nine years on the Board of Trustees. Despite the external turbulence of 2022, colleagues have continued to focus and deliver on our shared missions. Our campaigns calling for low-income families to be adequately supported during the cost-of-living crisis helped to unlock major tranches of financial relief. And critically, after years of relatively low external spend (alongside growing internal spend), we started to move more money out the door in line with our commitment to fostering deeper transitions.

Meanwhile, JRHT ended the year reporting generally good performance on the traditional metrics around rent, repairs and relets, having also reinvigorated its approach to tenant engagement and achieved ‘good’ ratings for all its care settings.

Within JRF, we completed a series of restructures and started to implement a new operating model within our central services: creating dedicated embedded teams in JRF and JRHT, and smaller group-wide teams. Within JRHT, a major focus has been a process of simplification and performance improvement



in care services. This included exiting the provision of Independent Living Services and closing the Lamel Beeches residential and nursing care home.

I leave the post confident that with some strong foundations now laid as part of the strategy refresh and remodelling, both organisations are well placed to continue to make a positive difference in what feels like a far more uncertain world than when my involvement with these two wonderful organisations first started.



# Governing document 2022

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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.

## 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 both JRF Trustees and members of the Board of JRHT.

## ORGANISATIONAL STRUCTURE

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:

- The Audit and Risk Committee (ARC) 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 2022, the Committee consisted of three JRF Trustees, three JRHT Board Members and three independent members.

- 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 2022, the Committee consisted of four JRF Trustees, three JRHT Board Members and two independent members.
- 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 Nominations and 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:

- The Investment Committee oversees the management of the financial investments in line with any financial and non-financial objectives or ethical constraints in the endowment and investment strategy set by JRF Trustees. The Committee consists of a minimum of three Trustees and a maximum of three independent members. At the start of the year there were three JRF Trustees and three independent members. In Q4 an additional Trustee joined as Chair and there were two independent members, one of whom joined in Q2.
- The Social Investment 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 up to four JRF Trustees and up to four independent members. At the start of the year there were two JRF Trustees and two independent members. By Q4, there were two JRF Trustees and four independent members.

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 these took place in 2020. Trustee appraisals, including for the Chair of Trustees, are conducted annually. The design of this process was developed in 2020 in conjunction with external experts.

On an annual basis, JRF Trustees self-assess against the Charity Governance Code for larger charities. As the code sets out, this is recommended practice, deliberately aspirational, and some elements will be stretching for many charities

to achieve. In almost all areas, JRF meets the recommended practice. The three areas that we are specifically seeking to respond to in 2023 are:

- publication of a strategic plan
- considering the adoption of the 'Nolan Principles' or Charity Ethical Principles
- publishing information on progress towards achieving equality, diversity and inclusion plans and targets, including challenges, opportunities and learning.

Pay and remuneration is set by JRF Trustees, on the recommendation of the Resources Committee and in consultation with the 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 that are core to the way the organisations work and are at the heart of everything we do. They show what we care about, help us to make decisions and show us how to behave together. Our values support us to deliver our mission.

JRF's specific charitable objects, as set out in our Articles of Association, are:

- to prevent and to relieve poverty and other necessitous circumstances
- to relieve those in need because of youth, age, ill-health (whether mental or physical), disability, financial hardship or other disadvantage
- to undertake and carry on such activities as are calculated to ameliorate unsatisfactory living conditions, social unrest or disharmony among the public
- to provide or assist in the provision of facilities for recreation or other leisure time occupation in the interests of social welfare for the public at large.

Our analysis of the present overlapping crises afflicting the UK, and the refreshed organisational strategy and mission statement for delivering our objectives that flowed from it, recommitted us to addressing the most urgent and pressing manifestation of poverty today, while sowing the seeds of a more equitable future. To support such a transition, we will put all our wealth in service to our mission, largely through three types of work across all nations of the UK:

- **Insight and ideas:** shedding new light on the nature and scale of poverty and social injustice in the UK today and setting out routes to a more equitable future.
- **Campaigns and movement building:** campaigning and advocating for change today while supporting a movement of people and organisations shaping a more equitable future.
- **New paradigms and experiments:** investing in new propositions to speed up the transition to a more equitable future for people and planet, backing those engaged in this work.

We will also deepen and broaden our approach to investing the rest of our endowment in socially responsible ways, supporting the transition we wish to see.



The substantial endowment that came with the establishment of the original trust means that JRF does not need to fundraise and does not, therefore, have a fundraising policy. It does, however, have financial mechanisms that ensure the real value of the endowment is maintained while giving JRF access to a substantial level of funding. The mechanisms include a calculation that 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.

JRHT's objectives and activities continue to be shaped by:

- the four outcomes set out in its Strategic Plan:
  - **more people are independent and well** – linked to JRHT's role as a care and extra care provider
  - **more people are shaping our communities** – linked to the commitment to building resident involvement and influence
  - **more people can improve their prospects** – linked to supporting residents in areas such as money and benefits advice
  - **more people live in a decent, affordable home** – linked to the target of maintaining good repair services and modernisation programmes and building 1,000 new homes within a 10-year period
- the Regulator of Social Housing and Care Quality Commission regulatory obligations
- in-year strategic and operational priorities for the organisation in key areas of work, comprising Housing and Community Services, Development and Asset Management, and Care
- JRHT's 30-year Financial Plan (a regulatory requirement).

2022 saw a particular focus on:

- responding to the ongoing challenges of external factors such as the COVID-19 pandemic and the cost-of-living crisis
- disruption in the UK labour market
- simplification of JRHT's care services, including the closure of the Lamel Beeches care home and the transfer of the care provision supporting our Independent Living Services operations to specialist providers
- preparation for the decarbonisation of housing stock.

# How activities deliver public benefit

JRF's main activities are described 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:

- the provision of affordable housing, care and support
- 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. They 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

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## JRF

Much of JRF's work in 2022 was framed by the close interplay of the global and the local. While the people of Ukraine continue to pay the highest of prices for Russia's invasion, the UK – still reeling after the COVID-19 pandemic and with an open economy highly dependent on global supply chains for many of its essentials – was not immune to the effects of the war. The ensuing cost-of-living crisis underlined how vulnerable the most disadvantaged people in the country now are to external supply shocks.

Policy disagreements within the governing party in Westminster about how to build resilience played out over months, causing unnecessary uncertainty for families. These, combined with the necessity to tackle inflation, led to higher borrowing costs for both the state and households at exactly the worst time possible. The country's reputation for fiscal responsibility still hangs in the balance with its creditors, tempering expectations that the spending needed to ease the pressure on public services will be possible in the near term.

Finally, rising commodity prices led the global energy firms most resistant to investing in greener alternatives to generate record profits. For this they were rewarded handsomely by the stock markets, confirming that the most important drivers towards decarbonisation will not be those firms and their share owners. Instead, two distinct approaches look set to shape the speed and direction of the energy transition:

- a European-led focus on carbon price-setting and taxing fossil fuels
- an American approach, ushered in through the Inflation Reduction Act 2022, that involves massively subsidising greener alternatives.

This divergence could in turn shape the future of manufacturing industries across advanced economies, potentially pulling good jobs into the US heartlands at the expense of other countries in the short to medium term.

In 2022 we focused on addressing the immediate consequences of these events and continued to lay the foundations for work that would enable us to meaningfully help shape a future that looks set to be marked by more volatility and challenge.

### **Crisis in living standards**

For much of the year we used our position as a leading authority on poverty to engage with politicians and employers, applying pressure on both to provide more targeted help to low-income households facing the prospect of large real-terms cuts to their incomes as inflation steadily marched upward. JRF staff







worked tirelessly alongside many of our allies with lived experience of poverty to counter political arguments about the unaffordability of providing substantial help, appearing frequently in the media and as witnesses to the Department for Work and Pensions (DWP) and Treasury Select Committees.

Our flagship UK Poverty 2022 report, our Poverty in Scotland 2022 report and our cost-of-living trackers documented the exposure of Britain's poorest families to the growing crisis in living standards. Each was widely covered in the media, as was other JRF analysis, providing important reference points for the people trying to challenge the UK Government's early narrative that additional targeted cash support – as opposed to tax cuts – would merely fuel inflation.

They, along with memories of the issues raised in the Keep the Lifeline campaign, and others' reports, played a role in engendering a fierce backlash among opinion formers across the political spectrum after the UK Government unveiled a series of insufficient measures in the Spring Budget. This in turn helped to change ministerial opinions, setting the stage for a major policy reversal by May, with £15 billion of extra support announced, much of it well targeted on the poorest households. In Scotland we focused our attention on trying to persuade the Scottish Government to double the bridging payments designed to support families not yet eligible for the Scottish Child Payment.

The collapse of Boris Johnson's Government in early summer resurfaced differing views about the best way to support families. The frontrunners to replace him debated the benefits of cash support versus tax cuts during the leadership contest. The eventual winner, Liz Truss, surprised many by announcing a large Energy Support Package shortly after her victory. However, its sheer size and lack of detail on final costs, combined with the large unfunded tax cuts revealed at her first Budget, unnerved Britain's creditors. In the scramble that followed her Government's fall, we became increasingly concerned that the promises made by Boris Johnson that working-age benefits would rise with inflation would not be met, as Rishi Sunak and Jeremy Hunt sought to placate the markets.

To counter this risk, we published analysis showing the impact of a real-terms cut to benefits by parliamentary constituency to help keep the pressure up and organised a coalition of 120 charities around a common message pressing for the pledge to be kept. Ultimately, the UK Government followed through on its original promises to uprate benefits.

Beyond Westminster, JRF's ongoing financial support for the Minimum Income Standards research, which in turn is used as a basis for setting the Real Living Wage, helped make it possible for a 10.1% increase in the Real Living Wage rate. It is conservatively estimated that nearly 400,000 workers across 11,000 employers benefited from the move. We also joined an investor coalition convened by the responsible investment charity, ShareAction, to file a resolution ahead of Sainsbury's Annual General Meeting in July in a bid to shift the major supermarket into becoming a Real Living Wage accredited employer. JRF staff attended meetings with senior executives of the supermarket, using their expertise and evidence to make the case for the move, as well as the importance of it covering third-party contractors. Although the resolution ultimately failed to

pass, because of this pressure Sainsbury's agreed to increase their base pay for outer London staff from £10.50 an hour to £11.05, meaning that all Sainsbury's directly employed workers are now paid at least the Real Living Wage, leading to a net gain for around 19,000 employees.

### **Shaping an economic and social model in which people and planet can flourish**

The present crisis is partly about external supply chains, but it is also about deep systems that leave families, low-paid workers and unpaid carers balancing ever-tighter budgets while gas producers declare huge profits, landlords put up rents and large corporations hand out millions to shareholders. Alongside our attempts to bring about urgent policy and practice changes now, our mission also demands that we help to foster the deeper shifts needed to transform unjust systems that perpetuate disadvantage.

In July we held a major two-day conference (which we intend to turn into an annual event), featuring 57 speakers from around the globe who joined 500 in-person and online guests, all of whom in diverse ways are pushing the boundaries of philanthropy and investment in a bid to rewire the financial models and systems that reinforce inequality and ecological destruction. The conference created a unique space to consider as many emerging ideas and practices as possible, showing what is already happening, and what might need more support and resourcing.



An important part of our new strategy involves backing the collectives building real-world models to show in the micro the types of changes that are both necessary and possible in the macro. Following a rigorous design phase, we closed the year by agreeing to financially support 23 such organisations, the first step in moving £5-6 million of our endowment to such work over the next two years ahead of some longer-term commitments over 10 years. The engagement processes behind this work had the added benefit of helping us to steadily grow a community of practice to nearly 900 individuals from diverse sectors who want to follow the progress of this work and contribute to its success.

In the nearer term, much of our policy and advocacy work is now turning to focus on the political parties as they look to (and beyond) the next general election, as well as seeding longer-range change through collaborations and demonstration, combining in-house and partnership work.

Our report in June, *Making a house a home: why policy must focus on the ownership and distribution of housing*, had, according to several accounts, a formative influence on the Labour Party's strategic thinking about housing policy as its leadership wrestles with the question of how to provide – through a range of tenures – more secure, truly affordable homes while facing likely limits on capital spend. In the second half of the year, we made senior appointments within the policy team, hiring experts to lead thinking around work and around care.

With 2022 providing yet more proof of how inadequate working-age benefits have become, in the background JRF policy and campaigns staff worked closely with Trussell Trust counterparts to develop a new policy proposal (the Essentials Guarantee) and a multi-year, public-facing campaigns strategy to be launched in 2023, aimed at building support for a more objective approach to setting benefit levels.

The power of working in partnership was further confirmed with the publication of the *Levelling up White Paper*. For the past three years, JRF has provided funding to UK Onward's Social Fabric Commission, with senior staff also advising on its key outputs. The *White Paper* accepted several recommendations from several Social Fabric Commission reports.

Another important advantage of partnerships is the chance they give to explore new, more inclusive ways of developing solutions and ideas for complex problems: fusing different perspectives and methods in innovative ways. To that end, we agreed to fund a collaboration between JRF and the UCL Policy Lab to trial an innovative approach to generating ideas and action, drawing on Danielle Allen's approach to power-sharing liberalism. We also commissioned End State author James Plunkett to lead a strand of work examining further the new forms of social and economic injustices generated by digital capitalism, and the ideas and innovations likely to be needed in response. His three essays 'The invidious hand', 'The care paradox' and 'Inequality' were well received by a range of stakeholders, and we are now considering how to further diffuse the ideas contained within them.



Part of 2022 was spent scoping what it would take to build a healthy ecosystem of social imagination, shaped by a greater multitude of voices and with a network of partners far beyond the Westminster village. To help us establish some momentum around the work, we commissioned a series of high-profile thinkers to describe the value of this work in a series of well-received blogs. Separately, we provided financial backing to the Resolve Collective to run a week-long residential programme of events for black and people of colour practitioners from the arts, culture and social change sectors who are working to imagine and build alternative futures. Elsewhere, our support for the New Constellations project on economic change in Sheffield, and the citizen-led process of imagining a different economic future for the city that it made possible, generated a new coalition of individuals and organisations committed to working together across civil society, the private sector and public agencies.

Finally, we started to pivot our portfolio of externally funded campaigns to ones aimed at fostering systemic change. We provided core funding to the 'We're Right Here' campaign, which aims to build a united movement for community power. Over 2022 the campaign built a strong and cohesive team of community leaders and a wider network of approximately 120 community organisations, and is now gearing for the general election manifesto cycle. In response to signs that opponents of the zero-carbon agenda were seizing on the living standards crisis to argue against decarbonisation, we decided in the closing weeks of the year to also provide backing, alongside the European Climate Foundation, to the 'Bring Energy Home' campaign run by Britain Remade. This aims to build public support for on-shore renewable energy, a key prerequisite considering current planning restrictions.

### **Supporting people most disadvantaged by the status quo to build power**

A key tenet of our strategy is that social transformation relies on those who are directly affected by social inequities to be at the forefront of efforts to push for deep change. Within JRF, the remit of the Grassroots Poverty Action Group expanded beyond its traditional focus on enriching our analytical State of the Nation reports and engaging the public through the media, to encompass a wider set of projects, while also seeking opportunities for ongoing dialogue with JRF staff to contribute insights and shape organisational thinking.

Externally, in 2022 we provided financial backing to the Civic Power Fund to work with grassroots organisers to design a set of funding norms that would enable them to do their vital work – another step to influencing the resourcing environment. Separately, we funded Community Organisers Ltd to run a 'National Listening' campaign to surface the stories and lived experience of people in their network, identifying common themes to guide their actions at local, national and regional levels. We also committed to a further three years of funding for the APLE Collective to continue their work raising awareness of poverty and challenging stigmatising attitudes.

In Wales, JRF's funding enabled our strategic partner, the Bevan Foundation, to extend and develop its initial pilot project with ACE, a grassroots group, to build a cohort of 40 people living in Ely and Caerau willing to engage public and political audiences, raising awareness and challenging misconceptions of poverty.

In Scotland, our continued funding of the Poverty Alliance has helped to enable the delivery of the annual Challenge Poverty Week, a key moment in the political calendar where grassroots community groups, large national non-governmental organisations, voluntary organisations, statutory organisations, trade unions, faith groups, academics and community activists with lived experience of poverty work together to highlight the injustice of poverty in Scotland, and to show that collective action based on justice and compassion can create solutions.

Indeed, one of the most important roles that social movements can play revolves around the distribution of ideals, values, public narratives and norms in society. We resource this process in several additional ways.

As a result of our funding, this year saw the launch of a new toolkit from the Reframing Race initiative, pulling together insights from a 20,000-person engagement exercise designed to help activists change the public conversation on racism in order to build an anti-racist future. Through our collaboration with Nationwide Foundation, we also published the outputs from the Talking about Housing framing programme. Our grant to Church Action on Poverty also enables people with lived experience of poverty to be trained on how to campaign and engage the public through various media.

Finally, with the help of our funding, 11 writers from disadvantaged backgrounds received £1,500 bursaries and one-to-one mentoring with industry leaders organised by A Writing Chance, as well as the publication and broadcast of their work in The New Statesman, the Daily Mirror and BBC Sounds.



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



## **MORE PEOPLE ARE INDEPENDENT AND WELL – LINKED TO OUR ROLE AS A CARE AND EXTRA CARE PROVIDER**

**Care services delivered safe, effective, well-led, responsive and caring services in very difficult times**

JRHT's care services and their teams have responded incredibly well to the ongoing and changing demands of the pandemic, ensuring that residents and their families receive the best service possible. On a day-to-day basis, and throughout 2022, JRHT care teams, including those who manage and deliver care, prepare food and drink, offer a range of social activities, and ensure that homes are clean and well maintained, have worked positively in a very challenging situation. This has included adhering to strict PPE regulations – including wearing masks day in, day out, and observing other infection control measures. It has also included regular and stringent testing programmes, obligations to be vaccinated and response to outbreaks. Amid all of this, JRHT care teams have continued to provide safe, effective, well-led, responsive, and caring services, and this is reflected in all of JRHT's care services being rated 'good' by the Care Quality Commission.

### **Services that maintain independence**

JRHT's retirement communities and those with extra care continue to provide an environment where residents can maintain independence and social networks. We have well-established communities in York, Leeds, Hartlepool and Scarborough where residents can live independently in a supportive and caring environment while accessing a range of services and activities, including domiciliary care, dining opportunities, health and fitness programmes, and social and other activities.

### **Learning lessons from service design**

We recognised through a 'Lessons Learnt' process that some of our specifications for the award-winning New Lodge development did not support residents to be independent. For example, we identified that some doors should have been installed as automatic opening; instead, there were manual doors that restricted residents' access to communal areas. As such, we made changes to the designs and will now be installing automatic doors to enable residents to have full access to those areas without the need for assistance.



## **MORE PEOPLE ARE SHAPING OUR COMMUNITIES – LINKED TO OUR COMMITMENT TO BUILDING RESIDENT INVOLVEMENT AND INFLUENCE WITHIN JRHT**

### **Increasing resident involvement and influence**

In 2022 we ramped up our resident involvement and engagement activity to ensure more people have the opportunity to influence what is happening in their neighbourhood and how JRHT is delivering services. At a strategic level, our newly formed Residents' Assembly met five times in 2022, offering an opportunity for residents to seek further information and challenge JRHT on issues that are important to them and their neighbours. Attendance at the assembly continues to grow each time it meets, and we now have around 15 regular attendees, representing many of the places where JRHT has homes.

We have also worked hard to improve engagement with residents through place-based groups. In some neighbourhoods this has meant continuing the growth of existing relationships, however in others we have taken a more active approach to identify new partners and opportunities. A good example of this is the community development work we have been doing with the Foxwood Community Centre to better serve our residents living in the neighbouring Woodlands estate, hosting regular money and benefits advice drop-ins, and consulting on shared public spaces.

### **Consulting on new developments**

We have held a series of in-person consultation events for our new developments, including at Sturdee Grove and Poppleton (attended by more than 100 residents). This gives local communities the opportunity to provide feedback on our plans and suggest appropriate changes to new development plans. Alongside this we have held a number of community information and consultation events at Derwenthorpe focused on road remediation, Phase 5 construction and a broad landscape strategy.



## **MORE PEOPLE CAN IMPROVE THEIR PROSPECTS – LINKED TO OUR APPROACH TO SUPPORTING RESIDENTS IN AREAS SUCH AS MONEY AND BENEFITS ADVICE**

### **Cost-of-living support**

As the cost-of-living crisis started to impact during 2022, our Money and Benefits Advice (MBA) team continued to provide free support to anyone who needed it. In the last year alone, the team has helped people access over £500,000 of benefits to which they were entitled, £114,000 of which was in the form of backdated payments. As well as this, a pre-tenancy advice session with a MBA has now been incorporated as part of the standardised housing offer process for all residents – ensuring people are supported to maximise their incomes and only enter tenancies they will be able to sustain. MBA team members also now offer out-of-hours appointments to enable people in work to access the service more easily.

Work to improve the consistency and reach of information communicated to residents regarding sources of support has been ongoing, and an internal mailing list has now been created to aid this.

Informal support sessions are being held at some of our sites including the Folk Hall, where a small number of people attend our Open House sessions that offer the opportunity for warmth, access to free Wi-Fi and conversation. The ‘pay as you feel café’ at Foxwood community centre continues to flourish, with regular attendees bringing new people, and partner agencies often attending to provide signposting and support.

### **Apprenticeships that offer opportunity**

Within JRHT care services, we offer apprenticeship opportunities that enable those staff who wish to progress in their career to do so while still working and earning. During 2022 we had a total of 19 staff across care and catering teams who were enrolled/studying for qualifications, six of whom completed their studies and gained their qualification within the last year.

JRHT is keen to promote apprenticeship diplomas as they are a good, recognised qualification within the sector, and they help staff to develop in their role and improve their confidence in their practical capabilities on the job. Managers have regular discussions with their staff to encourage uptake, and opportunities are currently available to all of our staff from our Care, Catering and Administration



teams. Upskilling in this way is important for JRHT as it supports our existing staff with their preparation for progressing into more senior roles.

Alison is a great example of our commitment to invest in the development of our own staff.

“

In 2002 I started working for JRHT at Hartrigg Oaks Community Care, this was a part-time role as my children were young. During the first few years I recognised that this was an area of work I would like to progress and develop in further. JRHT enabled me to progress through my diploma Levels 2 and 3, and with these qualifications I was able to expand my knowledge. I was given the opportunity to diversify in my role across various job roles and care service sites. I took on further responsibility as a team senior, which included a dual role within both Community Care and The Oaks care home. I was able to learn about the different services of JRHT and began my Level 5 in Leadership and Management. This supported my upskilling in key areas such as compliance and legislation, safeguarding and leading a team effectively, and gave me the confidence to apply for the Deputy Manager position at Red Lodge (now Rowntree Lodge). Now my children are grown up, I feel this is my time to action my career ambitions, and for me the natural progression after being a Deputy Manager for the last four years has now led me to becoming the interim manager at The Oaks. The diplomas available to care staff within JRHT can support individuals to develop as far as they would like to, whether this be achieving a personal goal or advancing to a professional level. ”

**Alison Leaf, Registered Manager, The Oaks**



**MORE PEOPLE LIVE IN A DECENT, AFFORDABLE HOME  
– LINKED TO OUR TARGET OF MAINTAINING GOOD REPAIR  
SERVICES AND MODERNISATION PROGRAMMES, AND BUILDING  
1,000 NEW HOMES WITHIN A TEN-YEAR PERIOD**

**Day-to-day repairs and maintenance**

In 2022 we spent over £2.2 million on routine and planned maintenance. During 2022 we found it increasingly difficult to recruit to some skilled operative posts, and at times this has affected our performance. We have focused our efforts on ensuring that emergency and urgent repairs are not affected, but as a result some general maintenance activity has taken longer than anticipated. We have taken the opportunity to review our approach in this area and to improve our ability to recruit and retain our skilled operatives, and subsequently we believe this will impact positively on performance.

**Modernisation programme**

JRHT continues to prioritise investment in its existing stock. While we experienced some delays due to availability of materials and planning requirements, particularly around our roofing, windows and doors programme, nearly £1.8 million was invested in a range of modernisations and improvements. This included kitchens (60), bathrooms (42), properties with new windows and doors (76), external decoration (48) and new boilers (63).

**Targeting more areas for new development**

In 2022 we continued to pursue our target to build 1,000 affordable new homes. During the year, JRHT purchased new properties through Section 106 opportunities at Garforth in Leeds and Bootham Crescent in York, totalling 36 homes. JRHT has submitted planning applications for 198 homes across York. Although we have been disappointed at the pace at which these planning applications have progressed, we are committed to working with the City of York Council to see these developments materialise into much-needed homes for the city. JRHT has extended its geographical area of development to cover six more local authorities. These all adjoin York and will give significantly more opportunities to provide much-needed affordable homes for people.

## Group-wide organisational change

A major focus during 2022 was implementing new organisational models across JRF, JRHT and central services teams. Simultaneously we worked with staff towards a voluntary recognition agreement with Unite the Union for JRF Teams, central services and Homestead gardening staff, which, following Trustee approval in December, was signed in January 2023. We are now working with the Union to establish some routine ways of working. JRF and JRHT colleagues have not been immune from the impacts of the cost-of-living challenges. In response, JRF Trustees agreed a one-off £1,500 payment to all staff across the Group. News of the separate 9% cost-of-living pay increase for 2023 was well received by staff and was reflected in January pay. We hope it will feed through to higher retention rates in care in particular.



# 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 having 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 2022, JRF committed £14 million to 32 social investments. The following 30 investments were still active as of December 2022, with values shown reflecting the total original commitment made by JRF.

## 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 training courses 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 an £88 million fund, launched in 2015, investing in general needs and specialist affordable housing in the UK. The fund has deployed capital across 10 projects.

### **Hartlepool Housing Heroes (HHH) – £75,000**

The Housing Heroes project is run by Hartlepool NDC Trust with Let's Connect Hartlepool, in partnership with JRHT and the Hartlepool Action Lab. HHH 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 (London 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 home-owners, on a low income, to manage and finance the refurbishment of their home to a safer and greener standard, so that they can live longer and better in their own home.

### **Micro Rainbow International – £400,000**

Micro Rainbow provides safe temporary housing, move-on support and social inclusion activities for lesbian, gay, bisexual, transgender, queer and intersex (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 £44 million fund has purchased homes in Oxford, Bristol and Milton Keynes, and works with St Mungo's and Developing Health and Independence to support tenants so that they can transition into the private rented sector.

**Social and Sustainable Housing (SASH) – £1,000,000**

The £64 million SASH fund provides flexible loans to small and medium-sized charities across the UK to finance the purchase of properties to house people experiencing poverty and hardship.

**Women in Safe Homes (WISH) fund – £300,000**

The £29 million WISH fund provides safe, secure and affordable homes to women and their children across the UK. It works with organisations that provide specialist support to women who are survivors of domestic abuse, are leaving prison or have complex mental health problems.

**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 those facing complex situations, such as those with disabilities, who would otherwise struggle to access suitable accommodation.

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

SEIF II is a £24 million 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. The fund size is £66 million. Bridges Evergreen has invested in organisations operating across impact areas including fuel poverty, affordable housing, healthcare for older people, skills training and care for young people with complex needs.

**Fair by Design – £3,000,000**

Fair by Design is a £15 million fund, which was 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, household goods and food.

**Growth Impact Fund (GIF) – £250,000**

GIF is a fund that invests in early-stage, growing organisations that tackle inequality in the UK and have diverse representation at board and leadership levels. Through a partnership between the fund manager Big Issue Invest and the foundation for social entrepreneurs, Unltd, GIF will offer both funding and capacity-building support to investees.



**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 £10 million fund that supports charities and social enterprises across the north-east of England. The fund has invested in almost 30 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 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.

**Great Western Credit Union – £350,000**

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

**Leeds City Credit Union – £250,000**

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

**GOOD JOBS****BelleVie – £200,000**

BelleVie is a home care provider applying a Buurtzorg (Netherlands)-inspired operating model in the UK. This approach facilitates home care workers to work in small, self-managed teams, thereby increasing flexibility and autonomy. This in turn translates into improved employee wellbeing and satisfaction, and better patient care, as well as providing cost savings. BelleVie is also an accredited Living Wage Employer in a low-paying industry.

**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.

**London Early Years Foundation (LEYF) – £187,000**

LEYF operates a cross-subsidy model for children's early years education that makes it more accessible to children from lower-income households. Over half of LEYF's nurseries are rated 'outstanding' by Ofsted and over 70% operate in deprived areas.

**RefuAid – two separate investments totalling £420,000**

RefuAid helps those 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 them to return to employment in their professional fields.

**Resolution Foundation (Workertech) – £150,000**

The Resolution Foundation's Workertech Partnership aims 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.

**COMMUNITY****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 a more diverse group of vulnerable adults to access high-quality community care.

**YMCA Robin Hood Group – £500,000**

YMCA Robin Hood Group (previously 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 to develop the Community and Activity Village in Newark and Sherwood. The project seeks to tackle the root causes of underlying social and health problems to provide better opportunities for young people from deprived backgrounds, while also creating new jobs in an economically disadvantaged area.

# Risk

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Trustees own Group risks and are responsible for setting the risk appetite for JRF and for approving the appetite set for JRHT by the JRHT Board. All staff, however, have a responsibility to identify and manage risk throughout the Group. A separate Risk Management Strategy is in place for JRHT, and a Risk Management Strategy for JRF will be established in 2023. These replace the Group Risk Management Strategy previously agreed.

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 the management of the risk. Where necessary, actions to improve the management of the risk are identified.

The Group Chief Executive and Directors monitor and review risks on a regular basis.

The following principal risks have been identified for the Group. Trustees have considered the risks to which the organisation is exposed and have taken appropriate steps to mitigate these risks, as described.

**Principal risks for the JRF Group**

The following table sets out the principal risks for JRF, including how these are managed.



RISK	MITIGATION
<b>REPUTATION</b>	
<p>Risk to the credibility of, and trust in, the organisation.</p>	<p>Risks arising from JRHT activity are reported to the JRHT Board by the Executive Director.</p> <p>There are strong internal quality assurance processes in JRF teams and a robust strategic communications planning process to structure the rollout of external-facing outputs and messages.</p>
<b>COMPLIANCE AND REGULATION</b>	
<p>Failure to comply with regulators' requirements</p>	<p>As a charity, JRF is registered with and is regulated by the Charity Commission for England and Wales and the Scottish Charity Regulator. JRHT is regulated by the Regulator of Social Housing and Care Quality Commission. Regulatory requirements are tracked, and gap analyses undertaken on at least an annual basis and regulators are notified where needed. A standing report is presented to the Audit and Risk Committee each quarter, providing details of any regulation or inspection reports received and highlighting key risk areas communicated with the regulators.</p> <p>Dedicated compliance roles are established. Actions arising from inspections and audits are tracked and monitored, with progress regularly reported to the relevant leadership teams and the Audit and Risk Committee.</p>
<p>Failure to adequately comply with the General Data Protection Regulation (GDPR), other UK laws, sector-specific regulations, and contracts relating to data and technology</p>	<p>Information governance and security policies are in place. A dedicated Information Security Manager is supported by other sector-specific compliance managers. There is mandatory data protection training for all staff.</p>
<b>OPERATIONAL/SERVICE DELIVERY</b>	
<p>Operations disrupted by external factors beyond our control</p>	<p>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 – particularly within JRHT's housing and care services - during the coronavirus crisis.</p>
<b>FINANCE</b>	
<p>Economy:</p> <ul style="list-style-type: none"> <li>• inflation</li> <li>• interest rates (impacts JRHT)</li> </ul> <p>Pension risks</p> <ul style="list-style-type: none"> <li>• Cost of Defined Benefits pension deficit payments increases materially</li> </ul>	<p>Planning includes testing a range of scenarios.</p> <p>Monthly monitoring of key economic indicators.</p> <p>Our Defined Benefits scheme is now closed and we only have a Defined Contributions pension scheme available.</p>

RISK	MITIGATION
<b>PEOPLE AND CULTURE</b>	
Failure to have diversity in our workforce	<p>Actions are being taken in relation to recruitment, retention and learning opportunities for our workforce. We are developing inclusive recruitment practices, including Disability Level 1 accreditation.</p> <p>We have active Black, Asian and minority ethnic (BAME), LGBT+, Disability and Women's Staff Networks.</p>
Risk of being unable to recruit and retain skilled staff	<p>Regular review and discussion of workforce data and recommendations in relation to strategies to mitigate risk areas and identify opportunities take place.</p> <p>We review pay and reward structures, including priorities to address areas of scarce skills and labour shortages.</p>
<b>INVESTMENTS</b>	
Investments fail to deliver the Total Return that is required to meet JRF financial objectives, and deliver our strategy	<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 real value of the overall endowment over time.</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>
<b>SOCIAL INVESTMENTS</b>	
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 the investment to deliver any impact	<p>A Social Investment policy is in place, with the need to perform risk assessments being a key part of this. This 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 Foundation income and capital. The only restricted funds within the group balance sheet relate to JRHT.

## OBJECTIVES

JRF's financial objectives are:

- to maintain the level of expenditure on achieving its mission and outcomes
- 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 that 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 88% of the investment portfolio.

Trustees appreciate that this approach will result in short-term volatility in the market value of the portfolio, but they consider that the organisation's financial strength and absence of significant fixed liabilities mean 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.

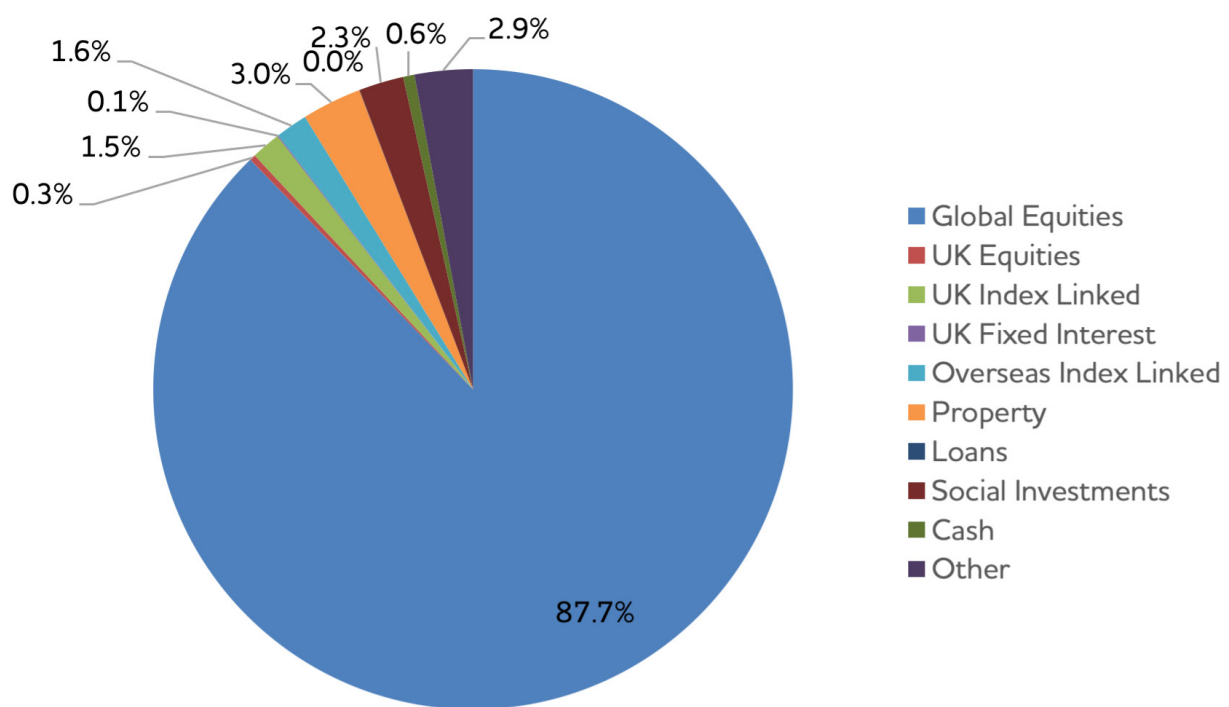
Although the financial investments are designed to maximise returns, at JRF we believe strongly in investing our funds responsibly. We define 'responsible investment' as an investment approach based on the view that the effective management of environmental, social and governance (ESG) issues is not only the right thing to do, but is also fundamental to creating value. We believe that companies that 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 that are directly relevant to the strategic priorities and work of JRF, which may be through the Fund Managers or in partnership with other investors – JRF is a member of the Charities Responsible Investment Network.

JRF also follows an ethical investment policy within the overarching theme of responsible investment. It does not invest in stocks and shares in companies that 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 2022 was:



## 2022 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 (**£46 million**) and residence fees (**£32 million**) associated with Hartrigg Oaks continuing-care retirement community.

	GROUP		PARENT	
	2022	2021	2022	2021
	£M	£M	£M	£M
Fixed assets (tangible and intangible)	193.5	194.7	2.8	2.8
Investments (market value)	437.7	509.7	434.4	506.6
Home-buy loans (JRHT)	2.0	2.2	-	-
Net current (liabilities)/assets, excluding pension liabilities	0.5	1.0	(4.0)	(1.9)
Long-term creditors, excluding pension liabilities	(90.8)	(102.1)	(0.8)	(0.4)
Pension liability	(9.3)	(9.0)	(9.3)	(9.0)
<b>Foundation capital</b>	<b>533.6</b>	<b>596.5</b>	<b>423.1</b>	<b>498.1</b>

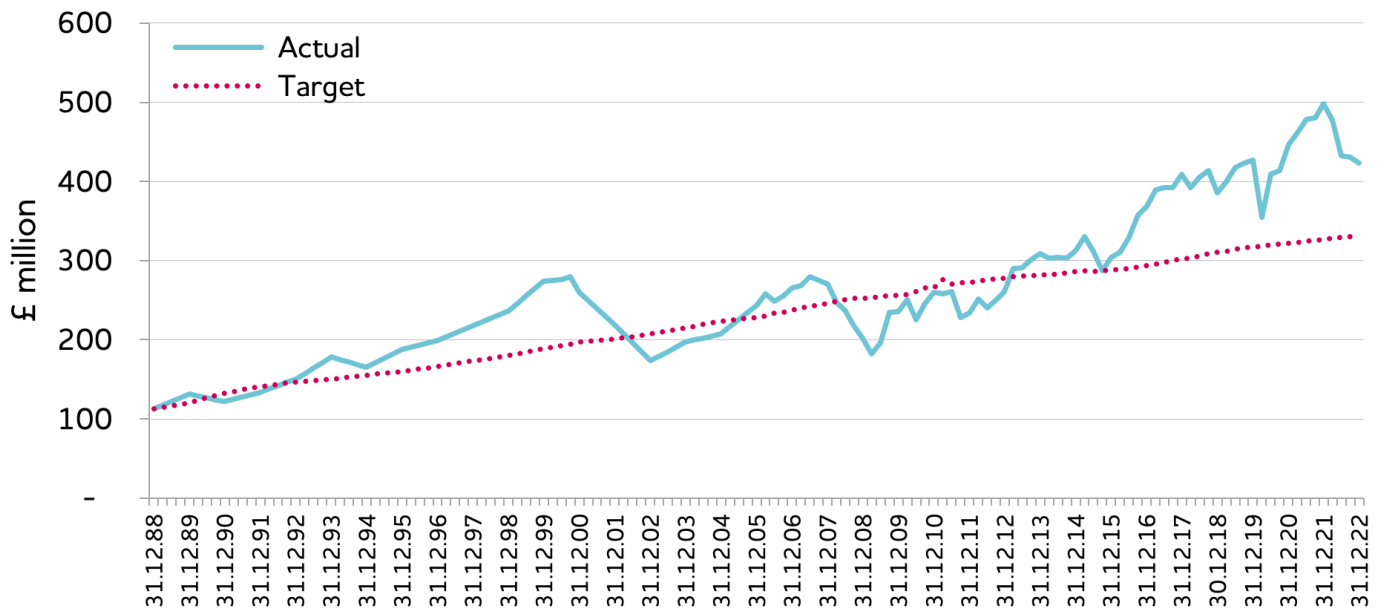
The value of JRF's investments reduced significantly in 2022. There was a sharp sell-off in global markets during the year, which drove down equity valuations. With inflation remaining high, interest rates continuing to rise, and the war in Ukraine, investors remained concerned about the risk of a significant economic slowdown and, potentially, recession. JRF is a long-term investor and does not react to short-term market movements by making changes to its investment strategy. The year-end positions held in the balance sheet are after allowing for spending of capital as shown in the Statement of Financial Activities (see below).

The Trustees have agreed that up to £50 million of the investment portfolio should be ring-fenced to support JRHT, particularly in relation to the future development of new affordable housing. £12.7 million of this has been drawn, with £11.5 million utilised to repay part of the outstanding balance on the Handelsbanken revolving credit facility.

The endowment, which is the value of the investment portfolio less outstanding liabilities, reduced from £498.1 million to £423.1 million between 31 December 2021 and 31 December 2022. This is a 15% decrease over the year, but remains 28% 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.

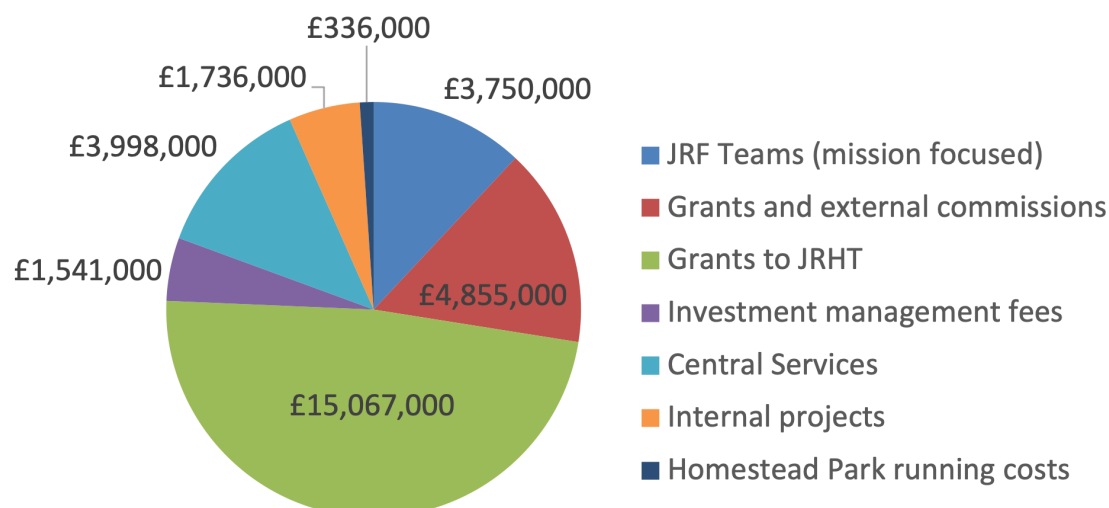
A chart showing the long-term performance of the endowment versus the target is provided below:



### STATEMENT OF FINANCIAL ACTIVITIES (JRF company only)

	2022	2021
	£M	£M
<b>Total income</b>	<b>11.5</b>	<b>6.0</b>
Grant commitments	(20.3)	(5.7)
Support and governance costs	(9.5)	(8.2)
Cost of raising funds	(1.5)	(5.4)
<b>(Increase) / decrease in pension liability</b>	<b>-</b>	<b>-</b>
<b>Total expenditure</b>	<b>(31.3)</b>	<b>(19.3)</b>
Net expenditure, funded from capital	(19.8)	(13.3)
<b>Re-measurement of pension scheme obligations</b>	<b>(1.8)</b>	<b>4.5</b>
<b>Gains / (losses) on investments</b>	<b>(53.3)</b>	<b>60.5</b>
<b>Net movement in funds</b>	<b>(74.9)</b>	<b>51.7</b>

## Types of JRF Expenditure



The significant increase in grants to JRHT primarily reflects the drawdown of an additional £11.5 million from JRF from the original £50 million set aside for development. This was utilised to part-repay outstanding revolving credit facilities.

The audited financial statements can be found on the JRF website at [www.jrf.org.uk](http://www.jrf.org.uk). The financial statements have also been filed with the Charity Commission. JRHT's financial statements can be found at [www.jrht.org.uk](http://www.jrht.org.uk). As a Community Benefit Society, these are filed with the Financial Conduct Authority.

## 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 although there remain legacy members. 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 2022, the fair value of JRF's proportion of scheme assets had decreased to £32.2 million from £58.0 million at the end of the previous year. Over the same period, the actuarial value of scheme liabilities decreased from £67.1 million to £41.5 million. The overall impact of these changes was an increase of the pension liability from £9.0 million to £9.3 million.

## CENTRAL SERVICES TEAMS

JRF and JRHT are both supported by a small number of central teams, including Technology and Change, People, Finance, Health & Safety and Facilities, Internal Communications and a Project Management Office. These central teams contribute to the delivery of JRF's and JRHT's objectives through:

- provision of operational services that are utilised by both JRF and JRHT; examples are payroll and invoice processing
- core IT systems provision

- specialist skills – for example, specialist procurement, health and safety, and technical finance support
- business partnering – Technology, Finance and People
- centralised data management and business insight
- risk management
- group-wide internal communications.

## GOING CONCERN

The financial statements show that:

- at the end of 2022, the charity had investments of £434.4 million compared with its annual expenditure of £31.3 million.
- unrestricted capital reserves decreased during the year by £74.9 million, to £423.1 million, primarily as a result of investment values falling in response to geo-political and economic uncertainties (£53 million), coupled with greater expenditure on grants (£15 million).
- the vast majority of the investment portfolio (92%) is invested in easily tradeable assets; as such, these funds are relatively easy to access.
- the charity has no debt.

In December 2022, JRF's Trustees formally approved the charity's budget for 2023. Separately, the amount of cash required to fund activities over the year was calculated and arrangements were put in place to liquidate investments. Provisional calculations have also been prepared for 2024 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
- satisfied itself that it will continue to be possible to draw funds down from its investment portfolio even in a stressed scenario.

JRHT undertook its own scenario analysis to understand the financial impacts of adverse changes to the external and internal environment. In addition, an assessment has been undertaken to understand how extreme scenarios would need to become before covenants were breached. This shows that there would need to be a very significant deterioration in performance to breach the interest covenant, and a rapid and substantial increase in debt to risk a breach of the gearing covenant.

At the end of the financial year, JRHT had unused borrowing facilities of £40 million. £25 million of the total unused facilities relates to a loan facility with JRF and £15 million with Handelsbanken.

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 2024. As such, it is appropriate to adopt a going-concern basis for the 2022 financial statements.



# Plans for the future

## JRF

In December 2022, Trustees signed off our broad work programme for 2023, aligned with a new strategic direction for the organisation.

### **The cost-of-living crisis**

The current crisis will continue to dominate the UK economic, social and political context during 2023. We need to keep public and political attention on those at the sharpest end and press for necessary support to help people through.

In 2023 we will:

- continue to shine a light on what is happening, with a regular flow of insights on the impact of the crisis – underpinned by our bespoke Cost-of-Living Survey series
- engage with the Government and campaign on emergency support (for example, around benefit deductions) and seek to influence and respond to key fiscal events (for example, the spring Budget), particularly in relation to the support available to those on the lowest incomes
- publish proposals on how the Government should respond to the housing downturn to support vulnerable households, and engage directly with the Government on those proposals.

### **The next General Election**

There will be a Westminster election in the next two years, with a change of government looking distinctly possible. We therefore need to focus on Westminster in 2023 and 2024 more than we normally would, as there is a critical opportunity to shape elements of the national policy debate. We need to produce propositional insight and policy work in our areas of focus and engage closely with political parties. Alongside this, through our Scotland team, we will keep a deliberately tailored focus on the most politically charged elements in Holyrood.

In 2023 we will:

- build arguments and generate ideas to influence the manifestos and governing agendas of the main political parties in the following areas (through our own in-house work and our support for the work of others):
  - reforms to social security (alongside the Essentials Guarantee – see below)
  - insights/ideas on good work and in-work poverty – covering basic rights / security at work, flexible work and employer action
  - options to promote labour market inclusion for those who are unemployed or inactive due to sickness or disability
  - strategies to increase social/affordable rented accommodation and home-ownership over the private rented sector, rebalancing the distribution and tenure mix of homes, including via new supply

- options to reshape the childcare system/market to create more stable, reliable and high-quality support, especially for families who need extra help
- policy proposals to end destitution and deep poverty at the national and local level
- steps to reduce the scourge of problem debt, improve access to affordable credit and enable low-income households to build up assets.

Alongside this we will:

- Launch a major new campaign with the Trussell Trust on the need for an 'Essentials Guarantee' in the social security system.
- Undertake and publish public attitudes research and 'deep listening' work. In 2023 this will focus on swing voters, identifying and understanding the beliefs that best align with our mission. We will use this insight in-house, but also as a piece of infrastructure for the wider sector.
- Fund and participate in the Poverty Strategy Commission, developing cross-party proposals for addressing poverty in the UK.
- Publish a new JRF-sponsored book called *Broke*, with accompanying journalism, reporting from the front line of poverty in Britain, with a copy sent to all Members of Parliament.

### **Longer-range ideas and vision work**

Alongside seeking to influence the Westminster debate in 2023 and 2024, we will keep a very deliberate focus on nurturing longer-range thinking, more radical proposals, and voices and ideas further from the centre of political power.

In 2023 we will:

- Launch a new Visionaries Fund as part of the Emerging Futures Programme. This will focus on identifying and supporting UK-based visionaries and public scholars who are developing ideas that draw us away from the status quo. We are currently in the design phase and expect to launch the fund before the summer.
- Take forward the Collective Imagination track of the Emerging Futures Programme, building power and rigour in work that fosters hope and possibility across a diverse range of communities.
- Create a new grant programme to fund Story Tellers. This will focus on shifting dominant narratives that currently help to uphold the status quo, with story tellers drawn from direct experience of the issues we focus on.
- Design, and experiment with, externally led projects on deeper, cross-cutting issues – a strand of activity focused on generating new arguments, ideas and debate, with greater attention to some of the deeper sociological, economic and cultural forces that underpin poverty. This will build on our initial experiment in 2022–23, *Social Justice in the Digital Age*.
- Undertake a new collaboration with the UCL Policy Lab called 'Ordinary Hope'. The aim of the partnership is to create deep connections between a disparate group of experts capable of generating new and genuinely innovative solutions to the problems of economic insecurity and poverty.

- In our own home city of York, launch a project with New Constellations and people and organisations in the city to shape a more inclusive and radical vision for the city. We will also support the University of York's 'Festival of Ideas' 2023, and deepen our partnership with the new School of Business and Society at the university around specific policy areas (for example, housing) and nurturing social imagination.

### **Building the future and building movements**

A critical shift in our strategy is to put more of our organisational energy and money behind building the new.

In 2023 we will:

- launch the Pathfinders Fund as part of the Emerging Futures Programme, moving money to organisations that are actively building alternative futures in their communities – offering exemplars of how things could look
- continue to develop our Social Investment Programme: during 2023 we will ensure that the programme continues to align with emerging JRF themes – including around housing and land, and we will start a process of greater alignment between our Social Investment and Emerging Futures Programmes
- make progress on our own JRF Endowment Strategy in line with Trustees' agreement last year to deepen our approach to responsible investment of the endowment, alongside moving more money to mission-linked impact work
- develop a new multi-year strategy for funding grassroots civic action with other funders, working closely with the Civic Power Fund
- build movement infrastructure and effectiveness; this will take various forms, including:
  - growing and shaping the new Emerging Futures community of interest
  - producing tools and guides: for example, from our framing work (Talking about Poverty, Talking about Housing), as well as messaging guides, public engagement tools and lessons from existing practice
  - convening the 2023 Next Frontiers in Philanthropy and Investment conference, building on the very successful conference last year.

### **Insight infrastructure**

We will adopt an 'infrastructure mindset' in much of the work described above – thinking about how we can play a generous role in the sector with a 'value for many' approach, for example in how we support movement building, or share outputs from public attitudes work. In addition, there are some specific and highly valued bits of analytical and insight infrastructure we already provide as part of the social policy infrastructure of the UK, and which we want to expand as part of our infrastructure offer.

In 2023 we will:

- publish UK Poverty 2023, our flagship state of the nation report (January)
- mobilise a new pillar of our 'Insight Infrastructure' – focused on highlighting insight from people's everyday stories and experience (complementing our quantitative studies like UK Poverty)

- publish Poverty in Scotland 2023
- define the infrastructure we can most usefully build in Northern Ireland to increase our impact there
- publish the Minimum Income Standards (MIS) that will anchor decisions on the Real Living Wage
- continue to produce timely new pieces of insight drawn from a wide range of different data, shining new light on different aspects of poverty.

### **Organisational development**

Internally, we want to continue to strengthen JRF's organisational culture and capacity to deliver the new strategy, after a period of significant change.

In 2023 we will:

- develop and begin to roll out a new programme to support line management, giving great people management a clearer priority in the organisation
- complete the work that began in 2022 on a new pay and progression framework for JRF Teams; the remaining phases will be done in collaboration with Unite the Union. Particular attention needs to be paid to progression and how that works at JRF in light of the skills and capabilities we need to deliver our re-stated mission
- give greater prominence to staff wellbeing as an organisational-wide priority, with some clearly linked actions and changes
- work towards creating a fully inclusive culture; this will require:
  - an ongoing investment of time and space, including ongoing work around anti-racism and class diversity
  - some clear commitments 'in the open' via public statements
  - a re-shaped, well-resourced equality, diversity and inclusion (EDI) team that is focused on culture as well as processes
  - a root-and-branch review of our recruitment practices at JRF – building on the small steps we have taken in recent rounds (for example, through using BeApplied and Radical Recruit)
  - an overhaul of our onboarding and induction process to ensure a diverse team feels welcomed and safe at JRF from the start.
- Get the new relationship with Unite the Union off to a positive start, building good, trusted working relations and identifying priorities to work together on.

### **JRHT**

In 2023, JRHT will continue to respond to drivers and influence within the external environment that are mentioned throughout this report. JRHT will also look at the following key areas of priority:

- Continued governance and financial sustainability. JRHT's financial position remains challenging, with further change and development needed to ensure that the organisation has a stable future that is bright for our residents, staff and other stakeholders. In response, JRHT has established itself as an autonomous

entity within the JRF–JRHT Group, with a stronger Board, a 30-year financial plan, reduced regulatory risk in care services, and a stronger voice for residents both locally and in the decisions that JRHT makes.

- Resident influence and involvement. The future health and reputation of the organisation is dependent on meaningful participation from its key stakeholders – JRHT residents.
- The best future for JRHT care services. Having removed a number of risks within the delivery of care, JRHT must now ask itself the question: What is the best future and model for its current care portfolio, a future where staff and residents can thrive and live their best lives within services that are safe and sustainable?

In doing so, we aim to consider what it is that we do, who do we do it with, and how and where we should do it.



# Carbon emissions

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

MEASURE	2022	PRIOR YEAR
Total UK energy use	11,394 MWh	12,219 MWh
Total carbon emissions	2,111 tonnes	2,339 tonnes
Intensity ratio 2020 1 (property)	0.87 tonnes per property	0.96 tonnes per property
Intensity ratio 2020 2 (communal)	3.37 tonnes per member of staff	3.73 tonnes per member of staff

The breakdown of carbon emissions is as follows:

	ACTIVITY	ANNUAL kWh	ANNUAL CO <sub>2</sub> e	PRIOR YEAR ANNUAL CO <sub>2</sub> e
<b>Scope 1 (sources that are owned and controlled by JRF and JRHT)</b>				
	Gas (compressed natural gas – CNG)	8,373,647.24	1,507.26	1,671.29
	Vehicles	301,086.52	77.08	82.20
	Renewable generation	87,220.00	0	0
	<b>Total</b>	<b>8,761,953.76</b>	<b>1,584.34</b>	<b>1,753.49</b>
<b>Scope 2 (indirect emissions associated with the purchase of energy)</b>				
	Electricity	2,590,128.00	535.70	594.93
	Electricity from photovoltaics (PV)	42,060.00	0	0
	<b>Total</b>	<b>2,632,188.0</b>	<b>535.70</b>	<b>594.93</b>
<b>Gross emissions</b>		<b>11,394,141.76</b>	<b>2,120.04</b>	<b>2,348.42</b>
<b>Scope 3 (indirect emissions within the value chain)</b>				
	Transmission and distribution	2,590,127.96	45.82	52.89
	<b>Total</b>	<b>2,590,127.96</b>	<b>45.82</b>	<b>52.89</b>
<b>Exported</b>	Renewables	45,160.00	8.73	9.59
	<b>Total</b>	<b>Metric tonnes</b>	<b>2,111.31</b>	<b>2,338.83</b>

### **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.

In 2023 we will focus on:

- continuing to develop our Environmental Strategy for the organisation
- further improvements to data to support SECR disclosures
- the decarbonisation of JRHT's properties to meet the target of all homes having an Energy Performance Certificate rating of C by 2030 and net zero by 2050.

### **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.

The information used was gathered from energy bills from the current supplier for the fuel type specified. Where only unaligned estimated meter readings were available, the consumption for the period was determined by dividing the number of units by the billing period and multiplying by the period for the data collection. This figure was checked for accuracy to consider additional seasonal use where data was not available and ensure the estimates were an accurate reflection of the actual consumption

Some aspects of the Greenhouse Gas (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 (2020) 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) 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 (among other matters) to the factors contained in section 172(1) (a) to (f), which are set out in the table below:

FACTOR	HOW THIS IS CONSIDERED
a) The likely consequences of any decision in the long term	With the direct involvement of the Trustees, the Group develops long-term plans that 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 they 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 are 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, its 'customers' are primarily service users, including tenants and residents of its homes. Feedback from tenants and residents is captured and acted on. Relationships are held with key suppliers through the Group's approach to contract management.
d) The impact of the organisation's operations on the community and the environment	The Group seeks to achieve a prosperous UK without poverty. JRF delivers this objective through its programmes of focused initiatives, and JRHT through the 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	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. At JRHT, the directors are the only members. Notwithstanding this, the governance structure and associated strategy ensure 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 JRF 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 the Charities Statement of Recommended Practice (SORP) – 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 judgements 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
- they 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Approval**

This report and, specifically, the strategic report were formally approved by the Board of Trustees on 7 June 2023, and are signed on behalf of the Trustees by the Chair of Trustees.

**Carol Tannahill (Chair)**

A handwritten signature in black ink, appearing to read 'Carol Tannahill' with a small flourish at the end.

13/6/2023



# 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 2022, 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 2022 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 the current 'cost of living crisis', high inflation and interest rates, 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.

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.

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 charitable company'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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Annual Report. 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.

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 themselves. 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 their 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**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 49 and 50, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the 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 Accountants  
Leeds  
21/6/2023

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 2022**

	<b>Note</b>	<b>Restricted £'000</b>	<b>Unrestricted £'000</b>	<b>2022 Total £'000</b>	<b>2021 Total £'000</b>
<b>INCOME AND ENDOWMENTS FROM:</b>					
Investments	1	273	11,426	11,699	6,211
Charitable Activities					
Housing Trust turnover	9	25,544	-	25,544	28,011
Other income	2	-	120	120	3
<b>TOTAL INCOME</b>		<b>25,817</b>	<b>11,546</b>	<b>37,363</b>	<b>34,225</b>
<b>EXPENDITURE ON:</b>					
Raising funds - investment management	3	(10)	(1,542)	(1,552)	(5,422)
Charitable activities					
Grant commitments	4	-	(5,191)	(5,191)	(3,656)
Support and governance costs	5	-	(11,715)	(11,715)	(10,407)
Housing Trust operating costs	9	(27,009)	-	(27,009)	(25,722)
<b>TOTAL EXPENDITURE BEFORE INVESTMENT MOVEMENTS</b>		<b>(27,019)</b>	<b>(18,448)</b>	<b>(45,467)</b>	<b>(45,207)</b>
<b>NET EXPENDITURE BEFORE INVESTMENT MOVEMENTS</b>		<b>(1,202)</b>	<b>(6,902)</b>	<b>(8,104)</b>	<b>(10,982)</b>
<b>Other Comprehensive income</b>					
Actuarial (Loss)/Gain in respect of Social Housing Pension Scheme	8	-	(1,782)	(1,782)	4,569
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>(1,782)</b>	<b>(1,782)</b>	<b>4,569</b>
<b>Investment Movements</b>					
(Loss)/Gain on Quoted Investments	13	-	(52,553)	(52,553)	58,642
Gain on Other Investments	13	-	447	447	1,838
Gain/(Loss) on Directly Managed Investment Properties	13	202	(1,250)	(1,048)	-
<b>TOTAL INVESTMENT MOVEMENTS</b>		<b>202</b>	<b>(53,356)</b>	<b>(53,154)</b>	<b>60,480</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(1,000)</b>	<b>(62,040)</b>	<b>(63,040)</b>	<b>54,067</b>
Total Funds brought forward at 1 January		99,638	496,879	596,517	542,450
<b>TOTAL FUNDS CARRIED FORWARD AT 31 DECEMBER</b>		<b>98,638</b>	<b>434,839</b>	<b>533,477</b>	<b>596,517</b>

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 2022**

		Group		Parent	
		2022	2021	2022	2021
	Note	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible Assets	10	193,051	194,318	2,454	2,443
Intangible Assets	11	406	346	399	346
Homebuy Loans	12	2,022	2,227	-	-
Investments	13	437,711	509,674	434,363	506,588
		633,190	706,565	437,216	509,377
<b>Current Assets</b>					
Properties held for sale	14	2,253	2,599	-	-
Stock		86	72	-	-
Debtors	15	2,471	1,851	605	604
Cash and Cash Equivalents		6,480	6,336	316	3,058
		11,290	10,858	921	3,662
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	16	(10,949)	(9,815)	(4,956)	(5,541)
<b>Net Current Assets/(Liabilities)</b>		341	1,043	(4,035)	(1,879)
<b>Total Assets Less Current Liabilities</b>		633,531	707,608	433,181	507,498
<b>Creditors: Amounts falling due after more than one year</b>					
<b>Net Pensions Liability</b>	17	(90,769)	(102,054)	(760)	(393)
	8	(9,285)	(9,037)	(9,285)	(9,037)
		533,477	596,517	423,136	498,068
<b>Funds</b>					
Restricted Funds		98,638	99,638	-	-
Unrestricted Foundation Capital		434,839	496,879	423,136	498,068
<b>Total Funds</b>		533,477	596,517	423,136	498,068

The Financial Statements were approved by the Board of Trustees on 7 June 2023. They were signed on its behalf by :

Trustee

  
**Carol Tannahill**  
13/6/2023

**CONSOLIDATED STATEMENT OF CASH  
FLOWS**  
**for the year ended 31 December 2022**

		<b>2022</b>		<b>2021</b>	
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Net cash outflow from operating activities</b>	19		(5,941)		(14,230)
<b>Cash flows from investing activities</b>					
Interest received		138		106	
Purchase of other fixed assets		(2,229)		(7,347)	
Proceeds from disposal of other fixed assets		2,970		2,817	
Homebuy Loans redeemed		205		128	
Purchase of quoted investments		(48,760)		(67,642)	
Sale of quoted investments		62,720		72,834	
Purchase of other investments		(16,685)		(44,666)	
Sale of other investments		22,288		51,557	
Social housing grant received		-		2,672	
			20,647		10,459
<b>Cash flows from Financing activities</b>					
Interest paid		(2,616)		(2,152)	
Taxation		(118)		-	
Increase in Capitalised community fees		168		440	
Increase in Hartrigg Oaks residence fees		1,398		1,537	
(Decrease)/Increase in bank loans		(12,520)		1,983	
Bonds and loan stock repaid		(120)		(459)	
			(13,808)		1,349
<b>Management of liquid resources</b>					
(Increase)/Decrease in cash held for investment			(754)		3,113
<b>Net change in cash and cash equivalents</b>			144		691
<b>Cash and cash equivalents at 1 January</b>			6,336		5,645
<b>Cash and cash equivalents at 31 December</b>			6,480		6,336
<b>Analysis of changes in net debt</b>					
		<b>At 1.1.22 £'000</b>	<b>Cash Flows</b>	<b>Other non cash changes</b>	<b>At 31.12.22 £'000</b>
Cash		6,336	144	-	6,480
Bank Loans due within one year		(19)	20	(1,022)	(1,021)
Bank Loans due greater than one year		(59,186)	12,500	1,022	(45,664)
Net debt		(52,869)	12,664	-	(40,205)

## STATEMENT OF ACCOUNTING POLICIES

### 1 Legal status

Joseph Rowntree Foundation (JRF) is a charity registered with the Charity Commission.

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 (registration number 5079) and the Charity Commission. JRHT is a Community Benefit Society (registration number 8209) 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 2022 was 4.5% per annum.

### 4 Going Concern

The financial statements show that:

- at the end of 2022, the charity had investments of £434.4 million compared with its annual expenditure of £31.3 million.
- unrestricted capital reserves decreased during the year by £74.9 million, to £423.1 million primarily as a result of investment values falling in response to geo-political and economic uncertainties (£53 million), coupled with greater expenditure on grants (£15 million).
- the vast majority of the investment portfolio (92%) is invested in easily tradeable assets. As such these funds are relatively easy to access.
- the charity has no debt.

In December 2022, JRF's Trustees formally approved the charity's budget for 2023. Separately, the amount of cash required to fund activities over the year was calculated and arrangements were put in place to liquidate investments. Provisional calculations have also been prepared for 2024 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.
- satisfied itself that it will continue to be possible to draw funds down from its investment portfolio even in a stressed scenario.

JRHT undertook its own scenario analysis to understand the financial impacts of adverse changes to the external and internal environment. In addition, an assessment has been undertaken to understand how extreme scenarios would need to become before covenants were breached. This shows that there would need to be a very significant deterioration in performance to breach the interest covenant and a rapid and substantial increase in debt to risk a breach of the gearing covenant.

At the end of the financial year, JRHT has unused borrowing facilities of £40 million. £25 million of the total unused facilities relates to a loan facility with JRF and £15 million with Handelsbanken.

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, at least until to 31 December 2024. As such, it is appropriate to adopt the going concern basis for the 2022 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 2022 due within one year was £3,700,000 and more than one year was £760,000.

**(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. Management consider there to be no indicators of impairment in either 2022 or 2021.

**(iii) Merger Accounting**

Management, having reviewed the true and fair override implicit in the Charities SORP, considered 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. Actually results may be 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 2022 was £39,200,000 (2021: £37,788,000). Parent accumulated depreciation at 31 December 2022 was £2,065,000 (2021: £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 2022, the net defined benefit liability in respect of SHPS-DB was £9,285,000 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.

Management review the assumptions applied to the actuarial valuation each year and consider the sensitivity of the valuation to the variables thereon. The independent actuary appointed to value the schemes assets and liabilities estimates that a 0.3% shift in the discount rate could result in an increase in the overall deficit, amounting to £1.97m. Similarly, a 1% increase in pay inflation above actuarial assumptions would increase the overall deficit by £0.12m and a rise in general inflation of 0.3% more than that assumed results in an increased deficit of £1.3m. Management is comfortable that the assumptions it has used are appropriate for use in calculating the scheme's deficit.

**(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 2022, the value of social investments net of new provisions of £311,000 and revaluations in the year of £668,000, was £9,864,000. Management has assumed that social investments will be fully recoverable unless, through routine monitoring, there is evidence of impairment.



**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 2022 were £794,000 (2021: £869,000) and £3,400,000 (2021 £3,198,000) respectively.

**(v) Shared ownership sales percentages**

Future shared ownership sales are estimated at 45% reflecting the percentage of each property expected to be sold at completion. This percentage is assumed when projects are appraised. 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 2022 was £648,000.

**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. Rental income is then recognised in line with the tenancy agreement and for the period this is in existence.

Service charge income is recognised in the period to which it relates, 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 Financial Activities 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 the Balance Sheet date. 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 Financial Activities. 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 Financial Activities 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 the structure of 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 Balance Sheet in creditors. Where properties are under construction at the reporting date, associated government grant is shown in the Balance Sheet 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. If they leave within the first 56 months of residence, a partial repayment is made. 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 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. If they leave within the first 56 months of residence, a partial repayment is made. 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 5 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.

**23 Debtors**

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

**24 Creditors**

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

**25 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances with banks and any funds held as cash with investment managers.



## NOTES TO THE ACCOUNTS

## 1 Investment Income

## Quoted Investments

UK Fixed Interest and Index Linked  
UK Equities  
Overseas Fixed Interest and Index Linked  
Overseas Equities

## Other Investments

Other Investments  
Property Unit Trusts  
Social Investments

## Directly Managed Investment Properties

Rents and other income net of voids and bad debts

## Other income

Interest receivable/(payable) (net)

Restricted	Unrestricted	2022	2021
£'000	£'000	Total £'000	Total £'000
	-	44	93
	-	84	376
	-	21	25
	-	10,460	4,834
	-	98	-
	-	574	515
	-	214	275
	135	63	191
	138	(132)	(98)
	273	11,426	6,211

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

## 2 Other Income

Other

Restricted	Unrestricted	2022	2021
£'000	£'000	Total £'000	Total £'000
	-	120	3
	-	120	3

## 3 Raising funds - investment management

Investment management fees  
Expenditure on directly managed investment properties  
Expenditure on Social Investments

Restricted	Unrestricted	2022	2021
£'000	£'000	Total £'000	Total £'000
	-	1,475	5,249
	10	49	160
	-	18	13
	10	1,542	5,422

## 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
Inclusive Growth Network	Centre for Progressive Policy	735
Poverty Strategy Commission: Influencing and shaping anti-poverty debate and action	Legatum Institute	300
Capturing insights from people in poverty – the prototype	Humankind Research	199
Rowntree Society	Rowntree Society	135
Bevan Foundation	Bevan Foundation	129
Good Ancestors Movement	Good Ancestor Movement	126
APPLE Collective	JRF	123
Stigma co-design programme	JRF	116
Collaborative working on place based journey in York	New Constellations	106
Resolve collective	Resolve	101
Articulating economic alternatives	UCL Policy Lab	95
Bureau of Investigative Journalism to run a year-long investigation into the exploitation of ethnic minority women in the gig economy, largely in cleaning and care work	JRF	91
Talking about housing: mobilisation phase with Frameworks UK	New Constellations	83
design the inquiry question for the larger partnership		80
Support for tackling low wage and insecure work and facilitation of 'Three Horizons' framework discussions on the role of finance in tackling poverty	ShareAction	76
Next Steps to a Just & Sustainable Housing System in Scotland	University of Glasgow	75
Extension of MIS to account for Covid volatility	Loughborough University	66
Building a social movement to tackle poverty	Church Action on Poverty	66
Emerging Futures Fund Co-Design Group	JRF	65
Bring Energy Home	Britain ReMade Futures Ltd	60
Core funding for Breakthrough Impact	Breakthrough Impact	60
Designing Out Destitution and Deep Poverty	New Local	58
Housing Subsidies and Affordability	Tony Blair Institute for Global Change	52
Unlocking the Flexibility Trap: 10 years on	Timewise Foundation	52
A Minimum Income Guarantee for Scotland	IPPR Scotland and Robertson Trust	50
Developing models & tools to provide timely insight on poverty issues (Data & Digital)	Social Finance	50
Supporting the development of the funder collaborative	Centre for Knowledge Equity	50
Scotland Insights Project	Savanta	49
Community Voices Programme - Somali Welfare Trust	Somalia Welfare Trust	47
Growing the Grassroots project	Civic Power Fund	47
Lessons learnt from the Talking About Poverty project	Rights Evaluation Studio	45
Ethnicity and the labour market in Glasgow	The Collective	42
Dundee fighting for fairness	Faith in Community Dundee	41
Ecosystem Mapping & External Engagement	Connected by Data	35
focussed on the potential for a housing market downturn and the policy interventions needed to respond to it		
PhD Studentships	OnPlace	31
York Big Tent of Ideas	York St John University	30
We're right here funding	The Big Tent	30
Women in Journalism	Locality	30
Destitute Britain	Women In Journalism Scotland	30
National Listening Campaign	JRF	30
Funders for Race Alliance	Community Organisers Limited	30
How the pandemic has impacted on public attitudes to poverty	Equally Ours	27
End Poverty Edinburgh	Britain Thinks	26
Capturing the insights of people living in poverty: a feasibility study	The Poverty Alliance	26
Grants under £25,000	Humankind Research	25
Total grants linked to JRF objectives		419
Other Non Research and Development Grants made were:		4,239
Strategic Support		428
The Homestead Park		336
Regional Grants (Note i)		246
Write-back projects approved in previous years no longer required		(58)
		5,191
Note (i)		
Regional Grants comprised:-		£'000
York		125
Hartlepool		121
		246

Further information on the grant commitments in the year is available in the Trustees' Annual Report and on the JRF website.  
Where JRF is identified as the organisation it is holding funds on behalf of others to distribute.

#### 4 Grant Commitments (continued)

Individual projects committed during 2021 within programmes, in excess of £25,000 all of which relate to unrestricted funds, 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	Funding 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		315
Total Research and Development Grants		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

#### 5 Support and Governance Costs

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

	2022 £'000	2021 £'000
Staff costs, including welfare, training and temporary staff	8,299	7,433
Office costs	2,347	1,604
Travel and subsistence	113	43
Consultancy and professional fees	792	1,173
Governance (Note i)	164	154
	11,715	10,407
(i) Governance		
	2022 £'000	2021 £'000
Trustees' travel and subsistence	3	4
Trustees' meeting expenses and training	3	2
Trustees' appointment	-	19
External Auditors' remuneration	47	45
External Auditors' Non Audit Fees	4	5
Internal audit	107	79
	164	154

All the above costs are inclusive of applicable VAT. Non audit fees comprised tax compliance and advisory work £4,392. (2021: Tax compliance services £5,231). Fees charged for the audit of subsidiaries, not included in the table above and inclusive of vat were JRHT £42,429 (2021: £36,605) and CEL £4,293 (2021: £3,704). Non-audit fees in relation to subsidiaries not included in the above table and inclusive of vat were JRHT £10,920 (2021: £9,980) and CEL £3,498 (2021: £3,180).

#### 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 £2,792 (2021: £4,971) and is included within Governance (Note 4). The number of Trustees reimbursed during the year was 6 (2021: 10).

7 Employee Information  
(a) Staff Costs

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

	2022			2021		
	Parent £'000	JRHT £'000	Group £'000	Parent £'000	JRHT £'000	Group £'000
Wages and salaries	5,823	11,663	17,486	5,825	12,555	18,380
Retirement, redundancy and exit payments	276	261	537	164	144	308
National insurance contributions	643	1,013	1,656	595	975	1,570
Other pension costs (Note 8)	346	549	895	351	647	998
	7,088	13,486	20,574	6,935	14,321	21,256

Staff costs include a cost of living support payment to all staff, including directors, of £1,500 per employee.

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

	2022		2021	
	Headcount No.	FTE No.	Headcount No.	FTE No.
Parent				
Number of Executive Directors	6	6	6	6
Employees, including those on joint contracts with the subsidiary	142	134	159	150
	148	140	165	156
Subsidiary	474	388	572	470
	622	528	737	626

(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:-

	2022	2021
£60,001 - £70,000	6	10
£70,001 - £80,000	12	4
£80,001 - £90,000	-	1
£90,001 - £100,000	-	-

The above bandings includes one employee who left during the year. Equivalent annual remuneration places this employee in the banding £70,001 to £80,000. In addition one employee who joined during the year is included within in the equivalent annual remuneration band £60,001 to £70,000 and three employees who joined during the year are included in the equivalent annual remuneration band £70,001 to £80,000.

(c) Executive Directors and Key Management Personnel

	2022				2021			
	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	152	-	9	161	151	-	9	160
Director of Communication and Public Engagement from 1 April 2021	100	-	6	106	74	1	4	79
Director of Evidence and Policy from 21 June 2021	100	-	6	106	52	-	3	55
Director of Emerging Futures from 7 September 2021	87	-	5	92	25	8	2	35
JRHT Executive Director	100	-	6	106	98	-	6	104
Director of Finance	100	-	6	106	98	-	6	104
Director of Corporate Services	100	-	6	106	98	-	6	104
Acting JRF Executive Director - from 20 April 2020 to 20 June 2021	-	-	-	-	41	-	2	43
	739	-	44	783	637	9	38	684

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

	2022 £'000	2021 £'000
Basic Salary	739	637
Compensation for loss of office	-	-
Benefits in Kind	-	9
Pension Contributions	44	38
Employer's NIC	97	79
	880	763

The emoluments of the highest paid director, the Group Chief Executive, excluding pension contributions were £152,000. (2021: the Group Chief Executive £151,000)

The benefits in kind of the Director of Communication and Public Engagement and the Director of Emerging Futures in 2021 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

	2022 £'000	2021 £'000
Year 1	1,788	1,693
Year 2	1,878	1,788
Year 3	1,971	1,878
Year 4	2,069	1,971
Year 5	2,172	2,069
Year 6	549	2,172
Year 7	-	549

### b Key financial assumptions

	2022 % pa	2021 % pa
Discount rate	5.00	1.83
Inflation (RPI)	3.14	3.34
Inflation (CPI)	2.78	2.92
Salary Growth	3.78	3.92

The allowance for commutation of pension for cash at retirement was 75% in both 2022 and 2021.

### c Average life expectations

	2022 Years	2021 Years
The mortality assumptions adopted at 31 December 2022 imply the following life expectancies at the age of 65:		
Male retiring in 2022	21.10	21.60
Female retiring in 2022	23.70	23.50
Male retiring in 2042	22.40	22.90
Female retiring in 2042	25.20	25.10

### d Amounts recognised in the statement of financial activities

	2022 £'000	2021 £'000
Expenses (note 5)	47	49
Interest cost (note 2)	150	203
Total charged to statement of financial activities	<u>197</u>	<u>252</u>

### e Reconciliation of defined benefit obligation

	2022 £'000	2021 £'000
Defined benefit obligation at beginning of year	67,062	69,223
Expenses	47	49
Interest cost	1,206	976
Actuarial loss/(gain) due to Scheme experience	7,520	(622)
Actuarial (gain)/loss due to change in demographic assumptions	(707)	259
Actuarial gain due to change in financial assumptions	(31,313)	(906)
Benefits paid	(2,287)	(1,917)
Total charged to statement of financial activities	<u>41,528</u>	<u>67,062</u>

### f Reconciliation of fair value of Scheme assets

	2022 £'000	2021 £'000
Fair value of Scheme assets at beginning of year	58,025	54,227
Interest income on Scheme assets	1,056	773
Experience (loss)/gain on plan assets (excluding amounts included in interest income)	(26,282)	3,300
Contributions by JRF	1,731	1,642
Benefits paid	(2,287)	(1,917)
Fair value of Scheme assets at end of year	<u>32,243</u>	<u>58,025</u>

### g Amounts recognised in the balance sheet

	2022 £'000	2021 £'000
Fair value of Scheme assets	32,243	58,025
Actuarial value of scheme liabilities	(41,528)	(67,062)
Deficit in the scheme	<u>(9,285)</u>	<u>(9,037)</u>

8 Social Housing Pension Scheme (continued)

h Analysis of assets

	2022 £'000	2021 £'000
Global Equity	305	10,840
Absolute Return	319	2,736
Distressed Opportunities	1,490	1,845
Credit Relative Value	1,420	1,745
Alternative Risk Premia	54	2,166
Fund of Hedge funds	-	2
Emerging Markets Debt	41	2,355
Risk Sharing	2,332	1,713
Insurance-Linked Securities	1,212	1,241
Property	1,483	1,351
Infrastructure	4,592	3,593
Private debt	1,532	1,299
Opportunistic Illiquid Credit	1,939	1,700
High Yield	16	2
Opportunistic Credit	-	380
Cash	392	264
Corporate Bond Fund	4	3,841
Liquid Credit	-	393
Long Lease Property	1,121	1,280
Secured Income	1,496	1,985
Liability Driven Investment	13,280	17,245
Currency Hedging	236	(92)
Net Current assets	(1,021)	141
Total Assets	<u>32,243</u>	<u>58,025</u>

i Analysis of return on assets

	2022 £'000	2021 £'000
Interest on scheme assets	1,056	773
Actuarial (loss)/gains	(26,282)	3,300
Actual return on assets	<u>(25,226)</u>	<u>4,073</u>

j Analysis of return on assets recognised in other comprehensive income

	2022 £'000	2021 £'000
(Loss)/gains on Scheme assets	(26,282)	3,300
Experience (loss)/gain on scheme liabilities	(7,520)	622
Gain on change in assumptions (financial and demographic)	32,020	647
Actual return on assets	<u>(1,782)</u>	<u>4,569</u>

**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 :-

	<b>2022</b>		<b>2021</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Turnover		25,544		25,339
Grants Received		-		2,672
		<u>25,544</u>		<u>28,011</u>
<b>Operating Costs</b>				
Staff Costs	(14,829)		(15,693)	
Other Costs	(7,377)		(5,481)	
Interest Payable	(2,484)		(1,948)	
Gain on Disposal of Fixed Assets	1,155		674	
Property Depreciation	(3,008)		(3,008)	
Taxation	(118)		-	
Recycled grant repaid	<u>(348)</u>		<u>(266)</u>	
		(27,009)		(25,722)
Gain on revaluation of investment properties		202		-
Income from investment properties		135		128
Expenditure on investment properties		(10)		(12)
Interest Receivable		138		106
		<u>(1,000)</u>		<u>2,511</u>



**Joseph Rowntree Foundation**  
**Registered Charity**

**10 Tangible Fixed Assets**

**Group**

	Properties £'000	Properties under construction £'000	Furniture and Equip-ment £'000	Total £'000
<b>Cost</b>				
At 1 January 2022	227,602	531	2,321	230,454
Additions	5,187	813	67	6,067
Disposals	(2,477)	-	(570)	(3,047)
Transfer to Assets held for sale	(2,728)	-	-	(2,728)
At 31 December 2022	<u>227,584</u>	<u>1,344</u>	<u>1,818</u>	<u>230,746</u>

**Depreciation**

At 1 January 2022	34,301	-	1,835	36,136
Charge in the year	3,440	-	169	3,609
Disposals	(678)	-	(560)	(1,238)
Transfer to Assets held for sale	(812)	-	-	(812)
At 31 December 2022	<u>36,251</u>	<u>-</u>	<u>1,444</u>	<u>37,695</u>

**Net Book Value**

At 1 January 2022	<u>193,301</u>	<u>531</u>	<u>486</u>	<u>194,318</u>
At 31 December 2022	<u>191,333</u>	<u>1,344</u>	<u>374</u>	<u>193,051</u>

**Properties are represented by:**

Freehold Land and Buildings	184,586
Long Leasehold Land and Buildings	6,747
	<u>191,333</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
<b>Cost</b>			
At 1 January 2022	2,342	1,053	3,395
Additions	-	67	67
Disposals	-	(447)	(447)
At 31 December 2022	<u>2,342</u>	<u>673</u>	<u>3,015</u>

**Depreciation**

At 1 January 2022	-	952	952
Charge in the year	-	46	46
Disposals	-	(437)	(437)
At 31 December 2022	<u>-</u>	<u>561</u>	<u>561</u>

**Net Book Value**

At 1 January 2022	<u>2,342</u>	<u>101</u>	<u>2,443</u>
At 31 December 2022	<u>2,342</u>	<u>112</u>	<u>2,454</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 2022	1,998
Additions	196
Disposals	(283)
At 31 December 2022	<u>1,911</u>

**Amortisation**

At 1 January 2022	1,652
Charge in the year	134
Disposals	(281)
At 31 December 2022	<u>1,505</u>

**Net Book Value**

At 1 January 2022	<u>346</u>
At 31 December 2022	<u>406</u>

**Parent****IT Software  
£'000****Cost**

At 1 January 2022	1,938
Additions	189
Disposals	(224)
At 31 December 2022	<u>1,903</u>

**Amortisation**

At 1 January 2022	1,592
Charge in the year	134
Disposals	(222)
At 31 December 2022	<u>1,504</u>

**Net Book Value**

At 1 January 2022	<u>346</u>
At 31 December 2022	<u>399</u>

**12 Homebuy Loans****Group****2022  
£'000****2021  
£'000**

At 1 January	2,227	2,356
Repayments	(205)	(129)
At 31 December	<u>2,022</u>	<u>2,227</u>

There are no Homebuy Loans in the Parent.

**13 Investments****Group**

	<b>Market Value 1.1.22</b>	<b>Purchases/ Additions</b>	<b>Sales/ Repay- ments</b>	<b>Gains/ (Losses)</b>	<b>Market Value 31.12.22</b>	<b>Cost 31.12.22</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Quoted Investments</b>						
UK Index Linked	10,558	7,003	(8,274)	(2,863)	6,424	7,036
UK Fixed Interest	934	5,100	(5,786)	(9)	239	239
UK Equities	8,713	1,993	(9,416)	33	1,323	1,058
Overseas Index Linked	7,051	8,981	(12,018)	(260)	3,754	3,941
Overseas Fixed Interest	-	10,619	(7,460)	117	3,276	3,257
Overseas Equities	435,356	15,064	(19,766)	(49,571)	381,083	230,707
	<u>462,612</u>	<u>48,760</u>	<u>(62,720)</u>	<u>(52,553)</u>	<u>396,099</u>	<u>246,238</u>
<b>Other Investments</b>						
Other	17,337	15,261	(21,071)	1,248	12,775	13,049
Property Unit Trusts	14,328	-	(64)	(1,158)	13,106	15,089
	<u>31,665</u>	<u>15,261</u>	<u>(21,135)</u>	<u>90</u>	<u>25,881</u>	<u>28,138</u>
<b>Investment Properties</b>						
Directly Managed	4,448	-	-	(1,048)	3,400	2,238
<b>Social Investments</b>	9,236	1,424	(1,153)	357	9,864	9,913
<b>Unquoted Investments</b>						
Clifton Estate Limited	-	-	-	-	-	17
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
<b>Cash held for Investment</b>	1,713	754	-	-	2,467	2,467
	<u>509,674</u>	<u>66,199</u>	<u>(85,008)</u>	<u>(53,154)</u>	<u>437,711</u>	<u>289,011</u>

**Joseph Rowntree Foundation**  
**Registered Charity**

**Parent**

	<b>Market Value 1.1.22 £'000</b>	<b>Purchases/ Additions £'000</b>	<b>Sales/ Repay- ments £'000</b>	<b>Gains/ (Losses) £'000</b>	<b>Market Value 31.12.22 £'000</b>	<b>Cost 31.12.22 £'000</b>
<b>Quoted Investments</b>						
UK Index Linked	10,558	7,003	(8,274)	(2,863)	6,424	7,036
UK Fixed Interest	934	5,100	(5,786)	(9)	239	239
UK Equities	8,713	1,993	(9,416)	33	1,323	1,058
Overseas Index Linked	7,051	8,981	(12,018)	(260)	3,754	3,941
Overseas Fixed Interest	-	10,619	(7,460)	117	3,276	3,257
Overseas Equities	435,356	15,064	(19,766)	(49,571)	381,083	230,707
	<u>462,612</u>	<u>48,760</u>	<u>(62,720)</u>	<u>(52,553)</u>	<u>396,099</u>	<u>246,238</u>
<b>Other Investments</b>						
Other	17,337	15,261	(21,071)	1,248	12,775	13,049
Property Unit Trusts	14,328	-	(64)	(1,158)	13,106	15,089
	<u>31,665</u>	<u>15,261</u>	<u>(21,135)</u>	<u>90</u>	<u>25,881</u>	<u>28,138</u>
<b>Investment Properties</b>						
Directly Managed	1,250	-	-	(1,250)	-	1,464
<b>Social Investments</b>	9,236	1,424	(1,153)	357	9,864	9,913
<b>Unquoted Investments</b>						
Clifton Estate Limited	-	-	-	-	-	17
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>
<b>Amounts owed by Group undertakings</b>						
Hartrigg Oaks Loans- Fixed	112	-	(60)	-	52	52
	<u>112</u>	<u>-</u>	<u>(60)</u>	<u>-</u>	<u>52</u>	<u>52</u>
<b>Cash held for Investment</b>	1,713	754	-	-	2,467	2,467
	<u>506,588</u>	<u>66,199</u>	<u>(85,068)</u>	<u>(53,356)</u>	<u>434,363</u>	<u>288,289</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 less a provision, given that the current lease expires in 2023 and the site is expected to be re-purposed.

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	
	2022	2021
	£'000	£'000
<b>Shared ownership properties</b>		
Completed properties	46	1,141
Work in progress	292	-
	338	1,141
Housing Land and Buildings	1,915	1,458
	2,253	2,599

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

#### 15 Debtors

	Group		Parent	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Rent arrears	315	347	-	-
Prepayments	380	254	365	334
Sundry debtors and accrued income	1,776	1,250	240	270
	2,471	1,851	605	604

#### 16 Creditors: Amounts falling due within one year

	Group		Parent	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Outstanding Grant Commitments (Note 17)	3,700	3,180	3,700	3,180
Recycled Capital Grant	524	288	-	-
Rents in advance	341	318	-	-
Accruals	2,023	3,670	342	1,755
Other Creditors	3,340	2,340	914	606
Debt (note 18)	1,021	19	-	-
	10,949	9,815	4,956	5,541

#### 17 Creditors: Amounts falling due after more than one year

	Group		Parent	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Outstanding Grant Commitments:				
At 1 January	3,573	2,779	3,573	2,779
New grant commitments during year (Note 4)	5,191	5,664	20,258	5,664
Grants paid during year	(4,304)	(4,870)	(19,371)	(4,870)
	4,460	3,573	4,460	3,573
Less: Amounts falling due within one year (Note 16)	(3,700)	(3,180)	(3,700)	(3,180)
At 31 December	760	393	760	393
Deferred grant income on properties being Developed	-	-	-	-
Recycled Capital Grant	1,622	1,523	-	-
Deferred income- amounts received in advance	3,798	3,813	-	-
Deferred Land	3,933	3,234	-	-
Capitalised Community Fees	2,398	2,429	-	-
Residence Fees at Hartrigg Oaks	31,800	30,607	-	-
Bonds and Loan Stock	794	869	-	-
Debt (Note 18)	45,664	59,186	-	-
	90,769	102,054	760	393

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 :

	2022 £'000	2021 £'000
Housing Loans (Note i)	31,685	44,205
THFC Bond (Note ii)	15,000	15,000
	<u>46,685</u>	<u>59,205</u>

### Note i

The Housing Loans comprise:-

	2022 £'000	2021 £'000
Orchardbrook Ltd	685	705
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
	<u>31,685</u>	<u>44,205</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 2023 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 4.75%. 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 4.33%. 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 3.57%. 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 SONIA: the average rate charged during the year was 2.63%. 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 SONIA: the average rate charged during the year inclusive of non- utilisation fees was 2.47%. The Facility, which is available until June 2023, is secured against 213 of JRHT's properties.

The Housing Loans are repayable in the following periods:-

	2022 £'000	2022 £'000	2021 £'000
In one year or less (Note 16)		1,021	19
Between one and two years	24		1,021
Between two and five years	1,074		4,074
In five years or more	<u>29,566</u>		<u>39,091</u>
		<u>30,664</u>	<u>44,186</u>
		<u>31,685</u>	<u>44,205</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:-

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
In one year or less		-		-
Between one and two years		-		-
Between two and five years		-		-
In five years or more	<u>15,000</u>		<u>15,000</u>	
		<u>15,000</u>		<u>15,000</u>
		<u>15,000</u>		<u>15,000</u>



## 19 Cash Flow from Operating Activities

	2022		2021	
	£'000	£'000	£'000	£'000
Net expenditure before investment movements in the year		(9,886)		(6,413)
Depreciation of tangible fixed assets	3,609		3,593	
Amortisation of intangible fixed assets	134		129	
Amortisation of Non-refundable Residence Fees	(305)		(295)	
Amortisation of Capitalised Community Fees	(199)		(203)	
Decrease in Net Present Value of Loan Stock	(12)		18	
Increase in outstanding grant commitments	887		794	
(Increase)/Decrease in Stock of Materials	(14)		12	
Surplus on sale of properties	(2,446)		(2,437)	
Decrease/(Increase) in housing stock held for sale	346		(1,806)	
(Increase)/Decrease in debtors	(563)		29	
Increase/(Decrease) in creditors	2,260		(1,692)	
Increase/(Decrease) in Net Pension Liability	248		(5,959)	
		3,945		(7,817)
<b>Net cash outflow from operating activities</b>		<b>(5,941)</b>		<b>(14,230)</b>

## 20 Leasing Commitments

Total future minimum operating lease payments are set out below:

	Group		Parent	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	112	207	11	148
Between two and five years	301	23	-	-
Over five years	-	-	-	-
	413	230	11	148

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

The annual charge for rental of office space under operating leases was £97,025 (2021: £113,008)

## 21 Financial Assets and Liabilities

	Group		Parent	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Financial assets that are debt instruments measured at amortised cost	10,910	10,604	556	3,328
Financial liabilities measured at amortised cost	(100,173)	(110,598)	(5,610)	(5,829)
Financial liabilities that are measured at fair value through the surplus or deficit	(10,079)	(9,906)	(9,285)	(9,037)
	<u>(99,342)</u>	<u>(109,900)</u>	<u>(14,339)</u>	<u>(11,538)</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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Carrying amount	10,079	9,906	9,906	9,037
Contractual Obligations	10,749	10,411	9,906	9,037
	<u>(670)</u>	<u>(505)</u>	<u>-</u>	<u>-</u>

## 22 Restricted Funds

### Group

	Income and Expenditure Reserve	Sales Reinvestment Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2022	89,090	1,084	9,464	99,638
Income and movement in market value of investments	26,019	-	-	26,019
Expenditure	(27,019)	-	-	(27,019)
Transfer	(16)	16	-	-
Transfer of revaluation reserve to unrestricted reserve	70	-	(70)	-
Balance at 31 December 2022	<u>88,144</u>	<u>1,100</u>	<u>9,394</u>	<u>98,638</u>

	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 to income and expenditure reserve	70	-	(70)	-
Balance at 31 December 2021	<u>89,090</u>	<u>1,084</u>	<u>9,464</u>	<u>99,638</u>

There are no restricted funds in the parent entity.

**23 Analysis of Net Assets between Funds**

	Restricted Funds	Group Unrestricted Funds	Total	Parent Unrestricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Properties	188,991	2,342	191,333	2,342	2,342
Property schemes in progress	1,344	-	1,344	-	-
Motor vehicles & equipment	262	112	374	112	112
Intangible Fixed Assets	7	399	406	399	399
Homebuy Loans	2,022	-	2,022	-	-
Investments	3,400	434,311	437,711	434,311	434,311
Current Assets Less Liabilities	(97,388)	(2,325)	(99,713)	(2,325)	(2,325)
Total Net Assets	98,638	434,839	533,477	434,839	434,839

**At 31 December 2021**

	Restricted Funds	Group Unrestricted Funds	Total	Parent Unrestricted Funds	Total
	£'000	£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
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

**24 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 £7.14m (2021: £5.240m). There is a contingent liability for deferred land payments with no fixed repayment date of £4,265,000.

JRF has been notified by the Trustee of the Social Housing Pension Scheme (SHPS) that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

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

Outstanding loans to JRHT at 31 December 2022 amounted to £51,596 (2021: £111,976). Loans advanced were £nil and loan repayments amounted to £60,380. Interest charged on loans to JRHT during the year was £6,434 (2021: £10,443).

**(b) Loan Facility**

JRF provides a facility for up to £25,000,000 to JRHT. Interest will be charged at market value rates, taking external advice as necessary. As at 31 December 2022, none of this facility had been drawn (2021: £Nil).

**(c) Grants**

JRF provided a bursary support grant of £314,000 to JRHT in 2022. The amount provided in 2021 was £314,000.

JRF provided a revenue support grant to JRHT in 2022 of £1,009,000 (2021: £1,200,000).

JRF provided a grant to JRHT in 2022 as part of its house building programme of £12,371,000 (2021: £66,000). This is the third drawdown of grants of up to £50m agreed with JRHT to create 1,000 new homes over 10 years.

JRF provided a grant of £536,000 to JRHT in 2022 towards the direct running costs of heritage assets. The amount provided in 2021 was £428,000.

JRF provided a grant of £837,000 to JRHT to provide cost of living assistance to staff. The amount provided in 2021 was £Nil.

**(d) Overhead Recharge**

An overhead recharge was charged by JRF to JRHT during the year. The amount of the recharge in 2022 was £2,231,000 (2021: £2,227,000).

**26 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.

**27 Trustees' Related Party Transactions**

One grant for £75,000 in respect of the "Next Steps to a Just and Sustainable Housing System in Scotland" was made to the University of Glasgow where one Trustee, Professor Carol Tannahill OBE, is an Honorary Professor. There were no Trustee related party transactions in 2021.

**28 Directors' Related Party Transactions**

The Executive Director JRHT also holds a non executive post with Leeds Federated Housing Association (LFHA). LFHA provided cleaning services to JRHT of less than £5,000 during the year. The Executive Director JRHT is not involved in any aspect of the contract. (2021: Nil)

**COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL  
ACTIVITIES**

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

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