

THE
JOSEPH
ROWNTREE
CHARITABLE
TRUST

Joseph Rowntree

Annual Report 2022

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Foreword from the Chair

2022 was a busy and demanding year.

Our grant-holders continue to work in a deeply challenging context, as we face worsening societal challenges for people and planet; continued political polarisation, an erosion of rights, a failure to address the climate crisis, risks to peace in Northern Ireland and an ongoing focus on military approaches to security. As ever, the most vulnerable and marginalised people and groups in our society suffer the greatest harm.

In such a climate, the work of those we fund has never felt more crucial. In 2022, we made £13.45 million of grants in line with our mission to support those who address the root causes of conflict and injustice. We're glad to have supported vital and powerful work, and to have committed a further £1.75 million to support grantees facing steep increases in inflation and the cost of living.

After years of preparation, 2022 also saw the launch of a new funding programme for JRCT, with the introduction of our pilot Grassroots Movements Fund. We're incredibly grateful to our programme managers, Elena Blackmore, Mumbi Nkonde and Sophie Pritchard for their careful work, and to consultants Debs Grayson and Guppi Bola, who worked alongside Mumbi, with the advice and support of many others, to shape the fund, building on the sensitive preparatory work by Michael Pitchford. The first funding round proved to be so in-demand that the team received hundreds of requests for calls within weeks.

In 2021, following early research into the colonial origins of the Rowntree Company, JRCT committed to engaging with those communities who have been harmed to identify forms of reparation which further our charitable purposes for the public benefit. Throughout 2022, a working group of people with expertise in reparatory justice, voluntary reparations models and racial justice, along with staff and trustees, have helped us to outline our approach. We are still in the very early stages of this complex work and we remain fully committed to taking tangible steps towards reparations.

A process of change, and a commitment to learn from our past, has included ongoing work to address dynamics of power and privilege. 2022 saw the board alter the Trust deed in order to enable participatory grant-making on our Grassroots Movement Fund without the requirement for trustee involvement. A review of our Sustainable Future programme made recommendations to ensure JRCT centres those who are most harmed by systemic injustice and who are the least likely to be involved in giving and receiving philanthropic funding. And at our final board meeting of the year the board agreed, that while the Quaker commitment to collective action for nonviolent social change remained integral to the Trust, future recruitment to the board would be open to non-Quakers.

As part of our power and privilege strategy we also expanded the expertise of our grant-making committees, and were delighted to welcome some outstanding new co-opted members to advise on funding: Tanzil Chowdhury, Kavian Kulasabanathan, Marai Larasi and Nani Jansen Reventlow joined our Rights and Justice committee, Brian Whelan and Yuan Yang have joined our Power and Accountability committee, and Ibtehal Hussain and Nora Ziegler joined our Peace and Security committee.

While our investment portfolio reported losses in the year, as seen with global equity markets generally, we remain optimistic about, and committed to, our long-standing approach to ethical and sustainable investment.

We were pleased to welcome new staff in 2022, including our new Head of People and Operations Nicola Purdy and Head of Grant Programmes Susana Klien. We increased the capacity in our Movements team, and welcomed Grants Officer Kelvin Ha, and Finance and Investment Officer Sallyanne Soukup.

In November Celia McKeon stepped down as Chief Executive. We are grateful to Celia for everything she has contributed to JRCT's work, in particular, the leadership she showed in our current work exploring the origins of our endowment and the working group arising from it. We said farewell to Head of Grant Programmes, Michael Pitchford, with special thanks for his committed long term work on our Rights and Justice programme and the quality of the relationships he generated with our grantees. We thanked departing trustee Nic Burton for his service.

I'm thankful to each member of the board, staff and co-optee team for their work with limited staffing capacity in a challenging year. I am extremely grateful to the invaluable work of each member of our team who are united in care for the mission and values the Trust stands for, and the vital work of those we fund.

John Fitzgerald

Trustees' Annual Report

2022

Objects and activities for the public benefit

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

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

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

Joseph Rowntree also stressed the importance of seeking out “the underlying causes of weakness or evil in the community” rather than “remedying their more superficial manifestations”. The Trust’s independent resources and governance mean that trustees are able to

support organisations working on controversial or unpopular issues, or tackling intractable problems. The issues on which the Trust makes grants are informed by enduring Quaker values and concerns, including peace, equality, simplicity, and truth and integrity in public affairs.

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

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

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

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

Ireland. Each programme has a grants policy, providing more specific detail on programme priorities. These are published on our website.

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

Activities in 2022

Grant-making

JRCT ran two application cycles during 2022, welcoming applications to all our grant programmes. Demand for the Trust's funding remained strong, and we received 286 applications during the year (down from 374 in 2021 but over two grant rounds this year compared with three in 2021).

Following our assessment processes, the Trust made new grants totalling approximately £13.45 million in 2022. The amount spent on the different programme areas in 2022 is given on page 11 and new grants made by the Trust in 2022 are listed individually on pages 13 to 21. We were delighted to make grants to 21 new organisations, while also continuing to offer further funding to 80 groups that had already received support from the Trust. We also continued to offer higher levels of supplementary discretionary support to our grantees, totalling approximately £583k in 2022, in response to the continued challenges of the Covid-19 pandemic and the wider external context.

In addition in response to the Cost of Living crisis in 2022, trustees approved the awarding of further increases to existing grants, to support grantees facing increased costs arising from inflation. We started processing these towards the end of the year and by the year-end £164k had been offered to and accepted by grantees and is recognised in the 2022 accounts, with the remainder to be processed in the first few months of 2023.

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

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

From time to time, we convene grantees and other groups working in our areas of interest to strengthen networking, to benefit from external input, or to help the Trust learn more about specific subject areas or reflect on its own practice and priorities.

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

Grassroots Movements Fund

In December 2022 we launched the £1 million pilot fund to support grassroots social movements whose work is vital to systemic change in our society, with the first round of grants to be made in early 2023. This work follows several years of design and development, after JRCT recognised that movements were an important, and largely missing, element within how we fund social change. Trustees made a decision in 2020 to support this new area of work, after recommendations from a consultation, outlined in our ‘Developing a pilot movement fund report’.

To keep in line with the aims and values of movements the Grassroots Movements Fund will use a participatory grant-making process. This means the grant decisions will be put into the hands of the communities affected by those decisions. A new structure called the ‘Movement Assembly’ has been set up which is made up of organisers and activists working within movements.

Power and privilege

Alongside our sister organisations, the Joseph Rowntree Foundation and the Joseph Rowntree Reform Trust, we published a statement in April 2021 acknowledging the colonial origins of our endowment, and offering an unreserved apology for the harm caused.

We committed to engaging with those communities who have been harmed, for the purposes of restorative justice and to identify forms of reparation which further our charitable purposes for the public benefit.

Soon after making this commitment in 2021 we brought together a working group of people with expertise in reparatory justice, voluntary reparations models and racial justice, along with staff and trustees.

The group has met regularly throughout 2022 to explore the principles and practice of reparatory justice and to support us to outline an approach. The group has also contributed to our understanding of the specialist skills and leadership needed to embed this work across the Trust, which will lead to new staff recruitment and the establishment of an external advisory group.

Reparatory justice is an extensive process and although we are still in the very early stages of this work, we remain fully committed to taking tangible steps towards reparations. JRCT is also supporting further in-depth research arising from the Rowntree Society’s preliminary findings.

We remain committed to strengthening JRCT’s contribution to racial justice in our grant-making, investments and governance. There is much more for us to do and we will continue to approach this with a spirit of humility and learning.

This process of change, and a commitment to learn from our past, also included the board decision to alter the Trust deed in order to enable participatory grant-making on our Grassroots Movement Fund without the requirement for trustee involvement. And at our final board meeting of the year the board agreed, that while the Quaker commitment to collective action for nonviolent social change remained integral to the Trust, future recruitment to the board would be open to non-Quakers.

A review of our Sustainable Future programme made recommendations to ensure JRCT centres those who are most harmed by systemic injustice and who are the least likely to be involved in giving and receiving philanthropic funding.

Staff and co-optee recruitment

JRCT was delighted to welcome new staff in 2022 including our new Head of People and Operations who joined in March 2022 succeeding our outgoing Head of Operations who had left the

organisation in October 2021.

We increased the capacity in our Movements programme team, and added administrative capacity including a new Finance & Investment Officer post to support the increased activity across the Trust. Our former Head of Grant Programmes left in October 2022 and was replaced by a new Head of Grant Programmes.

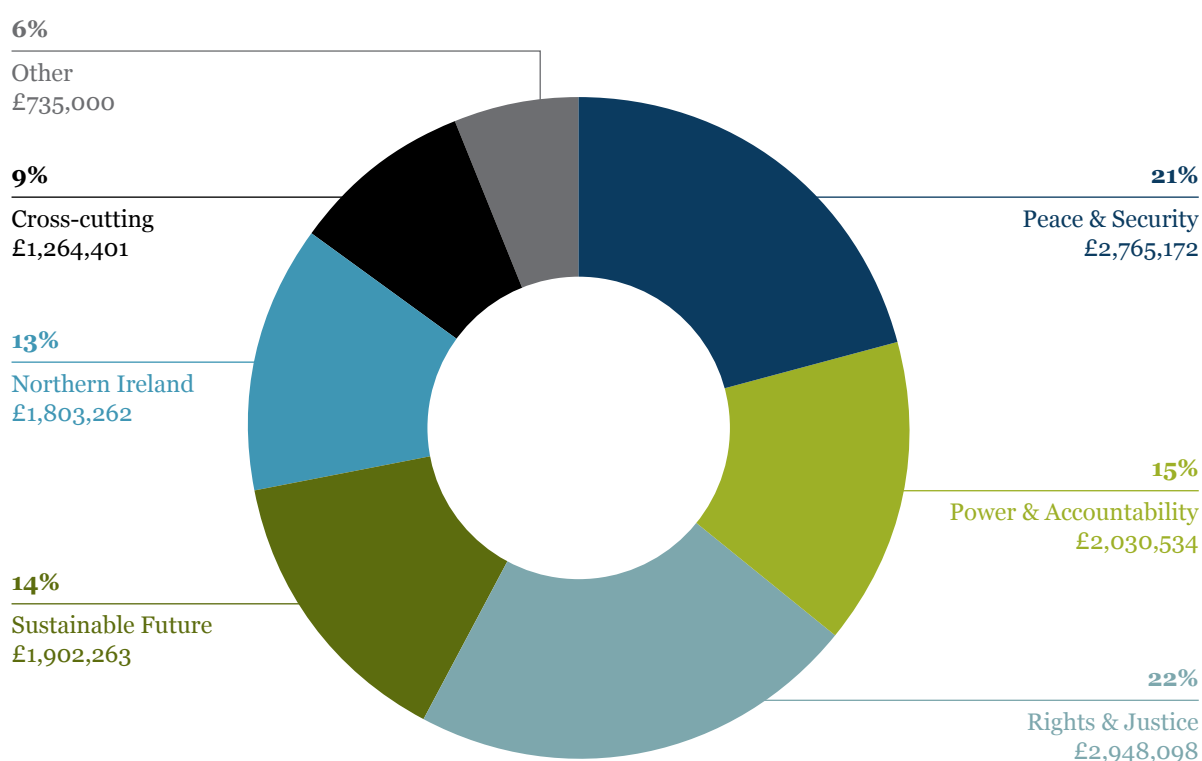
In November Celia McKeon stepped down as Chief Executive. We are grateful to Celia for everything she has contributed to JRCT's work.

As part of our power and privilege strategy, we decided in 2021 to increase the number of external experts ("co-optees") on our grant-making committees, in order to strengthen the breadth of expertise and lived experience that informs our grant-making decisions, and have continued with that process in 2022. At the end of 2022, our Rights & Justice committee had seven co-optees, our Power & Accountability committee had six co-optees, and the Sustainable Future, Peace & Security and Northern Ireland committees each comprised four co-optees, alongside trustees and staff.

2022 grant approvals in figures

Breakdown of new programme grants

Grant expenditure	2022 grants £	2022 grants #
Peace & Security	2,765,172	22
Power & Accountability	2,030,534	19
Rights & Justice	2,948,098	22
Sustainable Future	1,902,263	11
Northern Ireland	1,803,262	14
Cross-cutting	1,264,401	9
Other	735,000	4
	13,448,730	101



Ten largest grants in 2022

Organisation	Amount	Months	Programme
Baobab Foundation	£500,000	24	Other
People & Planet	£335,931	60	Sustainable Future
Women's Environmental Network	£331,127	60	Sustainable Future
Bail for Immigration Detainees	£321,208	60	Rights and Justice
Institute of Race Relations	£300,000	60	Rights and Justice
Runnymede Trust	£300,000	36	Rights and Justice
Migrants Organise Ltd	£280,000	60	Rights and Justice
CEMVO Scotland	£222,095	48	Sustainable Future
Airwars	£210,000	36	Peace and Security
FactCheckNI	£210,000	36	Northern Ireland
Zahid Mubarek Trust	£210,000	36	Rights and Justice

Note: as there were 3 grants for the same amount, the list above includes 11 grants.

The Trust's ten largest grants represent 22% of the total funds approved (2021: 23%).

Number of applications in 2022: 286 (2021:374).

Grants made in 2022

Peace and Security programme

We support approaches to defence and security which prioritise peace, non-violence and human rights.

ACLED

www.acleddata.com

Yemen Data Project

US\$214,231 | 36 months

Acronym Institute for Disarmament Diplomacy

www.acronym.org.uk

Humanitarian disarmament, nuclear abolition, and real security

£165,000 | 36 months

Airwars.org

<https://airwars.org>

Amplifying the voices of civilians affected by conflict

£210,000 | 36 months

All-Party Parliamentary Group on Drones and Modern Conflict

www.appgdronesmodernconflict.org.uk

Galvanising parliamentary support for an alternative approach to security

£140,000 | 36 months

British American Security Information Council (BASIC)

www.basicint.org

Core costs

£60,000 | 24 months

Ceasefire Centre for Civilian Rights

www.ceasefire.org

Civilian rights and UK military accountability

£174,000 | 36 months

Centre for International Studies and Diplomacy, SOAS, University of London

www.soas.ac.uk/cisd

Strategic Concept for Removal of Arms and Proliferation

£96,000 | 36 months

Ian Davis

<https://natowatch.org>

Project costs to further develop NATO Watch

£38,000 | 36 months

Demilitarise Education

<https://ded1.co>

Implementing the Demilitarisation model within universities

£110,000 | 24 months

Every Casualty Worldwide

www.everycasualty.org

Core costs

£165,000 | 36 months

Forces Watch<https://forceswatch.net>

Funding for charitable work

£103,630 | 24 months

Fuuse Filmswww.fuuse.netCORE: Original Video Library
about radicalisation and hatred

£40,000 | 36 months

Independent Diplomatwww.independentdiplomat.org

Core costs

£165,000 | 36 months

Institute on Statelessness and Inclusionwww.institutesi.orgBuilding and supporting a coalition
to counter the (mis)use of citizenship
stripping as a counterterrorism tool

£160,000 | 36 months

Nuclear Information Servicewww.nuclearinfo.orgInvestigating the risks and
costs of UK nuclear weapons

£170,000 | 36 months

Reprieve<https://reprieve.org.uk>Challenging UK abuses
in counter terrorism

£180,000 | 36 months

Saferworldwww.saferworld.org.ukIn pursuit of stronger UK and
European arms transfer controls

£167,845.38 | 36 months

Saferworldwww.saferworld.org.ukPeacebuilding responses
to crises and threats

£50,000 | 12 months

Saferworldwww.saferworld.org.ukRethinking Security –
coordination and operating costs

£120,000 | 36 months

Shadow World Investigations Ltdwww.shadowworldinvestigations.orgUK arms trade – public
education and advocacy

£120,000 | 24 months

The War Fixers Project

Prosecuting the ‘war fixers’

£32,165.74 | 36 months

**Trust for Research and Education
on the Arms Trade (TREAT)**www.treat-research.org.ukCampaign Against Arms Trade (CAAT)
Research and Education Programme

£140,000 | 24 months

Power and Accountability programme

We support those working for a world in which power is more equally shared and powerful institutions are accountable to wider society.

Association for Citizenship Teaching
www.teachingcitizenship.org.uk
 Critical media literacy teacher education
 £70,000 | 24 months

Democracy Club CIC
www.democracyclub.org.uk
 UK Candidates and Representatives
 £100,000 | 24 months

End Violence Against Women Coalition
www.evaw.org.uk
 Core costs
 £60,000 | 36 months

European Coalition for
 Corporate Justice (ECCJ)
www.corporatejustice.org
 Core costs
 €156,000 | 36 months

Frank Bold
<http://en.frankbold.org>
 Ensuring an impactful corporate
 accountability and transparency
 framework in Europe
 €150,000 | 36 months

Germanwatch e.V.
www.germanwatch.org
 Strengthening corporate
 accountability enforcement
 €115,762 | 24 months

Goldsmiths, University of London –
 Media Reform Coalition
www.mediareform.org.uk
 The BBC and beyond:
 building a media commons
 £98,203.16 | 26 months

Good Jobs First
www.goodjobsfirst.org
 Growing the user base, usefulness
 and impact of Violation Tracker UK
 US\$131,706 | 24 months

mySociety
www.mysociety.org
 Knowledge is power: ensuring the
 right to information can be used by all
 £129,065 | 24 months

Nick of Time Productions Ltd
www.nicolaskent.com
 Grenfell: System Failure –
 Scenes from the Inquiry
 £25,000 | 6 months

Research for Action
www.researchforaction.uk
 Public interest in local
 audit and accountability
 £66,564 | 18 months

Research Co-operative Ltd
 Open the Files! Make the
 Undercover Policing Inquiry
 accessible and accountable
 £109,510 | 24 months

STOPAIDSwww.stopaids.org.uk

Putting public health ahead of profit:
increasing transparency and public
accountability within pharmaceutical/
government relations during the
COVID-19 pandemic

£92,700 | 12 months

Surviving Economic Abusewww.survivingeconomicabuse.org

Ideal World Project

£150,000 | 36 months

The Centre for Progressive Changewww.centreforprogressivechange.org

National Sick Pay Campaign

£100,000 | 24 months

The Corporate Justice Coalition CIOwww.corporatejusticecoalition.org

Core costs

£150,000 | 36 months

The Equality Trustwww.equalitytrust.org.uk

Core costs

£100,000 | 24 months

The Redress Trustwww.redress.org

Financial accountability for torture

£158,592 | 36 months

Rights and Justice programme

We support those who uphold equality and human rights in support of racial and religious minorities.

Bail for Immigration Detaineeswww.biduk.org

Core costs

£321,208 | 60 months

British Red Crosswww.redcross.org.uk

Asylum Reform Initiative (ARI)

£30,000 | 12 months

Birthrightswww.birthrights.org.uk

A national inquiry on racial
injustice and human rights
in maternity care: phase two

£100,000 | 24 months

Drive 2 Survivewww.drive2survive.org.uk

Research and awareness-raising project

£119,000 | 24 months

EachOtherwww.eachother.org.uk

Core costs

£29,000 | 12 months

Inclusive Mosque Initiativewww.inclusivemosque.org

Core costs

£55,000 | 12 months

Institute of Race Relationswww.irr.org.uk

Core costs

£300,000 | 60 months

Joint Enterprise Not Guilty by Association (JENGbA)www.jointenterprise.co

Spotlight Joint Enterprise

£135,000 | 24 months

Kanlungan Filipino Consortiumwww.kanlungan.org.ukPromotion of rights and justice
for East and Southeast Asian
migrants and refugees

£180,000 | 36 months

Kids of Colour CICwww.kidsofcolour.comProject streams of youth work,
education and community development

£144,400 | 24 months

Maternity Engagement Actionwww.maternityengagement.co.uk

Black Maternal Ambassadors for Change

£37,981 | 12 months

Migrants Organise Ltdwww.migrantsorganise.org

Core costs

£280,000 | 60 months

National Survivor User Networkwww.nsun.org.ukMental health and migrant justice:
building connections and solidarity

£84,620 | 24 months

People's History Museumwww.phm.org.ukWars, Trade, Empire and Slavery
Interactive Timeline

£5,000 | 3 months

Racial Justice Networkwww.racialjusticenetwork.co.ukStrengthening the anti-racism
movement in Yorkshire and beyond

£82,500 | 18 months

Roma Support Groupwww.romasupportgroup.org.uk

Roma policy and campaigning project

£167,939 | 36 months

Runnymede Trustwww.runnymedetrust.org

Core costs

£300,000 | 36 months

the3million<http://the3million.org.uk>Influencing project – representing
and protecting the rights of EU
citizens in the UK

£35,000 | 12 months

The 4Front Project Ltd
www.4frontproject.org
 Campaign for healing,
 justice and racial equity
 £180,000 | 36 months

United Families and Friends Campaign
www.uffcampaign.org
 Youth Wing project
 £88,000 | 24 months

Joshua Virasami hosted by Pluto Press
 Building Black Liberation
 [working title] Publication
 £63,450 | 22 months

Zahid Mubarek Trust
www.thezmt.org
 Core costs
 £210,000 | 36 months

Sustainable Future programme

We fund imaginative and inclusive approaches to tackling the climate crisis and building a just and equitable economy in order to protect the planet for future generations.

Breathe
www.neweconomyorganisers.org
 Climate justice community organising
 £150,000 | 36 months

CEMVO Scotland
www.cemvoscotland.org.uk
 Ethnic Minority Environment Network
 £222,095 | 48 months

Culture Unstained
www.cultureunstained.org
 Ending fossil fuel sponsorship
 of science and culture
 £172,500 | 36 months

Economy
www.ecnmy.org
 Core costs
 £180,000 | 36 months

Faith for the Climate
www.faithfortheclimate.org.uk
 Faiths for Climate Justice project
 £120,000 | 36 months

Food Ethics Council
www.foodethicscouncil.org
 Making food citizenship the norm
 £52,500 | 24 months

People & Planet
<http://peopleandplanet.org>
 Climate Justice
 £335,931 | 60 months

Uplift
<https://upliftuk.org>
 Warm This Winter: a campaign
 for affordable energy in the UK
 now and in the future
 £60,000 | 9 months

Upper Space CIC
www.adfreecities.org.uk
 Adfree Cities Network 2022–25
 £167,085 | 36 months

Women's Environmental Network
www.wen.org.uk
 Core costs
 £331,127 | 60 months

Welsh Centre for International Affairs
www.wcia.org.uk
 Climate Cymru Legacy project
 £111,025 | 24 months

Northern Ireland programme

We support those whose work to promote peace, human rights and participatory politics contributes to the ongoing transformation of the Northern Ireland conflict.

Alliance for Choice
www.alliance4choice.com
 Online learning hub to empower sexual and reproductive rights
 £79,195 | 18 months

Informing Choices NI
www.informingchoicesni.org
 Sexual Health, Rights and Education
 £175,217 | 36 months

Creggan Enterprises Limited
www.rathmor.com
 The Focus Project
 £180,000 | 36 months

Northern Ireland Anti Poverty Network
 Revive NIAPN
 £98,620 | 24 months

FactCheckNI
www.factcheckni.org
 Facts in Front
 £210,000 | 36 months

Participation and the Practice of Rights Project
www.pprproject.org
 Core costs
 £120,000 | 24 months

HERe NI
www.hereni.org
 Influencing Policy, Changing Lives
 £105,885 | 36 months

Quaker Service
www.quakerservice.com
 Core costs
 £150,000 | 36 months

Reclaim the Agendawww.reclaimtheagenda.com

Building an intersectional and sustainable women's movement

£50,000 | 12 months

Relatives for Justicewww.relativesforjustice.com

Legacy casework, rights and international advocacy

£150,000 | 36 months

Social Change Initiativewww.socialchangeinitiative.com

World Values Survey

£10,000 | 12 months

The Rainbow Projectwww.rainbow-project.org

Core costs

£130,087 | 36 months

Women's Platform Ltdwww.womensplatform.org

Leading the way towards a rights-based future

£155,000 | 36 months

Women's Resource and Development Agencywww.wrda.net

Women's Sector Lobbyist

£189,258 | 36 months

Cross-cutting grants

In 2022, JRCT made a number of cross-cutting grants where the work directly related to more than one programme area.

Covid-19 Bereaved Families for Justicewww.covidfamiliesforjustice.org

Informing the Covid-19 public inquiries

£208,842.18 | 36 months

Environmental Rights Centre for Scotlandwww.ercs.scot

Core costs

£180,000 | 36 months

Food Foundationwww.foodfoundation.org.uk

Increasing investor engagement with the government on food policy

£70,000 | 24 months

Inquest Charitable Trust<http://inquest.org.uk>

Core costs

£165,000 | 36 months

Public Interest Research Centre Ltdwww.publicinterest.org.uk

Core costs

£180,000 | 36 months

Rights and Security Internationalwww.rightsandsecurity.org

Core costs

£135,000 | 24 months

Systemic Justicewww.systemicjustice.ngo

Mapping priorities for community-driven litigation on racial, social and economic justice in Europe

€58,525 | 6 months

**The Ecumenical Council
for Corporate Responsibility**www.eccr.org.uk

Core costs

£105,000 | 36 months

The Ubele Initiativewww.ubele.org

Agbero (Sustainable) Project

£170,813 | 24 months

Other grants

A small number of other grants were made at the discretion of trustees alongside our programme areas. Details of the grants made are given below.

Baobab Foundationwww.baobabfoundation.org.uk

Baobab Collective Fund

£500,000 | 24 months

The Rowntree Societywww.rowntreesociety.org.uk

Core costs

£75,000 | 36 months

Future Foundations UKwww.futurefoundationsuk.org

Future Foundations UK

£20,000 | 12 months

Woodbrooke Quaker Study Centrewww.woodbrooke.org.uk

Woodbrooke Learning and Research

£140,000 | 12 months

Investments

Approach to investment

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

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

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

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

Our approach to investment is explained further in our investment strategy which is available on our website at www.jrct.org.uk.

Investment portfolio

As at 31 December 2022 our externally managed investments represented almost 100% of our portfolio (2021: almost 100%). They were all invested through equity funds managed on a total return basis. Our externally managed investments are now all in global equity funds.

During the year we continued to make further payments as part of our committed investment into the Generation Sustainable Solutions Fund III. As a long-term investor we felt that we could afford to accept less liquidity on this relatively small private equity investment in the hope of generating higher long-term returns. Currently this investment represents 4% of our portfolio. The remainder of our managed funds are invested in listed equities.

The small number of investments we manage ourselves are social investments and represent less than 1% of the portfolio (2021: less than 1%). These investments are in the Ethical Property Company, Mundo-Lab (formerly Ethical Property Europe) and the Social Justice and Human Rights Centre.

More detailed information on our funds and directly held investments can be found on our website at www.jrct.org.uk.

Investment performance and future plans

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

Following strong performance in our public equity portfolio in previous years, in 2022 we saw material falls in our investments in line with global equity markets. The return on the whole portfolio net of investment management fees for the year was a negative return of -17.4%, underperforming the Trust's benchmark (MSCI All-Countries World Index ACWI) by -9.3% for the year overall.

On a longer perspective the performance was better, with a total return of +4.7% per annum over 3 years (underperformance against benchmark -0.6%) and a total return of +6.8% per annum over 5 years (outperformance of benchmark +0.7%).

All markets in 2022 were affected by factors including high inflation, rising interest rates, the war in Ukraine, energy supply problems, tightening labour markets and the ongoing impacts of Covid in China and globally. The performance of our portfolio, with its focus on quality growth stocks with a long-term horizon, is particularly vulnerable in the short term to increases in inflation and interest rates.

In pursuing the Trust's long-term investment policy as described above, we recognise the limitations of comparing performance to a benchmark and therefore only regard our benchmark as a guide.

We have reviewed the Trust's investment performance during 2022 and since the end of the financial year. While we are aware of investment risks, we remain confident that the theoretical case for us to invest primarily in equities and in a responsible and sustainable manner is borne out in practice. Given this, we are likely to continue to invest almost entirely through sustainable equity funds into the long term.

Review of investment activities

Investment governance

During 2022 we continued to actively oversee our whole portfolio both as a responsible investor and with an eye to returns. Our Investment Committee, which refers back to the Trust board, is supported in its work by three co-opted members with a professional investment background and by an independent investment advisor.

In addition, we employ the services of an independent performance measurement company to enhance our understanding of how the investment styles of our different managers contribute to overall performance and their reports are considered by Investment Committee.

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

PRI (Principles for Responsible Investment)

Rising to our commitment as a signatory to PRI we also held our managers to account throughout the year on their general engagement activities.

Membership organisations

We are a member of the Church Investors Group, the Charities Responsible Investment Network, the Institutional Investors Group on Climate Change (IIGCC) and the UK Sustainable Investment and Finance Association (UKSIF). We are also an investor signatory to the CDP (Carbon Disclosure Project). Through these networks and other collaborative initiatives we engaged directly with companies and policy makers on a range of issues.

Fossil fuels

We are divested from fossil fuel extractive companies.

Finance

Financial review

Income in 2022 was £1.1 million (2021: £1.9 million). This comprises investment income of £1.047 million (2021: £1.174 million) and unrestricted donations and legacies of £4k (2021: £701k).

Our relatively modest level of investment income reflects the fact that we are predominantly invested in managed funds run on a total return basis, and the increased allocation to overseas equities during 2021 has reduced income further this year with 2022 being the first full year with the new allocation.

Expenditure allocated to charitable activities in the year was £16.3 million (2021: £12.3 million), principally being grants awarded of £14.1 million (2021: £10.8 million).

£0.8 million (2021: £3.4 million) was spent in the year on generating funds (primarily fees paid to our investment managers). The investment manager fees were lower this year because of a reduced performance fee element following decreases in market values.

Our investment portfolio reported losses in the year, as seen with global equity markets generally, with losses on investments of £64.0 million (2021: gains of £66.1 million).

The value of the Trust's net assets decreased to £268.5 million (2021: £348.7 million).

Spend policy

In 2018, as part of our decennial review, we agreed that, for the next ten years, we will operate on the basis of a fixed total spend (to cover grant and non-grant expenditure, net of investment fees) to be increased by our grant inflator annually. We agreed that the starting level for this expenditure would be £11.7 million for 2019, based on a forecast of potential sustainable spend provided by a reputable investment house. We recognise that there is no certainty in that regard but also that trustees have freedom to spend at whatever level they see fit. We welcome and celebrate the opportunities that this new spend level has brought.

In 2020 we agreed further increased spending in response to the Covid-19 crisis, and in 2021 and 2022 we have continued to provide higher levels of supplementary discretionary support to our grantees in response to the continued challenges of the Covid-19 pandemic and the wider external context including the Cost of Living crisis. Our intention is to continue with this additional level of spending in 2023.

Reserves policy

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

In setting this level of free reserves, we are mindful that all the Trust's funds are in fact unrestricted and that, in the case of urgent need, further liquid assets can be generated. The balance held as unrestricted funds at 31 December 2022 was £268.5 million (2021: £348.7 million), of which £18.9 million (2021: £16.2 million) was held as available reserves in cash or short-term deposits. Budgeted expenditure before any income in 2023 is £17.9 million.

Despite the market falls which have affected our portfolio in 2022, particularly earlier in the year, our investments are sufficiently liquid and supplemented by cash levels that we have sufficient funds to continue to support our activities. Given this, we believe that the current level of free reserves is reasonable.

Going concern

The balance held as unrestricted funds at 31 December 2022 totalled £268.5 million. This figure reflected all known liabilities as at the balance sheet date and there were no material uncertainties. This sum comprised of assets totalling £287.4 million and creditors totalling £18.8 million, principally grant commitments payable over a number of years. Of the assets, £275.9 million were in liquid form (cash deposits) or near liquid form (quoted equities).

During the financial year we have seen material falls in our investments in line with global equity markets. However given the strength of the Trust's unrestricted reserves, its liquidity position and our attitude to expenditure levels, we are of the view that the Trust is likely to remain a going concern for the foreseeable future.

Remuneration policy

We are a living wage employer.

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

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

Staff receive an annual cost of living award with effect from 1 April each year, which is approved by trustees following consideration of factors including the

Retail Prices Index and the Average Weekly Earnings Index. During 2022 an additional increase was awarded later in the year due to the exceptional level of inflation.

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

Governance and management

The Joseph Rowntree Charitable Trust is a charity registered in England and Wales, number 210037. Founded in 1904, the Trust's governing document is a deed of variation dated 9 September 2022 of a declaration of trust dated 6 November 1939, as amended in 1968, 1990, 1998 and 2006.

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

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

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

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

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

Trustees meet as a full Trust board at least four times a year. These meetings include an opportunity for trustees to meet without staff for part of the meeting. Trustees are also involved in the assessment of grants through programme committees. Until March 2022 all grants over £120k, as well as all high risk grants, were approved by the full board, and after March 2022 this threshold was increased to £180k. This limit is reviewed annually by trustees. Trustees also oversee the Trust's investments and operations through the Trust's Investment and Operations and Finance committees respectively.

The trustees are supported in their role by staff and also take external advice when required. Day-to-day administration of the Trust is delegated to the Chief Executive working as part of a staff team, which in 2022 comprised twelve full-time and thirteen part-time staff. A written scheme of delegation is maintained.

Conflicts of interest and related parties

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

Risk management

Trustees are responsible for the management of the risks faced by the Trust, and consider a range of different types of risks as follows:

Strategic risks

The board of trustees considers an update on strategic risks, and mitigating actions, at each quarterly meeting. Strategic risks are considered under the themes of board governance, leadership and management, financial sustainability, financial management, grant-making, reputation and communications management, information management and building management.

The principal strategic risks facing the Trust during 2022 were identified as follows:

- Loss of legitimacy arising from failure to live up to the commitments made in response to our work to acknowledge the origins of the endowment
- Lack of diversity among the board and senior leadership team
- Staff management and capacity challenges arising from organisational growth, increase in grant-making and the scale of work associated with taking forward our response to the origins of the endowment.

For each of these risks, mitigating actions have been identified or are in the process of being developed and implemented. The actions include the creation of a workstream to take forward our response to the origins of the endowment, commitments to diversify our board and senior leadership team, and plans to strengthen staff capacity. The staff management and capacity challenges were monitored during the absence of the Chief Executive during 2022 with trustees approving additional temporary resource where necessary to mitigate this.

Operational risks

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

Grant-making risks

The Trust's grant-making model and commitment to tackling the root causes of conflict and injustice also requires us to manage a higher-than-average level of risk associated with our grants, and we aim to support our grantees to do the same. The Trust has a grant risk management framework which we use to identify and assess risk as part of our due diligence. Risk is discussed with grant applicants as part of the assessment process, and strategies for mitigating risk by the Trust and the applicant are considered. When grant decisions are taken, the Trust identifies whether extra measures are necessary to support the grantee, and whether additional monitoring is required. Grants that are considered to be high-risk are considered by the full Trust board before approval.

Financial risks

The principal financial risk is of significant investment losses through the poor investment management of our predominantly equity-based portfolio.

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

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

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

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time

the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by trustees on 17 March 2023 and signed on their behalf by:

John Fitzgerald, Chair of Trustees

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

Opinion

We have audited the financial statements of The Joseph Rowntree Charitable Trust (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 Joseph Rowntree Charitable Trust'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 trustees 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 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 course of 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 this gives rise to 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.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the operations and finance committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the Trust from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

24 March 2023

**Sayer Vincent LLP,
Statutory Auditor**

Invicta House
108–114 Golden Lane
LONDON EC1Y 0TL

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

Financial Statements

2022

Statement of financial activities for the year ended 31 December 2022

		2022	2021
	Note	£000	£000
Income:			
Donations and legacies	2	4	701
Income from investments	3	1,047	1,174
Total income		1,051	1,875
Expenditure:			
Raising funds		803	3,360
Charitable activities		16,308	12,322
Total expenditure	4	17,111	15,682
Net expenditure before net (losses)/gains on investments		(16,060)	(13,807)
Net (losses)/gains on investments	12	(64,057)	66,133
Net movement in funds		(80,117)	52,326
Reconciliation of funds:			
Total funds brought forward		348,662	296,336
Total funds carried forward		268,545	348,662

All income and expenditure in both years was unrestricted.

All of the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above.

Balance sheet as at 31 December 2022

		2022	2021
	Note	£000	£000
Fixed assets:			
Tangible assets	11	17	24
Investments	12	268,359	349,560
		268,376	349,584
Current assets:			
Debtors	13	77	82
Short term deposits		2,664	2,651
Cash at bank and in hand		16,242	13,563
		18,983	16,296
Liabilities:			
Creditors: amounts falling due within one year	14	(10,323)	(10,051)
Net current assets		8,660	6,245
Total assets less current liabilities		277,036	355,829
Creditors: amounts falling due after one year	15	(8,491)	(7,167)
Net assets		268,545	348,662
The funds of the charity:			
Unrestricted income funds:			
Expendable endowment		268,545	348,662
Total unrestricted funds		268,545	348,662
Total charity funds		268,545	348,662

Approved by the trustees on 17 March 2023 and signed on their behalf by:

John Fitzgerald
Chair of Trustees

Hannah Torkington
Trust First Vice Chair

Statement of cash flows for the year ended 31 December 2022

		2022	2021
	Note	£000	£000
Cash flows from operating activities			
Net (expenditure)/income for the reporting period		(80,117)	52,326
(as per the statement of financial activities)			
Depreciation charges		7	19
Losses/(gains) on investments	12	64,057	(66,133)
Income from investments	3	(1,047)	(1,174)
Decrease/(increase) in debtors	13	5	(6)
Increase/(decrease) in creditors	14, 15	1,596	(1,309)
Net cash used in operating activities		(15,499)	(16,277)
Cash flows from financing activities:			
Income from investments		463	182
Purchase of fixed assets	11	–	(1)
Purchase of investments	12	(1,251)	(162,459)
Proceeds from sale of investments	12	18,979	179,091
Net cash provided by financing activities		18,191	16,813
Change in cash and cash equivalents in the year		2,692	536
Cash and cash equivalents at the beginning of the year		16,214	15,678
Cash and cash equivalents at the end of the year		18,906	16,214

	At 1 January 2022	Cash flows 2022	At 31 December 2022
	£000	£000	£000
Analysis of cash and cash equivalents			
Operating cash at bank and in hand	3,094	957	4,051
Floating reserve:			
Cash held in deposit accounts on call	10,469	1,722	12,191
Notice deposits	2,651	13	2,664
Total cash and cash equivalents	16,214	2,692	18,906

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

a) Organisation address and country of registration

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

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

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

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

e) Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and that the amount can be measured reliably.

f) Dividends and interest receivable

Dividends and interest on investments, short term deposits and cash at bank are included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable. This includes reinvested income in investment funds where dividend notifications enable the amount to be quantified, in which case the reinvestment of income is recorded as an addition to the investment.

g) Fund accounting

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

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

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

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds include investment management fees, custodian fees, professional fees and other direct costs together with an allocation of staff costs, overhead costs and depreciation, based on the number of staff hours allocated to generating funds.
- Trustees consider that grant-making is the Trust's primary charitable activity. Grants approved represent grants approved net of cancelled grants and grants repaid and other grant adjustments. Grant related support costs include the direct costs of grant-making together with an allocation of staff costs, overhead costs and depreciation, based on the number of staff hours allocated to grant-making.

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

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

i) Allocation of support costs

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

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

j) Tangible fixed assets

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

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

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

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

k) Investments

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

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

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

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

l) Debtors

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

m) Short term deposits and cash at bank and in hand

Short term deposits represent amounts held on deposit with a maturity of between three months and one year. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

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

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pension scheme

The Trust offers employees a defined contribution scheme. Contributions are made on a sliding scale with employees contributing from 5.0% to 7.5% of their gross salary and the Trust contributing between 12.5% and 15.0%, depending on the employee contribution. Each participating member is able to select their own contribution rate. The liability for the Trust is limited to contributions arising from regular payroll expenditure.

q) Foreign exchange

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Realised exchange differences are included within the relevant transaction as part of expenditure. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The unrealised exchange differences are included in other gains and losses, where material.

r) Taxation

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

s) Related party transactions

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

2. Income from donations and legacies

	2022	2021
	£000	£000
Gifts	4	701
	4	701

All income from donations and legacies was unrestricted.

3. Income from investments

	2022	2021
	£000	£000
Dividends – equities	308	162
Reinvested income in investment funds	584	992
Interest and other investment income	155	20
	1,047	1,174

4a. Analysis of expenditure (current year)

	Cost of raising funds	Charitable activities	Governance costs	Other support costs	2022 Total	2021 Total
	£000	£000	£000	£000	£000	£000
Staff costs (note 7)	50	1,108	126	417	1,701	1,237
Grants awarded (note 5)	–	14,100	–	–	14,100	10,753
Grant awarding related costs	–	243	–	–	243	121
Investment managers' fees	628	–	–	–	628	3,197
Legal and professional fees	73	17	–	49	139	111
Other investment related costs	22	–	–	–	22	17
Auditor's remuneration	–	–	14	–	14	13
IT consultancy	–	–	–	29	29	30
Premises and office costs	–	–	–	84	84	119
Depreciation	–	5	1	1	7	19
Other costs	–	–	24	120	144	65
	773	15,473	165	700	17,111	15,682
Allocation of support costs:						
Governance costs	6	159	(165)	–	–	–
Other support costs	24	676	–	(700)	–	–
Total expenditure 2022	803	16,308	–	–	17,111	–
Total expenditure 2021	3,360	12,322	–	–	–	15,682

The decrease in investment managers' fees is due to performance fees accrued in previous years being reversed due to market movements.

4b. Analysis of expenditure (prior year)

	Cost of raising funds	Charitable activities	Governance costs	Other support costs	2021 Total
	£000	£000	£000	£000	£000
Staff costs (note 7)	61	904	96	176	1,237
Grants awarded (note 5)	–	10,753	–	–	10,753
Grant awarding related costs	–	121	–	–	121
Investment managers' fees	3,197	–	–	–	3,197
Legal and professional fees	61	9	–	41	111
Other investment related costs	17	–	–	–	17
Auditor's remuneration	–	–	13	–	13
IT consultancy	–	–	–	30	30
Premises and office costs	–	–	–	119	119
Depreciation	1	14	2	2	19
Other costs	–	–	19	46	65
	3,337	11,801	130	414	15,682
Allocation of support costs:					
Governance costs	6	124	(130)	–	–
Other support costs	17	397	–	(414)	–
Total expenditure 2021	3,360	12,322	–	–	15,682

5. Grant-making

	2022	2021
	£000	£000
Grants payable at the start of the year	17,022	18,412
New grants awarded in the year	13,449	10,272
Increases awarded in the year to existing grants	747	553
Other amendments to grants in the year	(96)	(72)
Net grant awards in the year (note 4)	14,100	10,753
Grants paid in the year	(12,595)	(12,143)
Grants payable at the end of the year	18,527	17,022
Creditors: amounts due within one year (Note 14)	10,036	9,855
Creditors: amounts due in over one year (Note 15)	8,491	7,167
Total creditors at the end of the year	18,527	17,022

6. Net outgoing resources for the year

	2022	2021
	£000	£000
This is stated after charging:		
Depreciation	7	19
Auditor's remuneration (excluding VAT)	12	11

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

	2022	2021
	£000	£000
Staff costs were as follows:		
Salaries	1,135	887
Social security costs	132	89
Pension costs	279	247
Termination costs	142	–
Other employment-related costs	13	14
	1,701	1,237

	2022	2021
	No.	No.
The following number of employees received total employee benefits (excluding employer national insurance and employer pension costs) during the year between:		
£60,000 – £69,999	3	4
£70,000 – £79,999	2	1
£160,000 – £169,999	2	–

Employer pension costs include payments made by the charity under staff salary sacrifice arrangements.

The total employee benefits including pension contributions and employer national insurance contributions of the key management personnel were £498k (2021: £393k).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses, representing the payment or reimbursement of travel and subsistence costs, compensation for loss of earnings, plus the cost of sundry expenses including telephone and stationery, totalled £15k (2021: £3k) incurred by 11 (2021: 9) trustees.

8. Staff numbers

	2022	2021
	No.	No.
The average number of employees (head count based on number of staff employed) during the year was as follows:		
Grant-making	16	15
Support	5	5
Governance	1	1
	22	21

9. Related party transactions

a) Grantees:

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

J Clarke (co-optee) is Co-Director of the Climate Campaign at People & Planet. During the year a new grant was awarded to People & Planet of £335,931 (2021: £nil) and at the year-end there were outstanding grant payments of £307,936 (2021: £45,000).

Nani Jansen Reventlow (co-optee from May 2022) is a founder of Systemic Justice. A grant was awarded to Systemic Justice for £50,271 (2021: £nil), with payments outstanding at year-end of £50,271 (2021: £nil).

Marai Larasi (co-optee from May 2022) is a founding steering group member of Baobab. During the year a grant was awarded to Baobab of £500,000 (2021: £nil), with £250,000 remaining outstanding at year-end (2021: £nil).

Nazia Latif (co-optee) undertakes consultancy work for Rights and Justice International (formerly Rights Watch UK). During the year a grant was awarded to Rights and Justice International of £135,000 (2021: £23,100) and at the end of the year there were outstanding grant payments totalling £84,375 (2021: £16,668).

Monina O'Prey (co-optee) is a Fellow at the Social Change Initiative. During the year a new grant was awarded to the Social Change Initiative for £10,000 (2021: £nil) with no outstanding payments at year-end (2021: £nil).

Sherrie Smith (co-optee) is Co Chair Board Trustee and Co Founder of Drive2Survive. During the year a grant was awarded to Drive2Survive for £119,000 (2021: £nil) and at the year-end there were outstanding grant payments of £79,335 (2021: £nil).

Elena Blackmore (joined JRCT as a Programme Manager in September 2022) previously worked for the Public Interest Research Centre, funded by Sustainable Future programme, and continues to work for them as an external consultant. A grant was awarded to the Public Interest Research Centre during the year (before Elena joined JRCT) of £180,000 (2021: £24,000) with outstanding payments of £135,000 at year-end (2021: £6,667).

Grants awarded to the above grantees in the year represented 9.4% of total grants awarded (2021: 3.0%).

b) Suppliers:

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

Muna Abdi (co-optee), through MA Consulting Limited, delivered training costing £6k in 2022 (2021:£3k).

c) Investments:

Occasionally co-opted members and advisors are involved with organisations through which we invest. This is not unexpected, given that responsible investment is still a relatively specialist area. Again, all such conflicts are declared and are managed according to our conflict of interest policy. There were no related party transactions noted in 2022.

10. Taxation

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

11. Tangible fixed assets

	Leasehold property and leasehold improvements	Fixtures, fittings and office equipment	Total
	£000	£000	£000
Cost			
At the start of the year	492	129	621
Additions in year	–	–	–
At the end of the year	492	129	621
Depreciation			
At the start of the year	472	125	597
Charge for the year	3	4	7
At the end of the year	475	129	604
Net book value at the end of the year	17	–	17
Net book value at the start of the year	20	4	24

The Trust occupies The Garden House in York jointly with the JRSST Charitable Trust, with whom the capital costs have been shared. The premises are leasehold, the lease being for a term of 136 years from 1992 at a nominal rent. The leasehold building was fully depreciated in prior year accounts.

All of the above assets are used for charitable purposes.

12. Investments

	2022	2021
	£000	£000
Fair value at the start of the year	349,560	299,067
Additions at cost	1,835	163,451
Disposal proceeds	(18,979)	(179,091)
(Losses)/gains on investments	(64,057)	66,133
Fair value at the end of the year	268,359	349,560
Investments comprise:		
Listed investments		
Global equity investment funds	256,966	337,908
Unlisted investments		
Overseas equities	10,553	10,687
UK equities	840	965
	268,359	349,560

Included in unlisted investments (overseas equities) is £10.4m (2021: £10.6m) in respect of a private equity fund investment. At the year end our outstanding commitment to the fund totalled £1.1m (2021: £2.1m).

Included in additions at cost is £0.584m of reinvested income (2021: £0.992m).

13. Debtors

	2022	2021
	£000	£000
Sundry debtors	14	19
Prepayments	7	11
Accrued income	56	52
	77	82

14. Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Grant commitments	10,036	9,855
Trade creditors	31	25
Sundry creditors	28	20
Taxation and social security	92	26
Accruals	136	125
	10,323	10,051

15. Creditors: amounts falling due after one year

	2022	2021
	£000	£000
Grant commitments falling due within 1–5 years	8,491	7,121
Grant commitments falling due after 5 years	–	46
	8,491	7,167

Legal and administrative information

Constitution

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

Trustees

Trustees who served during the year and up to the point that the accounts were signed were:

- **Jenny Amery**
(Chair until 31 December 2022)
- **Linda Batten**
- **Nic Burton**
(to 31 December 2022)
- **Helen Carmichael**
- **Hannah Darton**
- **Huw Davies**
- **John Fitzgerald**
(First Vice Chair until 31 December 2022, Chair from 1 January 2023)
- **David Newton**
- **Marghuerita Remi-Judah**
- **Janet Slade**
- **Hannah Torkington**
(Second Vice Chair until 31 December 2022, First Vice Chair from 1 January 2023)

Co-opted members

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

Peace and Security

- **Ibtehal Hussain**
(from January 2022)
- **Nick Ritchie**
- **Vron Ware**
- **Nora Ziegler**
(from July 2022)

Power and Accountability

- **John Kabia**
- **Sebastien Krier**
- **Susan Morgan**
- **Alex Runswick**
- **Brian Whelan**
(from February 2022)
- **Yuan Yang**
(from February 2022)

Rights and Justice

- **Muna Abdi**
- **Fidelis Chebe**
- **Tanzil Chowdhury**
(from August 2022)
- **Kavian Kulasabanathan**
(from August 2022)
- **Marai Larasi**
(from May 2022)
- **Nani Jansen Reventlow**
(from May 2022)
- **Sherrie Smith**

Sustainable Future

- **J Clarke**
- **Kamran Fazil**
- **Anna Fielding**
- **Lisa Vanhala**

Northern Ireland

- **Lisa Faulkner-Byrne**
- **Nazia Latif**
- **Harriet Long**
- **Cormac McAleer**
(until April 2022)
- **Monina O’Prey**

Investment committee

- **Stephen Beer**
- **Alan Goodman**
- **Olivia Macdonald**

Staff

Key management personnel at the year-end

- **Vacant**
Chief Executive
- **Susana Klien**
Head of Grant Programmes
- **Nicola Purdy**
Head of People & Operations
- **Sarah Butcher**
Head of Finance and Investment

Principal Office

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London EC1Y 0TL

Bankers

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West Malling
Kent ME19 4JQ

HSBC
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Deposit Holders

COIF Charities Deposit Fund
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London EC4R 3AB

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London EC2A 4PE

Triodos Bank
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Bristol BS1 5AS

Solicitors

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London EC4R 1BE

Fund Managers

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7th Floor
London W1B 5AN

Impax Asset Management
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London WC2R 0EZ

Royal London Asset Management
80 Fenchurch Street
London EC3M 4BY

Stewart Investors
23 St Andrew Square
Edinburgh EH2 1BB

Custodians

Investec Wealth & Investment
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Leeds LS1 4AP

Independent Investment Advisor

Helena Coles

THE
JOSEPH
ROWNTREE
CHARITABLE
TRUST

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