



# Hansard Society Ltd

## Annual Report and Accounts Year to 31 December 2021

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Company Number: 04332105

Charity Number: 1091364



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# Hansard Society Ltd

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## Annual Report and Accounts

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**For the year to 31 December 2021**

The Hansard Society is a company limited by  
guarantee and a registered charity

Company Number: 04332105

Charity Number: 1091364

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**Founder of the Hansard Society**

**Stephen King-Hall MP**



**The first members of the Hansard Society**

**Winston Churchill MP**

and

**Clement Attlee MP**

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The Co-President of the Hansard Society,  
the Speaker of the House of Commons,  
the Rt Hon Sir Lindsay Hoyle MP

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# Foreword

The Rt Hon the Baroness  
Taylor of Bolton

Chair of Trustees



The last year has once again been marked by increasing concern about the expansion of executive power and the marginalisation of Parliament by Ministers. What follows in this report is just a snapshot of the Society's work to address this problem throughout 2021.

However, I particularly want to highlight the launch of the Society's Delegated Legislation Review with the support of The Legal Education Foundation. The Review is looking at proposals for reform of the system of delegated legislation which, as Brexit and the pandemic highlighted in stark terms, is now one of the most important constitutional challenges facing Parliament.

At the launch event in Westminster in November we brought together a cross-party group of MPs to talk about their concerns with delegated legislation, demonstrating that this problem is one that spans the party divide and unites Members across the political spectrum. The reforms we are considering will be significant but rooted in practical politics, with incentives for Government as well as Parliament to change the system.

Early in the year I was delighted that the Society was once again able to support the House of Lords by hosting two online

hustings for the election of the new Lord Speaker. The events underscored the Society's role as Parliament's 'critical friend', a convenor trusted by all sides across the House to act fairly in delivering a key element in the election of one of the most important posts in our legislature.

Over the last few years politics and Parliament has been subject to considerable disruption with inevitable consequences for the Society's activities. But the team have worked tirelessly throughout to overcome the hurdles posed by the pandemic and ensure that our work remains focused on our priorities despite the wider political instability. One such priority is expanding our valuable network of members and supporters amidst increasing public concern about the state of politics and the strength of our constitution. With support from the Joseph Rowntree Charitable Trust we have been able to invest in our core operations to re-launch our membership scheme with ambitious plans to build-up our community of supporters in the years ahead.

Finally, I would also like to thank my fellow Trustees who continue to focus on strengthening the financial foundations of the Society and who provide essential support to me and the staff team.



The Trustees (who are also the Directors of the Charity for the purposes of company law) present their annual report (pages 1-28) and the financial statements (pages 29-41) for the year ended 31 December 2021.

The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the Hansard Society's governing document, and the provisions of the Statement of Recommended Practice (SORP) '*Accounting and Reporting by Charities*'.

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance, '*Charities and Public Benefit*'. The Trustees review the activities of the Charity on an ongoing basis and are satisfied that they continue to be directly related to the Society's core mission and objectives.





# Public benefit



**The Hansard Society is dedicated to supporting more informed public debate about Parliament and parliamentary democracy. Through our research we develop ideas to help improve the way Parliament works. And through education and public engagement we strive to improve knowledge of and interest in the UK's parliamentary system. Founded in 1944, the Society is known as the Westminster Parliament's 'critical friend'.**

The Charity Commission guidance on public benefit identifies two key principles that must be met to show that an organisation's aims are for the public benefit: (i) there must be an identifiable benefit which is not outweighed by any detriment or harm; and (ii) the benefit must be to the public in general or a sufficient section of the public, and not give rise to more than incidental personal benefit. The Trustees are satisfied that the objects and mission of the Society, and the activities to pursue them set out in this report, satisfy these principles of public benefit.

The Society's work supports the 'betterment of knowledge' about Parliament and the reforms needed to shape our democratic institutions for the 21st century. A research and education Society dedicated to expounding the principles, practices and challenges of parliamentary democracy, the Hansard Society is widely recognised as the

Westminster Parliament's 'critical friend'.

Beneficiaries of the Society's work to support knowledge and understanding of Parliament include a wide range of groups drawn from across civil society and primarily, but not solely, based in the UK. They include parliamentarians, parliamentary officials, academics, journalists, diplomats, non-governmental organisations and the business sector, as well as students and teachers. Most of the Society's resources and publications are made freely available via our website. Membership of the Society is available at a low annual fee, and a discount is also available for our quarterly academic journal, *Parliamentary Affairs*. The nature of the Society's work means that most events are held free of charge. Any private benefits are incidental as a necessary by-product of carrying out the Charity's aims. Staff are employed and remunerated in order that the Charity's aims are met.



# Our highlights

- **February:** A blogpost by former House of Commons Clerk Paul Evans explained legislative 'ping-pong' and 'packaging' after the government was accused of procedural trickery during scrutiny of the Trade Bill.
- **February:** We explained in a blogpost how Lord Frost's appointment as Minister of State in the Cabinet Office to lead on UK-EU relations raised challenges for parliamentary scrutiny. [SEE PAGE 11](#)
- **March:** BBC Parliamentary Correspondent Mark D'Arcy chaired the first online hustings for the election of the Lord Speaker. [SEE PAGE 10](#)
- **April:** The second online hustings for the election of the Lord Speaker was chaired by the former lobby correspondent Jackie Ashley. [SEE PAGE 10](#)
- **April:** We held a joint briefing with the Bingham Centre, the Constitution Unit and the Public Law Project, explaining how the House of Commons was marginalised during the pandemic, and why Parliament's role should urgently be restored. [SEE PAGE 9](#)
- **June:** After the House of Commons Privileges Committee recommended the creation of a new criminal offence to deal with recalcitrant select committee witnesses, former clerk Paul Evans set out the pros and cons of the proposal.
- **July:** To mark the start of the UEFA European Football Championship, we explained in a blogpost how major sporting events are managed in part by Statutory Instruments. [SEE PAGE 12](#)
- **August:** Following the announcement of regulations to require compulsory Covid-19 vaccination for workers in care homes, we set out in a blogpost how this controversial decision again exposed some of the longstanding problems with delegated legislation. [SEE PAGE 12](#)
- **September:** We published a briefing on the delegated powers in the Health and Care Bill.
- **October:** We published a briefing on the delegated powers in the Nationality and Borders Bill.
- **November:** We launched our Delegated Legislation Review, with speakers from across the political spectrum including Steve Baker MP, Thangam Debonnaire MP, Dame Angela Eagle MP, Patrick Grady MP, Mark Harper MP and Lord Judge. [SEE PAGE 8](#)

# OUR WORK

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# Delegated Legislation Review

“The Society has a long and distinguished record of work on delegated legislation, raising concerns well before it became fashionable during Brexit and Covid.”

Steve Baker MP

*Launch of the Delegated Legislation Review, 2 November 2021 at Westminster Central Hall: Rt Hon Mark Harper MP (Con), Dr Ruth Fox (Director), Thangam Debonnaire MP (Lab), Patrick Grady MP (SNP)*

© Hansard Society / Luke Boga Mitchell

In Autumn 2021 we publicly launched our Delegated Legislation Review with a half-day conference at Westminster Central Hall. To accompany the launch we published an introductory report “*Delegated legislation: the problems with the process*”, which set out the key problems with the delegation of powers and the scrutiny of Statutory Instruments that the Review will address.

Members from across the political spectrum - Steve Baker MP (Con), Thangam Debonnaire MP (Lab), Dame Angela Eagle MP (Lab), Patrick Grady MP (SNP), Mark Harper MP (Con), and Lord Judge (Convenor of the Crossbench Peers) - all spoke about their own experiences in government and opposition of delegated powers and making and scrutinising Statutory Instruments (SIs).

The discussion made clear how the Review must engage fundamental constitutional questions about the relationship between government and Parliament and - as Steve Baker MP put it - of “the democratic control of political power”, as well as practical questions about the time and resources available to MPs to undertake scrutiny of SIs day-to-day. Several MPs pointed to the extreme mismatch between the volume and importance of the delegated legislation that comes before the House and MPs’ capacity to scrutinise it.

With support from the Legal Education Foundation, the Review will run for 12 months and be supported by an Advisory Panel of experts chaired by the Society’s Chair, Baroness Taylor of Bolton. The members of the Panel are: Baroness Andrews, Sir David Beamish, Steve Baker MP, Dame Angela Eagle MP, Paul Evans CBE, Sir Jonathan Jones QC, Professor Jeff King, Lord Lisvane, and Professor the Lord Norton of Louth.

We plan to publish a report setting out our recommendations for reform of the delegated legislation system at the end of 2022. A draft new Statutory Instruments Act to replace the existing statute that has been in place since 1946, and draft Standing Orders for both Houses of Parliament, will also be published to demonstrate in practical terms how the proposals can be implemented.



# Parliament and the pandemic

“Parliament traditionally sits at the heart of British politics. With lockdown hopefully now ending, it is essential to prioritise the full restoration of parliamentary democracy and MPs’ participation rights.”

Ruth Fox, Meg Russell, Ronan Cormacain and Joe Tomlinson

*The Health Secretary, the Rt Hon Sajid Javid MP, giving a statement to the House of Commons, 14 September 2021*

© UK Parliament / Jessica Taylor



In April 2021, the Society published a joint briefing with the Bingham Centre, the Constitution Unit at University College London, and the Public Law Project, expressing concern about the marginalisation of Parliament during the pandemic.

The briefing highlighted that in a national emergency, when time for normal process is short, the gravity of the situation can require that parliamentary scrutiny be sacrificed temporarily in exchange for broader accountability. However, the government had not kept its side of the bargain, with few concessions to accountability. Ministers sought extraordinary powers - in relation to emergency legislation, regulations and finance - while consistently excluding MPs from participating in proper oversight. Unless MPs took a collective stand against Parliament’s continued marginalisation, what was once considered extraordinary could become the norm.

When the emergency Coronavirus Act provisions again came up for renewal in the Autumn, we produced a briefing explaining the statutory process and why, contrary to much media and political comment, some of the provisions would remain on the statute book.

Internationally, there was interest in whether the pandemic had driven parliamentary modernisation. Former Clerk of the Parliaments and Trustee of the Society Sir David Beamish reflected on the impact of the pandemic on the House of Lords, concluding that while the House had moved away from ‘virtual’ and ‘hybrid’ proceedings, Covid-19 practices had left their mark in relation to self-regulation of the House and greater stage management of proceedings, particularly questions.

The devolved legislatures were also grappling with the challenges of legislating during a pandemic and towards the end of the year our Director appeared before the Scottish Parliament’s Delegated Powers and Law Reform Committee to discuss the use of the ‘made affirmative’ urgency procedure.

# Lord Speaker Hustings

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**"I also take the opportunity on behalf of the House to thank all members of staff, and the Hansard Society, who made the election possible and ran the process so smoothly."**

Baroness Evans of Bowes Park,  
The Lord Privy Seal and Leader of the House of Lords  
*Hansard*, 21 April 2021

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*Hustings for the election of the Lord Speaker, held on Zoom on 13 April 2021. Clockwise from top left: Lord Alderdice, Jackie Ashley (Chair), Lord McFall of Alcluith and Baroness Hayter of Kentish Town*



When the Lord Speaker, Lord Fowler, announced his retirement early in 2021, we were asked by the House of Lords authorities to assist with the election of his successor by hosting two online hustings for all the candidates.

We were pleased to host the first 'Zoom' hustings on 25 March 2021, chaired by the BBC's parliamentary correspondent Mark D'Arcy. The second hustings was due to take place on 12 April but was postponed for 24 hours following the announcement of the death of His Royal Highness Prince Philip. This second hustings was chaired by Jackie Ashley, former political correspondent and broadcaster.

All three candidates - Lord Alderdice, Baroness Hayter of Kentish Town and Lord McFall of Alcluith - took part in both events.

Hansard Society members as well as Peers were able to watch both events live online, but only Peers were permitted to take an active part in proceedings, submitting their questions to the Society in advance. The recording of each event was subsequently made available to the wider public via the Society's YouTube channel.

Questions from Members of the House which were put to the candidates across the two hustings covered a range of themes including governance and the role of the Speaker; membership of the House of Lords (including the position of hereditary Peers); the future of virtual proceedings after the pandemic; communications and public engagement; relations with the devolved legislatures; and the Restoration and Renewal of Parliament.

Voting took place immediately after the second hustings and on 21 April it was announced that Lord McFall had won the election and been elected as the next Lord Speaker.

These hustings events continued the Society's involvement in Speaker hustings, after we previously hosted the official hustings for the Lord Speaker in 2011 and 2016 and the first-ever public hustings for the Speaker of the House of Commons in 2009 and again in 2019 (jointly with the House Magazine).



# Scrutiny under the microscope

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“Regardless of MPs’ positions or the merits of the various possible options, the problem as things stand is that there is no guarantee that the House as a whole will be able to hold a debate on the way in which it wishes to scrutinise EU-related matters in future.”

Dr Brigid Fowler (Senior Researcher)

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*Lord Frost speaking at an EU negotiating mandate meeting*

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The question of how the new UK-EU relationship would be scrutinised by Parliament now that the UK had left the European Union remained a live issue throughout the year and was a regular feature of work by our Senior Researcher, Brigid Fowler.

On Lord Frost’s appointment to lead on UK-EU relations as Minister of State in the Cabinet Office and a full member of the Cabinet, we noted how this brought some welcome clarity but also raised scrutiny challenges, not least because the Minister was based in the House of Lords not the House of Commons.

We also blogged about how the contrasting post-Brexit fates of the two Houses’ EU-focused select committees came about because of markedly different procedural processes in each House, reflecting the distinction between government control of business in the Commons, and the largely self-governing nature of the Lords.

Parliamentary scrutiny of the UK-EU Trade and Cooperation Agreement (TCA), which was agreed at the end of 2020, and the possible role of the UK-EU Parliamentary Partnership Assembly to be created under it, were the focus of a House of Commons International Trade Committee inquiry at which the Society gave evidence. And Brigid Fowler discussed these challenges with parliamentarians Hilary Benn MP, David Jones MP and Lord Kinnoull at an event hosted by the Institute for Government.

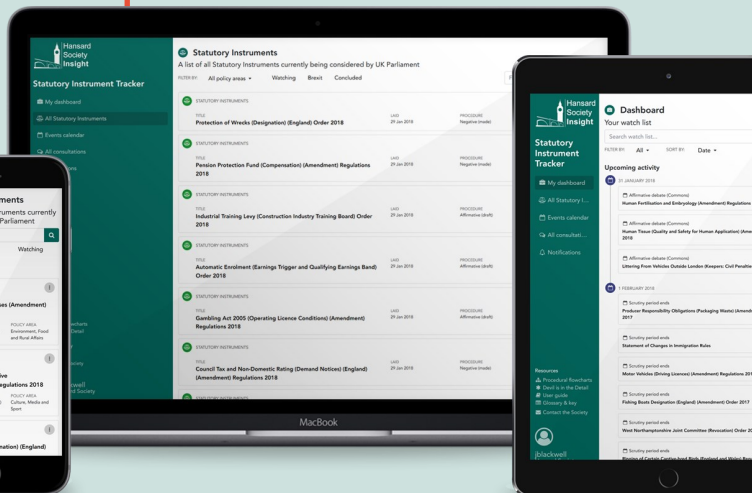
Before Brexit, mechanisms for inter-parliamentary relations and scrutiny of inter-governmental relations in the UK were unsatisfactory. Post-Brexit, the need for reform has also become more urgent.

In a blogpost, Trustee Sir Paul Silk and Hansard Society member Paul Evans set out in detail why a formal inter-parliamentary body is now needed, drawn from all five of the UK’s legislative chambers, with responsibility for scrutiny of inter-governmental working.

# Legislative monitoring

*The Society's Statutory Instrument Tracker®*

[www.hansardsociety.org.uk/services/statutory-instrument-tracker](http://www.hansardsociety.org.uk/services/statutory-instrument-tracker)



Throughout 2021 we continued to monitor the Coronavirus-related Statutory Instruments (SIs) laid before Parliament. Our Covid SI Dashboard remained an invaluable resource for MPs, Peers, journalists and researchers as they sought to follow the convoluted legislative changes being introduced by the government. It was particularly useful for external users trying to track legislative developments during the third national 'lockdown' in Spring 2021 and then the move through successive 'steps' out of lockdown during the Summer months. The Dashboard tracked, among other things, the powers used by Ministers to make and lay the Instruments, the scrutiny procedure which applied to each one, whether they complied with parliamentary scrutiny conventions, and which departments were responsible for laying the most SIs.

Throughout the year we used case study example SIs to explain the longstanding problems with delegated legislation. In July, for example, we marked the start of the UEFA European Football Championship with a blogpost explaining how this and other major sporting events were managed in part through SIs. A month later, we explored in detail the decision to introduce regulations to require compulsory Covid-19 vaccination for workers in care homes, and how the handling of this case revealed the longstanding problems with the SI system. At the end of the year we looked at how SIs were a key tool in the government's response to shortages of heavy goods drivers. As the 2020-21 parliamentary session came to a close in April we also used the sessional data to demonstrate the difficulties of securing parliamentary time to debate SIs.

To support our Delegated Legislation Review we also launched a new set of legislative briefings for MPs, focused on the delegated powers in government Bills. The briefings highlighted where and how MPs could seek to constrain delegated powers in the interests of parliamentary scrutiny and in line with the recommendations on legislative standards made over recent years by the Delegated Powers and Regulatory Reform Committee in the House of Lords.

# Parliamentary Affairs



*The new editors of Parliamentary Affairs:  
Dr Alistair Clark and Dr Louise Thompson*



In our journal, *Parliamentary Affairs*, we published over 1,000 pages of original scholarly research by 86 different authors in 50 articles about politics and Parliaments in the UK and 15 other countries as diverse as Australia, Indonesia, Italy, Taiwan and Uganda.

The articles covered an array of research themes with special collections on the 'Votes at 16' debate in the UK and the role of opposition parties in Parliament. The last issue of the year looked at the impact of populist parties in government on the powers and practices of national parliaments. An underlying theme throughout the year was whether representative democracy is in danger from the electoral advance of such parties, the maintenance of excessive executive powers after the pandemic, and the threats posed by digital/social networks to the public trust in facts and information that is so vital in a democracy.

A number of articles explored the politics of Brexit and Coronavirus and their impact on the Westminster Parliament. Other articles covered themes such as the 'parliamentarisation' of national security policy, the appeal of political rhetoric, parental status among parliamentary representatives, the role that gender representation can play in legislative bill sponsorship and success, and the case for reform of the prorogation process.

At the end of the year we marked an important transition in the development of the journal as the editor, Professor Jon Tonge of Liverpool University, stepped down after a decade at the helm. During that time he edited over 40 issues of the journal and four editions of our 'Britain Votes' general election special collection, three of them in just five years. We are very grateful for all he's done for the journal and the support he's given to the Society.

The new editors are Dr Alistair Clark of Newcastle University and Dr Louise Thompson of Manchester University. We look forward to them putting their imprint on the journal in the years ahead.





*"I do not say this lightly, but if we continue to allow the exercise of power by Ministers on this scale, with so little accountability and no serious scrutiny, then we are knowingly and willingly accepting a form of elective dictatorship by ministerial diktat."*

**Steve Baker MP**

Speaking at the launch of the Delegated Legislation Review, 2 November 2021

© Hansard Society / Luke Boga Mitchell



# GOVERNANCE, FINANCE AND RISKS

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# Decision-making

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## Charitable status

The Hansard Society is a charitable company limited by guarantee in England and Wales. It was incorporated on 25 August 1999 and registered as a charity on 17 December 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company. The company is governed under its Articles of Association.

## Honorary Co-Presidents

The Speakers of the two Houses of Parliament serve as Co-Presidents of the Society. These are honorary positions reflecting the Society's unique 'critical friend' relationship with the Westminster Parliament, and the Society's commitment to non-partisanship. The Speakers are very supportive of the work of the Society but they have no formal role in or responsibility for the administration, governance or activities of the Charity.

## Board of Trustees

Legal responsibility for the management and stewardship of the Hansard Society is vested in the Board of Trustees. Day-to-day management of the Charity is delegated to the Director.

The Board of Trustees meets four times per year; additional meetings take place if and when required. The Society does not operate standing sub-committees but convenes these from time to time where additional Board oversight is required.

The Director of the Society attends meetings of the Board of Trustees and provides regular reports on the work of the Society. Other staff may attend Board

meetings as appropriate depending on the agenda.

## Recruitment

Trustees are elected and co-opted under the terms of the Articles of Association. The Chair and Treasurer are appointed on a yearly basis at the Annual General Meeting. Other members of the Board of Trustees are appointed for a term of three years, after which they may put themselves forward for reappointment for a further three-year term. In some circumstances, Trustees may be co-opted for a further period. New Trustees are recruited with the intention of securing a range of views, interests and perspectives. In addition to public advertisements for new Trustees, wide networks are consulted, including those of our stakeholders, who represent the public, private, statutory and charitable sectors, and all the major political parties.

New Trustees are provided with an induction pack containing information about the Society and their responsibilities as Trustees, including charity law and governance issues. New Trustees also have an induction meeting with the Chair and Director to discuss particular areas of work, and then follow up on those areas with other members of staff.

## Conflicts of interest

Given the nature of the organisation, the Society's Board includes members who serve in Parliament, are involved in politics and government, and who are generally well-connected with many other organisations and individuals in wider civil society in both the private and public sectors. This poses a conflict of interest risk that must be managed. The Society thus has a Conflict of Interest Policy governing the Board of Trustees. All

Trustees must make a declaration of interests annually, and new Trustees must make a declaration on their appointment to the Board and prior to attendance at their first meeting. Declaration of interests is a standing agenda item at all Board meetings.

## Staff and volunteers

The senior management team of the Charity in 2021 comprised the Director, Dr Ruth Fox, and Lisa George (until March 2021), the Director of the Scholars Programme. During 2021 the Society employed an average of 5 members of staff compared to 6.8 in 2020.

In Summer 2021, the Society's staff complement was augmented by the arrival of two new Researchers, Dr Tom West and Dr Dheemanth Vangimalla, and a Membership and Operations Manager, Lauren Rhodes, to help the Society take forward its research and development plans. These appointments were supported by grants from The Legal Education Foundation and the Joseph Rowntree Charitable Trust, respectively.

However, the Society had to say goodbye to four long-standing members of staff when it became clear in late Autumn 2020 that the Scholars Programme would not be able to resume operations for the foreseeable future due to problems posed by the Covid-19 pandemic, particularly ongoing international travel restrictions and restricted access to Parliament. Towards the end of 2020, a decision was therefore made to mothball the Scholars Programme as it was not possible to bear the ongoing operational costs for at least a further 12 months with no balancing income. In Spring 2021 four members of staff, two full-time and two part-time, were therefore made redundant. We are deeply grateful to all four colleagues for their contribution to the success of the Scholars Programme and the wider Society.

The Board of Trustees are responsible for deciding the staff remuneration policy which they review regularly at Board meetings. Its implementation is delegated to the Director.

Salary levels are set in relation to the skills and experience that are required to enable the Charity to carry out its work. More than half of our current staff members have doctorates or other professional qualifications.

The Society continues to benefit from the University of Hull Department of Politics work placement programme.

## Operational support

A range of core services are contracted externally. Most notably, accounting services are provided by JS2, IT support is provided by Cheeky Munkey, and HR advice is provided by HR Services. The Society also subscribes externally to provide an Employee Assistance Programme for all staff.

## Membership

Membership of the Society is open to members of the public, who can join as ordinary members or as members who in addition subscribe to our journal, *Parliamentary Affairs*. Members of Parliament can join as parliamentary patrons.

In September 2021 a new Membership and Operations Manager was appointed to oversee the development of a larger and more active and engaged membership community to support the Society's research and educational work in the years ahead.

# Financial overview

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## Income

Total income for 2021 was £296,569, a significant decline on the previous year, when income stood at £660,654, and on income in 2019, prior to the pandemic, when income stood at just over £1 million.

The decline in income is largely accounted for by the mothballing of our international Scholars Programme for the duration of the pandemic. Without the Scholars Programme, income in 2021 was principally derived from grants to support the Society's charitable activities, and publications, all of which amounted to £295,804 (compared to £642,488 in 2020). Income for 2020 was significantly higher than in 2021 because the Scholars Programme did run in Spring 2020 prior to the implementation of the global Covid-19 lockdown.

A sum of £716 was derived from the government's pandemic-related furlough scheme (compared to £17,659 in 2020) prior to Scholars Programme staff being made redundant in early 2021.

## Expenditure

Total expenditure for the year also decreased significantly to £390,845 (compared to £715,589 in 2020).

The decrease in expenditure is primarily accounted for by the pandemic-induced mothballing of the Scholars Programme.

The Society thus had a net deficit of £94,276 in the year, compared to a net deficit of £54,935 in 2020.

## Balance sheet

The current funds position shows net assets of £301,236 compared to £395,512

the previous year. This includes restricted funds of £12,014 (of which there were none in 2020). The balance on the general fund at the year-end was therefore £289,222 compared to £392,836 in 2020.

## Reserves policy

The Society's Trustees ensure the overall health of the Charity by managing its free reserves to ensure the organisation can withstand short-term financial risks and adverse events that may damage some or all of the Society's areas of work.

With no endowment or substantial assets, the Society is dependent on income from its research and education services (the Scholars Programme, the Statutory Instrument Tracker, and training), publications (particularly its journal, *Parliamentary Affairs*), project grants, and membership subscriptions. The Charity therefore needs to manage the financial risks inherent in a model in which income is subject to fluctuation from year to year.

The Society's reserves policy is currently set at a minimum of three months core operational expenditure, or £119,587.

Prior to the pandemic the Society's reserves had been built up above the minimum requirement to allow for strategic investment in planned development work in the period 2020-22. However, in light of the challenges posed by Covid-19, some plans for strategic investment in 2020 were delayed and the Society had to spend down some of its reserves in 2021 to support the transition to a new funding model. The reserves policy is reviewed on a yearly basis.

## Grant funding

The Society is grateful to The Legal

Education Foundation (LEF) for providing ongoing support for its research work on delegated legislation. In 2021 the Society received £45,000 in grant funding from LEF to support our Delegated Legislation Review.

The Society also received an unrestricted grant of £60,000 from the Joseph Rowntree Charitable Trust to support our transition through the pandemic to a new funding and operational model.

## Financial risks

The most significant financial risks facing the Society are:

- continued economic downturn impacting on Society-wide activity;
- forecast income from our journal is not met;
- inadequate reserves and cashflow; and
- inadequate non-project-related funding.

The Board reviews the financial plans at each meeting and manages the significant risks accordingly through income generation pipelines, budgetary controls, and management of reserves to ensure that the organisation lives within its means.

## Financial outlook

The Hansard Society's overall financial position is weaker than in recent years as a result of the pandemic.

However, previous robust financial planning, and particularly the building-up of the Society's reserves in the period 2017-19, mean that we have been able to weather the challenges posed in the last two financial years and have emerged from the pandemic with more than three months of operational reserves still intact.

Throughout 2021, as in the year before, regular scenario planning was undertaken to identify measures that might be required to maintain a secure financial position while continuing to invest in

future developments to meet the organisation's charitable objectives.

The Trustees planned for a significant deficit in 2021 to support the Society's transition to a post-pandemic environment and are satisfied that the organisation remains viable.

Taking into account existing plans, the Society's reserves position, and confirmed income and expenditure, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities. They are therefore satisfied that the Charity is a financially viable organisation - a 'going concern' - that can continue operating for the next 12 months (from June 2022, when the assessment was made).

## Fundraising

The Society did not raise funds directly from the public in 2021.

However, as part of the organisation's efforts to diversify its income streams, the Society has developed a fund-raising plan that will be implemented with effect from Summer 2022. To this end, a new website has been built facilitating online payments (e.g. for membership and publication downloads) and donations.

The Society has therefore registered with the Fundraising Regulator and is incorporating all the necessary provisions of the fundraising code in its financial procedures.

# Key risks

The Hansard Society maintains a detailed risk management framework. Key risks and uncertainties are those that could have a material impact on the Charity in carrying out its work.

Risks cannot be entirely eliminated but the Board's objective is to mitigate the Charity's exposure to risk such that the level of risk is deemed acceptable. At times, however, it is necessary to prudently balance the level of risk with the scale of potential gain provided by certain options and opportunities that would serve to advance the Society's pursuit of its charitable objectives.

The Board of Trustees formally reviews the organisation's risk register at Board

meetings twice a year; at other times any change in a risk rating is reported to the Board and is reviewed and discussed further as necessary.

The Board of Trustees review the risks the Society faces in six categories:

- operational;
- financial;
- strategic;
- reputational;
- occupational health;
- legal / regulatory matters.

The Trustees confirm that controls are in place to reasonably mitigate the risks identified.

In 2021 the top 'priority' risks identified were:	
<p><b>Operational: Temporary loss of key staff</b></p> <p>In a small organisation the unplanned loss of key personnel, even for a short period of time, can have a significant impact on delivery of work. Given Covid-19 this risk was upgraded in 2020 from an 'important' to a 'priority' risk and it remained at that level in 2021.</p>	<p>The recruitment of three new staff in 2021 enhanced overall capacity, particularly in relation to research projects, the SI Tracker and operational support to the Director.</p>
<p><b>Continued economic downturn impacting on Society-wide activity</b></p> <p>Income declined by 43% in 2020 and has declined still further in 2021 following the mothballing of the Scholars Programme. The wider economic environment - particularly inflation driving up costs, and wider concerns about a loss of business confidence - may have implications for other areas of the Society's income generation activity, particularly the SI Tracker, where that activity would be discretionary for potential subscribers.</p>	<p>The Society adopted a new income generation plan in December 2021, alongside the budget for 2022, in order to diversify income streams and strengthen areas of existing activity such as the SI Tracker and the Membership programme. Implementation of the plans will take several months, with an expectation that an improvement in income will be realised in the second half of the year, with a particular focus on areas where there is the prospect of recurrent income generation year-on-year.</p>



<p><b>Financial: Inadequate reserves and cashflow</b></p> <p>The Society's reserves policy stands at three months of core operational expenditure. Throughout the pandemic this policy has been kept under review by Trustees. Despite the difficulties of the last two years - and the financial loss incurred in 2020 and 2021 - the Society's reserves are still above the three-month requirement.</p>	<p>This risk was updated from an 'important' to a 'priority' risk in December 2021. Mitigation measures were agreed in relation to income generation for 2022.</p> <p>The continued mothballing of the Scholars programme means income and expenditure are currently more predictable as they are not subject to semester-driven peaks and troughs, thereby making planning a little easier. Cashflow concerns are rare, not least because <i>Parliamentary Affairs</i> journal income is received through an advance every six months, and some grant income is similarly paid up front.</p>
<p><b>Financial: Forecast income from <i>Parliamentary Affairs</i> is not met</b></p> <p>Two potential risks to <i>Parliamentary Affairs</i> journal income have been identified:</p> <ul style="list-style-type: none"> <li>(i) a reduction in institutional subscriptions arising from financial pressures on universities post-pandemic; and</li> <li>(ii) the financial implications of open access publishing over the next five years.</li> </ul>	<p>The journal continues to have a good subscriber base and is insulated to a degree by its inclusion in Oxford University Press (OUP) 'consortia' sales to university libraries. Providing the journal's Impact Factor is sustained, this position is likely to be maintained. However, the impact of open access publishing plans, while relatively small at present, is forecast to be significant by 2024 and beyond. We continue to engage with OUP about possible mitigation measures.</p>
<p><b>Health problems - e.g. flu, viruses - leading to loss of key staff at important moments</b></p> <p>The ongoing concern about Covid-19 means this risk is deemed a priority and the prospect of the loss of a staff member for potentially several days, at short notice, is now factored into work plans.</p>	<p>We have very low levels of absence due to sickness. Staff actively wished to return to work in the office in Summer 2021 when working from home and lockdown restrictions were lifted. Social distancing can be implemented if required, and staff are encouraged to get vaccinated and take a Covid test if they feel unwell. Staff work from home if they or family members have Covid, and are encouraged to work from home if they have flu/a cold.</p>
<p><b>Governance - changes in membership of the Board leading to a loss of key skills / knowledge</b></p> <p>A loss of Trustees can have a detrimental impact on institutional knowledge but if unplanned and unexpected it can also give rise to unanticipated recruitment costs, with implications for staff time and wider Society resources.</p>	<p>Consideration is given regularly to succession planning. At each December Board meeting, Trustee term expiry dates for the next 12-18 months are discussed. In exceptional cases, where a Trustee's term of office is due to expire, the Board can co-opt the Trustee for a further term if they believe that the loss of key skills/knowledge would be detrimental. A Trustee skills audit was also recently undertaken to assess where skills gaps exist at Board level.</p>

# Plans for the future

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After a period of considerable volatility as a result of Brexit and Covid-19, there is increased political and media focus on constitutional matters and the wider health of our democracy. The Society's research to develop ideas to help improve the way Parliament works and to support more informed public debate about our parliamentary democracy therefore remains as relevant as ever.

## What's working, what's not?

Through to the end of this Parliament the Society's priority is to focus its research on the overarching question, 'What's working in Parliament, what's not, why does it matter and how can we fix it?' The Society will be looking ahead to anticipate the new and different challenges that Parliament may face in the future given the changing nature of politics in the decades ahead. And it will be working with MPs to help them think strategically about what they are doing, why, and how to do it better. Parliament cannot work if the government does not play by the rules and respect conventions. But if the government won't play by the rules, how should Parliament push back? What are the opportunities and risks? To reinforce the Society's role as a trusted convening power, it will continue to provide a forum where difficult issues can be discussed, a frank exchange of views can take place, solutions can be explored, and advice and support can be provided.

## Delegated Legislation Review

The Society's immediate research priority is its Delegated Legislation Review, supported by The Legal Education Foundation.

Towards the end of 2022 the Society will set out a comprehensive plan to reform

the delegated legislation system, and publish a draft new Statutory Instruments Act and Standing Orders to deliver the changes proposed.

The Society is also delivering training about the delegation of powers in legislation to support a change in attitude among civil servants as well as Ministers in Whitehall towards the scrutiny needs of Parliament throughout the delegated legislation process.

## The changing role of MPs

The Society is embarking on a major study of the changing role and function of MPs. Three-quarters of MPs were first elected in 2010 or later, and the half of MPs who have joined the House of Commons in the last five years did so during a very unusual period in the life of Parliament. MPs may not be as 'socialised' into ways of working as previous generations of Members. What might this mean for the future? The work will improve knowledge and understanding of the role and function of MPs, help the Society gauge priorities for parliamentary reform from MPs' perspectives, and inform its future thinking about what 'renewal' might mean for the Restoration and Renewal programme.

## Holding the government to account

There are three fundamental areas where Parliament must hold the government to account: policy and legislation; public finances; and national security. The state of the public finances after Brexit and Covid-19 will be central to political decision-making in the years ahead. But are the procedures in place to facilitate effective scrutiny, and are MPs resourced to engage with the issues? Foreign and development policy, defence and national

security are the subject of the new Integrated Review and the government's 'global Britain' agenda. Are there ways to improve scrutiny in these areas?

## Inter-parliamentary relations

The future of the Union looks set to be a constant theme of political debate in the years ahead. Relations between Westminster and the devolved legislatures are an important part of the constitutional jigsaw. The Society's research - particularly around delegated legislation - will therefore continue to explore how inter-parliamentary relations might be improved.

## A new Scholars Programme?

The mothballing of the Scholars Programme has extended into a third academic year. The Society has reviewed its approach to international education and proposes, in principle, to try to resume programming in 2023, finances permitting.

At the heart of our education programming in future will be a fresh mission-oriented focus on the challenges facing parliaments and parliamentary democracy. The Society is looking at the potential for shorter programmes, hybrid models involving a mix of in-person and online teaching, virtual internships, and a more diverse mix of programming for different markets.

## Enhancing our operational capacity

The Society has a new Membership and Operations Manager funded via a two-year unrestricted grant from the Joseph Rowntree Charitable Trust.

This post supports the Director and staff team with operational matters but is also leading the effort to refresh our Membership programme.

There has rarely been a more important time to support the Society, given its singular commitment to studying, advocating for, defending and enhancing

the role of Parliament. Through our new membership model we hope to build an invaluable network of people who care about Parliament, public life and politics and want our parliamentary institutions to prosper. The new model includes a Young Person (under 30) category of membership. Recognising that young people often face barriers to political engagement and participation, we hope this discounted membership will build a new generation of Hansard Society supporters who will champion parliamentary democracy in their future careers. A new category of International members has also been introduced to respond to the interest in and engagement with the Society's work outside the UK among people who are unable to attend many, if any, of our events.

## Improving our communications

The Society launched a new website in 'Beta Preview' form in May 2022. When complete, the site will provide a better platform to showcase the Society's research and education outputs, offer far greater functionality, (particularly in relation to data visualisation), and allow better marketing and sales of our events, publications, and Statutory Instrument Tracker®, and other subscriptions.

The new site will also deliver performance improvements (for example, improved page load times and faster rendering), all of which will enhance the Society's ability to ensure its target audiences can find its research and education content.

The new site also integrates online payments, subscriptions, Gift Aid, event management and donations. Alongside the website we have adopted a new CRM (Customer Relationship Management) system to help improve our engagement and communications with new members, subscribers, and donors. Together these initiatives will all help support delivery of the income generation plan for 2022-23.

# Administrative & legal information

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## Honorary Co-Presidents

The Rt Hon Sir Lindsay Hoyle MP  
The Rt Hon the Lord McFall of Alcluith

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## Trustees

Professor Roger Awan-Scully  
Sir David Beamish KCB  
Dianne Bevan  
Shirley Cameron  
Sue English  
The Rt Hon the Baroness Jay of Paddington (until March 2021)  
Amelia Knott (until December 2021)  
Dr Rebecca Rumbul  
Gerald Shamash  
Sir Paul Silk KCB  
The Rt Hon the Baroness Taylor of Bolton (Chair)

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## Director

Dr Ruth Fox

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## Company number

04332105

## Charity number

1091364

## Registered office

1.17, 1st Floor Millbank Tower,  
21-24 Millbank, London, SW1P 4QP

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## Auditors

*Haysmacintyre LLP*  
10 Queen Street Place  
London, EC4R 1AG

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## Bankers

*Unity Trust Bank*  
9 Brindley Place  
Birmingham, B1 2HB  
  
*Scottish Widows*  
PO Box 12757, 67 Morrison Street  
Edinburgh, EH3 8YJ



# Statement of Trustees' Responsibilities

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# Statement of Trustees' Responsibilities

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The Trustees (who are also Directors of the Hansard Society for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and 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 company 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 charitable company and group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant information of which the charitable company's independent examiner is unaware; and
- Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

The report of the Trustees has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

## Approval

*Approved by the Trustees on 28 June 2022 and signed on their behalf, by:*



.....  
The Rt Hon the Baroness Taylor of Bolton (Chair)

# Independent Examiner's Report

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# Independent Examiner's Report

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I report to the Trustees on my examination of the accounts of Hansard Society for the year ended 31 December 2021 which are set out on pages 29 to 41.

## Respective responsibilities of Trustees and Examiner

The Trustees (who are also the Directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act"). The Trustees are satisfied that an audit is not required for this year under section 144(2) of the Charities Act 2011 ("the 2011 Act") and have chosen instead to have an independent examination.

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

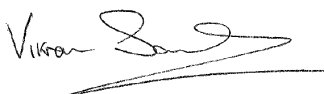
## Independent Examiner's statement

Since the charity's income is in excess of £250,000, your examiner must be a member of a body listed in the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a registered member of the Association of Chartered Certified Accountants which is one of the listed bodies.

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

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

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



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**Vikram Sandhu**  
**Haysmacintyre LLP**

Association of Chartered Certified Accountants  
10 Queen Street Place, London, EC4R 1AG

26 September 2022



# Financial Statements

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# Statement of financial activities

Incorporating an income and expenditure account for the year ended  
31 December 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>Income from:</b>					
Donations and legacies	3	716	-	716	17,734
Charitable activities	4	250,804	45,000	295,804	642,488
Investments: Bank interest		9	-	9	314
Other income		40	-	40	118
<b>TOTAL INCOME</b>		<b>251,569</b>	<b>45,000</b>	<b>296,569</b>	<b>660,654</b>
<b>Expenditure on:</b>					
Charitable activities		357,859	32,986	390,845	715,589
<b>TOTAL EXPENDITURE</b>	5	<b>357,859</b>	<b>32,986</b>	<b>390,845</b>	<b>715,589</b>
Net (expenditure) / income and net movement in funds		(106,290)	12,014	(94,276)	(54,935)
Balances brought forward		395,512	-	395,512	450,447
<b>Balances carried forward</b>		<b>289,222</b>	<b>12,014</b>	<b>301,236</b>	<b>395,512</b>

There are no recognised gains or losses other than those shown in the Statement of Financial Activities. All income and expenditure in each of the above two years derive from continuing activities. All movements in funds in 2020 were unrestricted.

# Balance sheet

As at 31 December 2021 : Company Number: 04332105

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	8	-	-
Tangible assets	9	-	2,676
<b>CURRENT ASSETS</b>			
Debtors	10	161,423	192,609
Cash at bank and in hand		165,945	237,722
		<u>327,368</u>	<u>430,331</u>
Creditors: amounts falling due within one year	11	(26,132)	(37,495)
<b>NET CURRENT ASSETS</b>		<u>301,236</u>	<u>392,836</u>
<b>NET ASSETS</b>		<u><u>301,236</u></u>	<u><u>395,512</u></u>
<b>FUNDS</b>			
Restricted funds	12	12,014	-
Unrestricted funds			
Designated funds	12	-	2,676
General fund	12	<u>289,222</u>	<u>392,836</u>
		289,222	395,512
		<u><u>301,236</u></u>	<u><u>395,512</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements. The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. They were approved, and authorised for issue, by the Directors on 28 June 2022 and signed on their behalf by:

The Rt Hon the Baroness  
Taylor of Bolton (Chair)

Shirley Cameron  
(Honorary Treasurer)

# Cash flow statement

For the year ended 31 December 2021

	2021	2020
	£	£
<b>Cash (used in) / provided by operating activities</b>		
Net movement in funds	(94,276)	(54,935)
Add back depreciation and amortisation	2,676	18,577
Less investment income	(9)	(314)
Decrease in debtors	31,186	485,121
(Decrease) in creditors	<u>(11,363)</u>	<u>(434,914)</u>
<b>Net cash (used in) / provided by operating activities</b>	<b>(71,786)</b>	<b>13,535</b>
<b>Cash flows provided by / (used in)</b>		
Investment income	<u>9</u>	<u>314</u>
Purchase of tangible fixed assets	<u>-</u>	<u>(5,353)</u>
<b>Net cash provided by / (used in) investing activities</b>	<b><u>9</u></b>	<b><u>(5,039)</u></b>
(Decrease) / Increase in cash and cash equivalents in the year	<b>(71,777)</b>	<b>8,496</b>
Cash and cash equivalents at the beginning of the year	<b>237,722</b>	<b>229,226</b>
Total cash and cash equivalents at the end of the year	<b><u>165,945</u></b>	<b><u>237,722</u></b>



# Notes to the financial statements

For the year ended 31 December 2021

## 1. Statutory information

The Hansard Society is a charitable company limited by guarantee and is incorporated in England and Wales (Company No. 04332105). The registered office address and principal place of business is Room 1.17, 1st Floor Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102, applicable in the United Kingdom and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' issued in 2015, applicable accounting standards and the Companies Act 2006.

The Hansard Society meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

### 2.2 Company status

The Charity is a company limited by guarantee. The members of the company include the Trustees. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The Trustees have assessed whether the use of the 'going concern' basis is

appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

Having reviewed its budget and projections the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the 'going concern' basis in preparing its financial statements.

### 2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### 2.4 Income

All income, including funding from government, is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be

measured reliably.

Donations and legacies income includes donations and gifts. Income is deferred only when the Society has to fulfil conditions before becoming entitled to it or where the donor has specified the income is to be expended into a future period. Where donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included as restricted income when receivable.

## 2.5 Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. The irrecoverable element of VAT is included within the item of expense to which it relates. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between the expenses headings on the basis of time spent.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity, and include governance costs which are incurred in connection with enabling the Society to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

## 2.6 Intangible fixed assets and amortisation

All assets costing more than £500 are capitalised.

Intangible fixed assets are stated at cost less amortisation. A full year of amortisation is charged on all assets in the year of purchase.

Amortisation is provided at rates calculated to write off the cost of intangible fixed assets, less their estimated

residual value, over their expected useful lives on the following basis:

Website development - 3 years straight line.

## 2.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. A full year of depreciation is charged on all assets in the year of purchase. Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office and computer equipment - 2 years straight line.

## 2.8 Employee benefits

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme: the Charity operates a defined contribution pension scheme, the assets of which are administered by Scottish Widows. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the charity benefits from the employees' services. The charity has no further liability under the scheme.

## 2.9 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.

## 2.10 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

## 2.11 Cash at bank and in hand

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.

## 2.12 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.

## 2.13 Accounting judgements and estimates

The key judgements and estimates used in the preparation of these Financial

Statements are as follows:

- The depreciation rate of tangible fixed assets and amortisation rate of intangible fixed assets are as detailed above;
- Support costs are apportioned to direct activities based on the direct staff costs allocated to those activities (see Note 5).

There are no other key assumptions concerning the future and other key 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 financial year.

## 3. Income from donations and legacies

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Government grant: furlough scheme	716	-	716	17,659
Donations	-	-	-	75
	<b>716</b>	<b>-</b>	<b>716</b>	<b>17,734</b>

## 4. Income from charitable activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Legal Education Foundation	-	45,000	45,000	33,369
Joseph Rowntree Charitable Trust	60,000	-	60,000	-
Total grants	60,000	45,000	105,000	33,369
Other project income: research, education and events	1,457	-	1,457	23,894
Scholars Programme	-	-	-	389,809
Membership subscriptions	551	-	551	742
Publications	188,796	-	188,796	194,674
	<b>250,804</b>	<b>45,000</b>	<b>295,804</b>	<b>642,488</b>

In the year to 31 December 2020, all income from charitable activities was unrestricted.

## 5. Expenditure

### Current Year

	Direct Staff costs £	Direct costs £	Support costs £	Total 2021 £
Scholars Programme	48,751	11,274	38,939	98,964
Projects - research, education and Publications	151,979	15,449	121,388	288,816
	1,672	58	1,335	3,065
Support costs (see Note 6)	49,749	111,913	(161,662)	-
	<u>252,151</u>	<u>138,694</u>	<u>-</u>	<u>390,845</u>

### Prior Year

	<i>Direct Staff costs £</i>	<i>Direct costs £</i>	<i>Support costs £</i>	<i>Total 2020 £</i>
<i>Scholars Programme</i>	<i>102,241</i>	<i>205,402</i>	<i>102,575</i>	<i>410,218</i>
<i>Projects - research, education and Publications</i>	<i>111,558</i>	<i>68,333</i>	<i>111,923</i>	<i>291,814</i>
	<i>6,638</i>	<i>259</i>	<i>6,660</i>	<i>13,557</i>
<i>Support costs (see Note 6)</i>	<i>62,165</i>	<i>158,993</i>	<i>(221,158)</i>	<i>-</i>
	<u><i>282,602</i></u>	<u><i>432,987</i></u>	<u><i>-</i></u>	<u><i>715,589</i></u>

## 6. Support costs

	2021 £	2020 £
Governance costs:		
Independent examination	2,370	2,500
Board expenses and meeting costs	-	186
	<u>2,370</u>	<u>2,686</u>
Other support costs		
Staff costs	49,749	62,165
Premises, equipment and depreciation	53,132	87,738
Stationery, post, phone and IT	14,079	13,010
Information, research and communications	9,830	10,223
Legal and professional	21,372	27,127
Other	11,130	18,209
	<u>161,662</u>	<u>221,158</u>



## 7. Employee and key management personnel

The key management personnel of the Charity comprise the Trustees ("Directors" for the purposes of the Companies Act) and Senior Management Team. The total amounts paid in respect of the key management personnel of the Charity (including employer's National Insurance contributions and employers pension contributions) were £85,897 (2020: £126,970).

None of the Trustees (or any persons connected with them) received any remuneration from the charity during the year. No Trustees were reimbursed any expenses in the year.

There were no related party balances as at 31 December 2021 (2020: nil).

	2021 £	2020 £
The aggregate payroll costs were:		
Wages and salaries	200,441	243,490
Social security costs	17,493	21,889
Employer pension contributions	11,841	17,223
Redundancy	22,376	-
	<u>252,151</u>	<u>282,602</u>

No employees had emoluments amounting to over £60,000 in the year or the previous year (exclusive of employer pensions and employer National Insurance contributions).

### Particulars of employees:

The average number of staff employed by the Charity during the financial year amounted to:

	2021 No.	2020 No.
	<u>5.0</u>	<u>6.8</u>

## 8. Intangible fixed assets

	Website development £
<b>Cost</b>	
At 1 January 2021	25,096
Additions in the year	-
At 31 December 2021	<u>25,096</u>
<b>Amortisation</b>	
At 1 January 2021	25,096
Charge for the year	-
At 31 December 2021	<u>25,096</u>
<b>Net book value</b>	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

## 9. Tangible fixed assets

	Computer and Office Equipment £
<b>Cost</b>	
At 1 January 2021	21,407
Additions in the year	-
At 31 December 2021	<u>21,407</u>
<b>Depreciation</b>	
At 1 January 2021	18,731
Charge for the year	<u>2,676</u>
At 31 December 2021	<u>21,407</u>
<b>Net book value</b>	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>2,676</u>

## 10. Debtors

	2021 £	2020 £
Trade debtors	40,440	47,500
Prepayments	9,060	6,157
Accrued income	97,098	124,952
Other debtors	14,825	14,000
	<u>161,423</u>	<u>192,609</u>

## 11. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	3,353	3,824
Taxes and social security	12,801	18,800
Pension contributions	1,504	1,816
Accruals	8,039	11,896
Other creditors	435	609
Deferred income	-	550
	<u>26,132</u>	<u>37,495</u>
<b>Deferred income:</b>		
Balance brought forward	550	394,064
Amount released to income	(550)	(394,064)
Amount deferred in the year (see Note 2.4) all relating to services not performed until the following financial year		
SI Tracker income	-	550
	<u>-</u>	<u>550</u>

## 12. Statement of funds - current year

### Restricted funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
Delegated Legislation Review	-	45,000	(32,986)	-	12,014
<b>Total restricted funds</b>	<u>-</u>	<u>45,000</u>	<u>(32,986)</u>	<u>-</u>	<u>12,014</u>

Delegated Legislation Review fund: this relates to a grant from The Legal Education Foundation to support the Delegated Legislation Review initiative.

### Designated funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
Fixed assets	2,676	-	(2,676)	-	-
<b>Total designated funds</b>	<u>2,676</u>	<u>-</u>	<u>(2,676)</u>	<u>-</u>	<u>-</u>

Fixed asset fund: this represents the net book value of tangible fixed assets in use by the Society and therefore not available to meet future operational expenditure. A transfer is made each year to reflect the change in net book value.

## SUMMARY OF FUNDS IN THE YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
Designated funds	2,676	-	(2,676)	-	-
General fund	392,836	251,569	(355,183)	-	289,222
	395,512	251,569	(357,859)	-	289,222
Restricted funds	-	45,000	(32,986)	-	12,014
<b>Total funds</b>	<b>395,512</b>	<b>296,569</b>	<b>(390,845)</b>	<b>-</b>	<b>301,236</b>

## 13. Statement of funds - prior year

### Designated funds

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Fixed assets	15,900	-	(18,577)	5,353	2,676
Political Engagement polling	60,000	-	(54,140)	(5,860)	-
Visual identity review	20,388	-	-	(20,388)	-
<b>Total designated funds</b>	<b>96,288</b>	<b>-</b>	<b>(72,717)</b>	<b>(20,895)</b>	<b>2,676</b>

## SUMMARY OF FUNDS IN THE PRIOR YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Designated funds	96,288	-	(72,717)	(20,895)	2,676
General fund	354,159	660,654	(642,872)	20,895	392,836
	450,447	660,654	(715,589)	-	395,512
Restricted funds	-	-	-	-	-
<b>Total funds</b>	<b>450,447</b>	<b>660,654</b>	<b>(715,589)</b>	<b>-</b>	<b>395,512</b>

## 14. Analysis of net assets between funds

CURRENT YEAR	Designated funds	General funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	-	-	-	-
Net current assets	-	289,222	12,014	301,236
	<u>-</u>	<u>289,222</u>	<u>12,014</u>	<u>301,236</u>

PRIOR YEAR	<i>Designated funds</i>	<i>General funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	£	£	£	£
Fixed assets	2,676	-	-	2,676
Net current assets	-	392,836	-	392,836
	<u>2,676</u>	<u>392,836</u>	<u>-</u>	<u>395,512</u>

## 15. Pension

The Society operates defined contribution schemes for its employees, making a contribution of 7% of gross salaries. The assets of the schemes are held separately from those of the Society in independently administered funds. The pension charge represents contributions payable by the Society and amounted to £11,841 (2020: £17,223). Contributions totalling £1,504 (2020: £1,816) were payable to the fund at the balance sheet date and are included in creditors.

## 16. Operating lease commitments

At the reporting end date the company had the following future minimum lease payments under non-cancellable operating leases (all for property) which fall due as follows:

	2021	2020
	£	£
Less than one year	62,436	14,000
Between two and five years	10,406	-
	<u>72,842</u>	<u>14,000</u>



# Hansard Society

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