



Hansard Society Ltd

Annual Report and Accounts

Year to 31 December 2022

Company Number: 04332105

Charity Number: 1091364





Photo credit

**The Lord Speaker, The Rt Hon the Lord McFall of Alcluith, delivering the
Hansard Society Parliamentary Affairs Anniversary Lecture, 7 December 2022**

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For the year to 31 December 2022

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

Company Number: 04332105

Charity Number: 1091364

Members stand to applaud the address to
Parliament by the President of Ukraine,
Volodymyr Zelensky

8 March 2022

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The Trustees, who are also the Directors of the Charity for the purposes of company law, present their annual report (pages 2-25) and accounts (pages 26-39) for the year ended 31 December 2022.

The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, those of the governing documents, 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.

The Rt Hon the Baroness Taylor of Bolton,
Chair of the Society's Board of Trustees,
chairing the Parliamentary Affairs
anniversary lecture by the Lord Speaker

7 December 2022

© House of Lords / Roger Harris



Reflections on 2022 and our plans for the future

The Rt Hon the Baroness Taylor of Bolton
Chair of the Board of Trustees

2022 was a difficult year for Parliament, exposing the fragility of some aspects of our parliamentary democracy and bringing into sharp focus the need for reform.

I have spent five decades as a parliamentarian in both Houses of Parliament. I am a fierce believer in the profound importance of parliamentary democracy to our national way of life: I remain convinced that, for all its faults and imperfections, it is still the best form of political decision-making available to us.

Safeguarding parliamentary democracy: a cross-party endeavour

Next year will mark 80 years since the Society was founded by Sir Stephen King-Hall MP 'to promote knowledge of and interest in parliamentary government' because he believed, as I do, that the vitality of the institution of Parliament depends on people taking an interest in its proceedings and welfare.

Winston Churchill and Clement Attlee – who shared the same commitment

to the safeguarding of parliamentary democracy – were the Society's first paying supporters in 1944. Eight decades later, I'm delighted that several of their successors as Prime Minister have agreed to support our work in a variety of ways over the course of the coming anniversary year. For, as we look towards this milestone in our history, the work of the Hansard Society remains as vital as ever: the challenges facing our democracy are different but no less important than those faced by our founders.

I had the privilege of sitting in the gallery of the House of Commons in March 2022 to watch Ukrainian President Zelensky's first address to an overseas legislature following the full-scale invasion of his country by Russia just a few weeks earlier. It was one of the most moving moments of all my time at Westminster.

It was also a reminder of how, for all its flaws, our Parliament – and particularly the Commons Chamber – stands as it did 80 years ago as an iconic symbol of democracy and liberty to many people across the world who do not enjoy our democratic and parliamentary freedoms.

So, it is a source of great regret that the reputation of Parliament – and particularly the House of Commons – has been sullied by the events of the last year. The scale and frequency of damaging incidents – too many to itemise here – have at times left me utterly dismayed.

The fact that we had three Prime Ministers and four Chancellors of the Exchequer was just one measure of the political and economic chaos to which Parliament and the country were subjected. Having sought previously to undermine the Standards Committee of the House of Commons, the Prime Minister then failed to apologise for misleading the House from the Despatch Box, in breach of his own Ministerial Code. Three years into this Parliament, nearly two dozen MPs from all sides of the House had lost the Whip for some form of misconduct, two-thirds of them in the calendar year 2022 alone.

Although the Conservative Party may suffer most immediately from this catalogue of events, Parliament has surely suffered collateral damage from the fallout and the public's attendant loss of confidence in the competence of politicians.

Meanwhile, the deteriorating physical fabric of the Palace of Westminster symbolises the corroded state of our political and parliamentary culture. The inability of politicians to settle on a course of action to restore the building entails immense risk and ever-rising costs.

I have reluctantly concluded that the Palace is no longer a suitable workplace for our national legislature.

But I fear a blaze will engulf the building like Notre Dame, or a dreadful accident will result in serious injury or death, before the problem is resolved.

What role for the Hansard Society?

Given the array of democratic and parliamentary challenges the country faces, the Society could spread its resources thinly in trying to address them all. But we think it better to concentrate on key strategic challenges where we believe we can have the greatest impact in the next few years.

(i) Reforming Delegated Legislation

A long-running concern of the Society is the quality of legislative preparation and scrutiny. The House of Lords is sometimes criticised by Ministers for delaying legislation when in fact Peers are engaged in detailed scrutiny of a kind that is too often absent in the House of Commons. Scrutiny of delegated legislation is particularly weak in the elected House, as was brought to wider public attention throughout the pandemic.

Ultimately, the price of poorly conceived, poorly drafted and poorly scrutinised legislation is paid by citizens across the country who are subject to its detrimental effects. Unless the problems with the system are addressed, public acceptance of the democratic legitimacy of delegated legislation will come under increasing strain. It is one of the most critical constitutional challenges we face and is a growing source of frustration across the political spectrum.

Our Review of the delegated legislation system, kindly funded by the Legal Education Foundation, is near completion and our final recommendations will be published later in Autumn 2023. The Review has been assisted by colleagues from all parties but I would particularly like to thank the members of our Advisory Panel for their time and support with this important initiative: Steve Baker MP, Sir David Beamish, Kirsty Blackman MP, Dame Angela Eagle MP, Paul Evans CBE, Mark Harper MP, Sir Jonathan Jones KC, Professor Jeff King, Lord Lisvane, and Professor the Lord Norton of Louth.

The key to our approach is that the reform proposals we set out must improve the efficiency of government, but also better empower parliamentarians to scrutinise effectively, on behalf of their constituents, the hundreds of laws that are made each year via delegated legislation. In the run up to the next general election, we will be working to persuade frontbenchers on both sides of the House of the merits – and viability – of reforming this system.

(ii) Parliamentary reform

Looking ahead to the likely prospect of a general election in 2024, we have considered what strategic interventions - other than delegated legislation - might have most impact to help Parliament, and particularly the House of Commons, become a more effective legislative and scrutiny body.

Despite the seismic and turbulent nature of Brexit and the Covid-19 pandemic, remarkably little

institutional change has taken place in Parliament in the last few years. Indeed, there are some worrying signs of regression.

It is noticeable that the House of Commons is increasingly a two-and-a-half-day legislature. The parliamentary week often peters out after PMQs on a Wednesday afternoon as MPs head back to their constituencies. Thursdays are noticeably quiet days on the parliamentary estate.

Having been a constituency MP for nearly 30 years, I know how important it is to keep in touch with local concerns and how rewarding constituency work can be. But Parliament stands at the apex of the scrutiny system and MPs have a duty to hold the government of the day to account. The balance between constituency and parliamentary work has tipped too far in this Parliament.

The impact of the pandemic, and the subsequent virtual and hybrid parliamentary procedures established just months after the general election, go some way to explain the increasing shift in focus away from Parliament. Many of the 2017 and particularly the 2019 intake of new MPs have simply not experienced 'normal' parliamentary life of the kind I and my colleagues were exposed to in previous decades. Their understanding and appreciation of constitutional, legislative and parliamentary rules and procedures is less developed than it was for some of their predecessors at this stage of a Parliament.

We are therefore pleased to have secured a three-year grant from the

Joseph Rowntree Charitable Trust (JRCT) to undertake further work on parliamentary reform before and after the general election to 'build a better Commons'.

Importantly, the grant will also enable us to provide dedicated training and support for new MPs at the start of the next Parliament to help them make a good start in their role as legislators and scrutineers.

We are also launching a one-year Taskforce, supported by the Joseph Rowntree Reform Trust (JRRT), to review the customs, language and rules of the House of Commons.

It is difficult to engage the interest and participation of the wider public in proceedings that are not intelligible and are difficult to explain. Yet the use of language and terminology in Parliament is often unnecessarily complex and obscure. This inhibits the transparency of parliamentary proceedings and the ease with which they can be understood. The effectiveness of MPs (particularly newly-elected MPs) in carrying out their legislative and scrutiny responsibilities is then undermined if they do not understand the procedural customs, conventions and rules which govern the system in which they work.

A growing network of members

Organisationally the Society has limited resources, particularly since the pandemic-induced closure of our international Scholars programme which was a key source of income. Unlike many similar research organisations and think-tanks, we do not have a wealthy philanthropic

founder or endowment, and contrary to popular belief we are not funded by Parliament or Government.

So, the support of our growing network of members and donors is crucial. We are pleased that the restructuring of our membership model has begun to bear fruit. Our members provide an invaluable network of supporters who care about Parliament and help to support our work through their own contacts, knowledge and skills. It is particularly pleasing that the number of our Parliamentary Patrons has grown, testament to the regard in which the Society's work is held by MPs and Peers.

I would like to thank the staff of the Society for their work and my fellow Trustees for their commitment and support during the last year. We look forward to working with as many supporters as possible in the months ahead to help ensure our 80th anniversary year is a productive and constructive one for the Society.



Photo credits

(Left) Sir David Butler with our current Chair, Ann Taylor, when she was Leader of the House of Commons, at a Hansard Society event in the late 1990s.

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(Right) Baroness Howe of Idlicote

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In memoriam

One of the sadder aspects of any review of the year is that it invites reflections on those who are no longer with us.

Queen Elizabeth II

Like the rest of the country, we were saddened by the loss of Her Majesty Queen Elizabeth II in September 2022.

In the speech she gave on the day of her Coronation in 1953, she reflected on the importance of parliamentary institutions as a 'precious part of our way of life and outlook'.

The Society was privileged to receive support from Her Majesty at various points in our history: she made generous personal donations to the Society on several occasions.

“Parliamentary institutions, with their free speech and respect for the rights of minorities, and the inspiration of a broad tolerance in thought and expression - all this we conceive to be a precious part of our way of life and outlook.”

*HM Queen Elizabeth II
Coronation Day speech, 1953*



Professor Sir David Butler

David died in November 2022 at the age of 98. He was one of our longest-serving members and was Chair of the Society between 1994 and 2001. To the wider public he was best known as the resident expert on the BBC's election night programmes and the inventor of the 'Swingometer'. But his interest in politics

went much wider than elections: he was passionate about the role and work of politicians and Parliament. This, combined with his commitment to communicating in accessible terms for a mass audience, drew him to support the Hansard Society.

Baroness Howe of Idlicote

We are also indebted to the late Baroness Howe of Idlicote who died in March 2022. Elspeth Howe chaired our groundbreaking 'Women at the Top' Commission between 1988 and 2000 and was a staunch supporter of our work throughout her time in the House of Lords.



Our highlights of 2022

2022 was an extraordinarily turbulent political year. That the country had three Prime Ministers and four Chancellors of the Exchequer was a clear signal of the scale of political distress. War in Europe, turmoil in the financial markets, an energy, cost-of-living and climate crisis all posed challenges for our parliamentary system. A litany of political scandals continued to sap at what remains of public confidence in MPs and Parliament. In years from now we may look back on the past year as a turning point: when the realisation dawned among parliamentarians that the institution in which they serve is not as effective or efficient as it needs to be and that reform is greatly needed. The test will be whether one or both of the main parties commits to reforming Parliament - the Commons as well as the Lords - in their manifestos for the next general election. If not, then the problems of recent years are likely to live on.

1

Parliamentary Affairs Anniversary Lecture by the Lord Speaker



© Hansard Society

We were honoured that Lord McFall of Alcluith chose the Hansard Society as the platform for his first speech since his election as Lord Speaker, on reform of the House of Lords.

The speech, in December 2022, set out his thoughts on the future of the House of Lords, addressing concerns regarding the size of the Upper House, setting out the benefits of the House's scrutiny work, and considering the role of the House in our constitution and in society generally.

He first identified two 'unassailable truths' about the Lords, namely that the House 'adds significant value to parliamentary scrutiny and revision, distinct from and complementary to the House of Commons' and that, while the Lords is able to add value because its composition is different from the Commons, there are also issues around its composition which need to be resolved.

He then outlined three principles that he recommended should inform any reform agenda around the future composition of the Upper House.

First, that changing the composition of the House will inevitably change its role, even if there are no explicit changes in its powers.

Secondly, that the more radical the change in composition, the more radical and unpredictable will be the resulting change in the role of the House.

And thirdly, that reform proposals need to secure the engagement of and endorsement from Government, political parties in Parliament and - not least - the increasingly diverse population of the UK.

2

The parliamentary implications of Russia's war against Ukraine

One of our most popular blogs during the year was '*Finding grace under pressure: Ukraine's Parliament at war*' by Dr Sarah Whitmore.

Published in May 2022, the blog set out how, after over 70 days of total war, the first 43 under the very direct threat of bombing, the role and work of Ukraine's Parliament, the *Verkhovna Rada* (Supreme Council), had been significantly transformed in terms of procedures, political orientation and constituency work by Members. The blog identified how, in the most extreme circumstances, deputies, factions and committees were able to scrutinise a huge volume of emergency legislation to put Ukraine on a war footing in areas ranging from security and medical care to tax and crime. However, it also highlighted the legitimate concerns being raised about the need to ensure checks and balances remain in place.

Hansard Society
@HansardSociety

New #Russia #Sanctions Regs laid before #Parliament today (30/3). 1st set with a power for SoS to sanction 'persons by description' (not just named individuals). Also 1st post-amendments to 2018 Sanctions Act by 2022 Economic Crime Act. Our video explains [legislation.gov.uk/ukxi/2022/395/...](https://legislation.gov.uk/ukxi/2022/395/)

Hansard Society @HansardSociety · Mar 15, 2022

The Economic Crime Bill has received Royal Assent. The Act makes significant changes to the 2018 #Sanctions Act, especially on powers to designate individuals as subject to sanctions. Our video with @DheeVangimalla explains the role #Parliament plays in sanctioning individuals [▶](#)



6:30 PM · Mar 30, 2022

The Ukraine crisis also highlighted how delegated legislation is used to introduce sanctions regimes, and the challenges posed for parliamentary scrutiny of urgent measures.

Amidst media confusion about the role that Parliament would play in the imposition of sanctions on designated Russians, we produced a short video, blog posts and a steady stream of social media to explain the legal framework and its interaction with parliamentary procedures.

3

Marking the death of Her Majesty Queen Elizabeth II



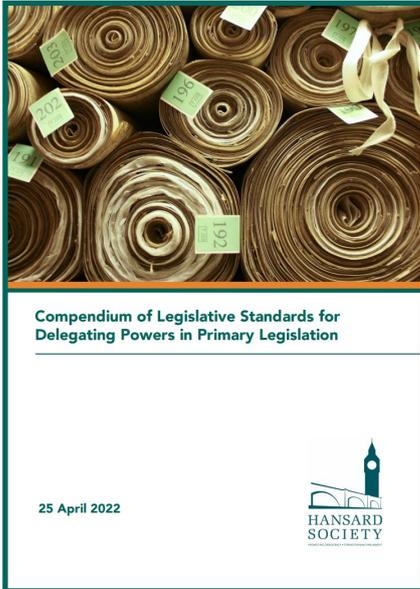
© @RoyalFamily

Parliament has a central role in the Demise and Accession of a Monarch - constitutionally, and as a site for, and participant in, public ceremonies of mourning, tribute and renewal.

Following the death of Her Majesty Queen Elizabeth II in September, we produced a briefing exploring the procedural and ceremonial plans that would be implemented and their impact on parliamentary business.

The Delegated Legislation Review

Our Delegated Legislation Review generated several strands of work throughout the year. The Review's Advisory Panel was convened a number of times to advise on a range of procedural and legal questions arising from the development of our proposals. A **consultation paper setting out 13 interim recommendations** for consideration was then published in February 2023. Our proposed reforms concern both the delegation of power in Bills and the scrutiny of the Statutory Instruments that arise from the use of those delegated powers.



The scope and design of powers in any Bill affects the long-term balance of power between Parliament and Government. The House of Lords Delegated Powers and Regulatory Reform Committee (DPRRC) scrutinises all such delegation. Distilling standards for the delegation of powers from 101 of the Committee's reports in recent Sessions, we produced a **Compendium of Legislative Standards for Delegating Powers in Primary Legislation**.

By drawing the DPRRC's standards together into a single document, we hope the Compendium will prove a useful resource for all those involved in the production, scrutiny, interpretation and use of delegated powers.

MPs should be clear about the level of authority they are delegating to Government Ministers and be confident that they will not regret forgoing their ability to fully scrutinise future Government decisions.

But our research shows that it can be challenging for parliamentarians to scrutinise delegated powers in Bills effectively, particularly given the often-limited time available for scrutiny.

Alongside the Compendium we therefore produced a **Toolkit for Scrutinising Delegated Powers**, adopting a set of sequential questions and a 'traffic-light' system to categorise the answers.



We also produced a series of **briefings on the delegated powers in particular Bills** soon after they were presented to Parliament. Our analysis drew heavily on the legislative standards set out in the Compendium. A number of **blogposts** were also produced to help illuminate the problems with the delegated legislation system on matters of topical political and parliamentary interest. These ranged from coverage of the implications of a judicial review of children-in-care regulations, to regulations on genetically modified organisms, to regulations clarifying the circumstances in which the VAT costs of fees and disbursements could be recovered from a judgement debtor. We were not concerned with the policy details, but what these cases demonstrated about the inadequacies and risks associated with the delegated legislation system.

Much of Autumn 2022 was dedicated to work explaining the implications of the significant delegated powers in the Retained EU Law (REUL) Bill.

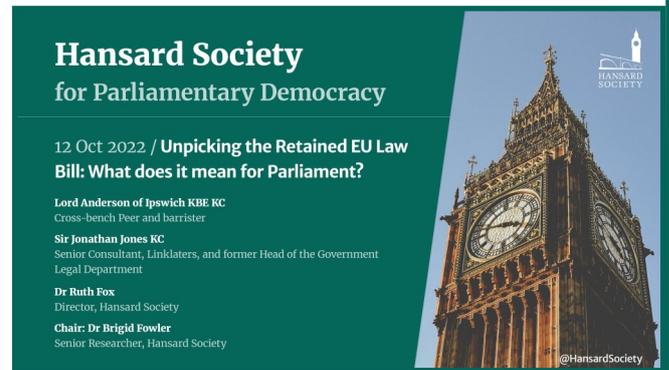
We hosted the first public event on the Bill with the Society’s Director, Dr Ruth Fox, joined by crossbench peer Lord Anderson of Ipswich and former head of the Government Legal Service Sir Jonathan Jones KC, to ‘unpick’ the Bill and explore what it would mean for Parliament.

The Delegated Powers and Regulatory Reform Committee in the House of Lords acknowledged drawing on ideas raised in this ‘helpful webinar’ for its own report on the Bill when the legislation arrived in the Upper House.

In advance of the Bill’s Second Reading in the House of Commons, we also produced a briefing for MPs analysing five areas of particular concern that needed to be addressed during the Bill’s passage through Parliament.

The briefing highlighted how the Bill would sideline Parliament because it proposed to let all REUL expire on the sunset date of the end of December 2023 unless Ministers decided to save it, with no parliamentary input or oversight.

The briefing noted that Ministers would be provided with a series of broad ‘blank cheque’ powers to amend or replace REUL across policy areas as diverse as animal welfare, consumer rights, data protection, employment,



environmental protection, health and safety, and VAT, and all subject to only limited parliamentary oversight.

The Society’s research team gave evidence to the Public Bill Committee and to select committees in the Commons and Lords and the Scottish Parliament, making the case for significant changes to the legislative draft, many of which were subsequently made by the Government at a late stage of the Bill’s scrutiny in the House of Lords in Summer 2023.

6

The UK-EU Parliamentary Partnership Assembly (PPA)



© European Union 2022. Source: EP

The UK-EU Parliamentary Partnership Assembly (PPA) is the new inter-parliamentary body between the UK Parliament and the European Parliament (EP) that was established under the UK-EU Trade and Cooperation Agreement (TCA), the treaty governing the two parties’ post-Brexit relationship that was signed in December 2020.

It has two important roles: as a parliamentary ‘forum to exchange views on the UK-EU partnership’; and as an interlocutor for, and scrutineer of, the UK-EU Partnership Council (the TCA’s top decision-making body) – with powers to request and receive information from it, and potentially make recommendations to it.

To mark the first meeting of the PPA in May we published a briefing setting out what the PPA is, how it works and who its Members are.

7

The Northern Ireland Protocol Bill

The Northern Ireland Protocol Bill, introduced to Parliament in June 2022, was a skeleton or framework Bill containing some of the broadest powers a Government has ever proposed be given to Ministers. So numerous and so sweeping were the powers that the implementation of the Bill's policy objectives would have been left almost entirely to the discretion of Ministers once it received Royal Assent.

In a social media thread setting out our initial thoughts on the Bill shortly after it was published, we described the powers as 'breath-taking'. Shortly before its Second Reading we then published a more detailed briefing on the delegated powers, analysing six areas of particular concern and proposing ways they might be mitigated during the Bill's passage through Parliament. We gave evidence on the Bill to the Scottish Parliament and briefed civil society organisations in London and Belfast on the implications of the powers.

At a time when the democratic deficit in Northern Ireland was particularly acute with Stormont and the Assembly suspended, the Bill reinforced wider concerns about the lack of attentiveness in Whitehall and Westminster to the needs of the devolved nations.



"The Hansard Society, not an organisation known for hyperbole, has called the powers given to Ministers 'brehtaking'."

The Rt Hon David Lammy MP during the debate on the Northern Ireland Protocol Bill, House of Commons, 27 June 2022

8

Our international visitors

It is an honour to welcome delegations from other Parliaments around the world when they visit London.

In June 2022, for example, we met with the Special Select Committee on International Affairs in the Malaysian Parliament. They were in London to

discuss, amongst other things, how the Westminster Parliament undertakes scrutiny of international treaties and other agreements.

We also hosted a visit from members of the Canadian Parliamentary Internship Programme in Ottawa during their annual study tour to the UK.



© Hansard Society

The increasing willingness on the part of the UK Government to regulate in areas of devolved competence was the central theme of our September webinar ‘Devolved but denied? Regulations and consent beyond Westminster’, with Welsh MS Huw Irranca Davies, Law Society Scotland’s Michael Clancy, and Stephen Farry MP, Deputy Leader of the Alliance Party in Northern Ireland. We explored whether there is now a widening ‘democratic deficit’ or whether these powers are simply required for more effective and efficient government.



Democratic accountability for the new Common Frameworks which outline how the four administrations in the UK will work together on devolved policy areas that were previously harmonised under the EU – including areas such as food standards, health and safety, pesticides, and transport - was also the subject of a guest blog in October by Baroness Andrews, the Chair

of the House of Lords Common Frameworks Scrutiny Committee. The post highlighted how the Lords Committee has worked closely with its devolved counterparts, a theme we would revisit in 2023 in a paper published jointly with the Study of Parliament Group, setting out a proposal to develop and improve UK interparliamentary relations.

10

Emergency regulations and the Coronavirus Statutory Instruments Dashboard

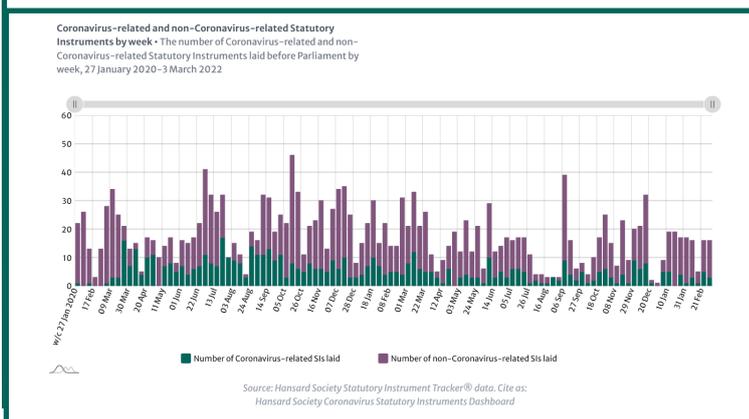
When we began collecting data on Covid-related SIs in March 2020, we did not anticipate that we would still be working on the project two years later.

But, as the pandemic receded, so too did the SIs and we concluded the project on 3 March 2022, having recorded and monitored the progress of 582 Covid-related SIs through Parliament since

the very first measure to tackle the public health crisis was laid on 27 January 2020.

The Covid-related SIs amounted to 30% of the total number of SIs laid in this two-year period. They were laid using powers in 140 Acts of Parliament. Unsurprisingly, the Government department with the greatest legislative burden in terms of SIs was the Department of Health and Social Care.

In Autumn 2022 the Society’s Director was invited to join the Bingham Centre’s Independent Commission on UK Public Health Emergency Powers, taking the knowledge gleaned through this monitoring project to inform reform proposals for emergency legislative provisions in the event of another public health crisis.





GOVERNANCE, FINANCES AND RISK

←
Photo credit

Members stand for a minutes silence in memory of
Her Majesty Queen Elizabeth II

House of Commons, Westminster, 9 September 2022

© UK Parliament / Jessica Taylor

Decision-making

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 2023 comprised the Director, Dr Ruth Fox. During 2022 the Society employed an average of 6 members of staff compared to 5 in 2021.

Two staff posts were supported in 2022 by grants from The Legal Education Foundation and the Joseph Rowntree Charitable Trust.

We are grateful to Lauren Rhodes (Membership and Operations Manager) and Dheemanth Vangimalla (Researcher: Delegated Legislation) for their contribution to the Society's work in 2022. They both left the Society at the end of the year.

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.

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 2022 the Society launched two new membership tiers. The new Concessionary tier is available for under-30s, students, the unwaged receiving welfare benefits, and those who are retired on a low income. Recognising that some people face financial barriers to political engagement and participation, we hope this discounted membership will allow more people to support our work championing the cause of parliamentary democracy.

Financial overview

Income

Total income for 2022 was £273,956. This was slightly lower than the previous year, when income stood at £296,569.

The decline in income since the start of 2020 is due to the Covid-19 pandemic-induced mothballing and subsequent closure of our international Scholars Programme.

Income in 2022 was derived predominantly from grants to support the Society's charitable activities, and publications, amounting to £271,221 in total (compared to £295,804 in 2021).

Expenditure

Total expenditure for the year was £425,999 (compared to £390,845 in 2021). This increase in expenditure reflected an investment in plans to support the Charity's transition to a new financial model based on more diverse streams of income following the demise of the Scholars Programme. Some expenditure was incurred in 2022 to ensure that our ongoing educational and immigration-related regulatory obligations in respect of the Programme were met.

The Society thus had a net deficit of £152,043 in the year, compared to a net deficit of £94,276 in 2021.

Balance sheet

The current funds position shows net assets of £149,193 (compared to £301,236 the previous year). There were no restricted funds in 2022 (compared to £12,014 in 2021). The balance on the general fund at the year-end was therefore £149,193 (compared to £289,222 in 2021).

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 project grants, membership subscriptions, Statutory Instrument Tracker subscriptions, training programmes, publications (primarily our journal, *Parliamentary Affairs*), and donations. 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 £81,906.

The Society has spent down its reserves since the start of the Covid-19 pandemic in 2020 to support the transition to a new funding model following the closure of the Scholars Programme. 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 2022 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 realised;
- 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.

Between 2017 and 2019 the Society built up its reserves considerably, with a view to investment in a range of development activities. This robust financial planning meant that the Charity was able to withstand the difficulties created by the damage to its financial model which was wreaked by the pandemic over the last three financial years. The Society continues to have more than three months of operational reserves in place.

Throughout 2022 regular financial monitoring, scenario planning and modelling was undertaken to identify measures that might be required to maintain a secure financial position while continuing to invest in core activities to meet the Society's charitable objectives.

A significant deficit was planned for 2022 to support the Society's transition to a post-pandemic environment and Trustees 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 September 2023, when the assessment was made).

Fundraising

For the first time in many years the Society did raise funds directly from the public in 2022.

As part of our income diversification plans, a new website was built to facilitate online payments and donations, and new operational systems - including the leading Beacon CRM (customer relationship management) tool for charities - were put in place. Membership income in 2022 was just over six times that in 2021 - a very early indicator of progress with our development plan.

The Society is registered with the Fundraising Regulator and complies with all the relevant standards set out in the Code of Fundraising Practice. We did not undertake any work in the year with fundraising companies.

Key risks

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

Risks cannot be eliminated entirely but the Board's objective is to mitigate the Charity's exposure to risk beyond acceptable levels.

On occasion, however, higher risk options arise that would advance the Society's pursuit of its charitable objectives. These risks must be prudently balanced against the opportunities they offer.

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

meetings up to 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 reviews 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.

<p>In 2022 the top 'priority' risks identified were the same as the year before.</p>	
<p>Operational: Temporary loss of key staff</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.</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. However, these were fixed-term contracts which were due to conclude in late 2022 and early 2023.</p>
<p>Continued economic downturn impacting on Society-wide activity</p> <p>The Society's income has declined considerably since the start of the Covid-19 pandemic in Spring 2020. It was recognised that the economic situation (particularly inflation, the rising cost of living and a decline in business confidence) was not an ideal environment in which to generate discretionary income from membership subscriptions, our SI Tracker legislative monitoring service and procedural training courses.</p>	<p>In order to diversify the Society's income streams a new income generation plan was adopted with a focus on those areas where there was the potential for recurring annual income.</p>

<p>Financial: Inadequate reserves and cashflow</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>Mitigation measures were agreed in relation to income generation for 2022 when this risk was updated from an 'important' to a 'priority' risk in December 2021.</p> <p>However, cashflow concerns are rare as much of the Society's income - particularly from the <i>Parliamentary Affairs</i> journal - is received in advance. Similarly, some grant income is received in advance in quarterly or annual instalments.</p>
<p>Financial: Forecast income from <i>Parliamentary Affairs</i> is not realised</p> <p>Two potential risks to <i>Parliamentary Affairs</i> journal income have been identified by the Society in discussions with our publisher, Oxford University Press (OUP):</p> <ul style="list-style-type: none"> (i) a reduction in institutional subscriptions arising from financial pressures on universities post-pandemic; and (ii) the financial implications of open access publishing over the next few years. 	<p>The journal continues to have a good subscriber base and is insulated to an extent by its inclusion in OUP 'consortia' sales to university libraries. Providing the journal's Impact Factor is sustained, this position is likely to be maintained. To date the anticipated impact of open access publishing plans on the journal's finances has not been realised. However, this continues to be kept under review with OUP and possible mitigation measures are a matter of regular discussion.</p>
<p>Health problems - e.g. flu, viruses - leading to loss of key staff at important moments</p> <p>The ongoing concern about Covid-19 meant this risk was still deemed a priority throughout the year. 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. Throughout 2022 staff actively wished to return to work in the office on a regular basis. Staff are required to work from home if they (or members of their household) have Covid. They are also encouraged to do so if they have the flu / a cold or other similar symptoms, in order to minimise the risk of transmission.</p>
<p>Governance - changes in membership of the Board leading to a loss of key skills / knowledge</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. In Spring 2022 a Trustee skills audit was undertaken to assess where skills gaps exist at Board level.</p>

Administrative & legal information

Honorary Co-Presidents

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

Trustees

Jackie Ashley
Professor Roger Awan-Scully
Sir David Beamish KCB
Dianne Bevan
Shirley Cameron
The Lord Dunlop
Sue English
Dr Rebecca Rumbul
Gerald Shamash
Sir Paul Silk KCB
The Rt Hon the Baroness Taylor of Bolton (Chair)

Director

Dr Ruth Fox

Company number

04332105

Charity number

1091364

Registered office

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

Independent Examiner

Counterculture LLP
Unit 115 Ducie House, Ducie Street, Manchester, M1 2JW

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

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 judgements 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.

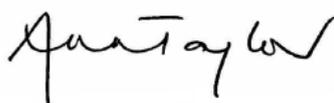
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 13 September 2023 and signed on their behalf, by:



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

Independent Examiner's Report

I report to the Trustees on my examination of the accounts of Hansard Society for the year ended 31 December 2022 which are set out on pages 26-39.

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").

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 Charities Act 2011 ("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, its examiner must be a member of a body listed in section 145 of the 2011 Act. I can confirm that I am qualified to undertake the examination by virtue of my membership of the Association of Accounting Technicians 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.



13 September 2023

Andrew M Wells FMAAT
Counterculture Partnership LLP
Unit 115 Ducie House,
Ducie Street, Manchester, M1 2JW

Financial Statements

Statement of financial activities

Incorporating an income and expenditure account for the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME					
Income from:					
Donations and legacies	3	1,941	-	1,941	716
Charitable activities	4	226,221	45,000	271,221	295,804
Investments: Bank interest		48	-	48	9
Other income		746	-	746	40
TOTAL INCOME		228,956	45,000	273,956	296,569
EXPENDITURE					
Expenditure on:					
Charitable Activities		368,985	57,014	425,999	390,845
TOTAL EXPENDITURE	5	368,985	57,014	425,999	390,845
Net (expenditure) and Net movement in funds		(140,029)	(12,014)	(152,043)	(94,276)
Balances brought forward		289,222	12,014	301,236	395,512
Balances carried forward		149,193	-	149,193	301,236

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.

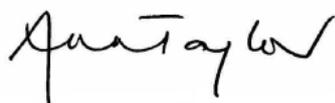
Balance sheet

As at 31 December 2022 : Company Number: 04332105

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		679		-
CURRENT ASSETS					
Debtors	10	87,252		161,423	
Cash at bank and in hand		<u>86,764</u>		<u>165,945</u>	
		174,016		327,368	
Creditors: amounts falling due within one year	11	(25,502)		(26,132)	
NET CURRENT ASSETS			148,514		301,236
NET ASSETS			149,193		301,236
FUNDS					
Restricted funds	12		-		12,014
Unrestricted funds					
Designated funds	12	679		-	
General fund	12	<u>148,514</u>		<u>289,222</u>	
			149,193		289,222
			149,193		301,236

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 2022. 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 13 September 2023 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 2022

	2022	2021
	£	£
Cash (used in) / provided by operating activities		
Net movement in funds	(152,043)	(94,276)
Add back depreciation and amortisation	679	2,676
Less investment income	(48)	(9)
Decrease in debtors	74,171	31,186
Increase / (decrease) in creditors	<u>(630)</u>	<u>(11,363)</u>
Net cash (used in) operating activities	(77,871)	(71,786)
Cash flows (used in) / provided by investing activities		
Investment income	48	9
Purchase of tangible fixed assets	<u>(1,358)</u>	<u>-</u>
Net cash (used in) / provided by investing activities	<u>(1,310)</u>	<u>9</u>
(Decrease) in cash and cash equivalents in the year	(79,181)	(71,777)
Cash and cash equivalents at the beginning of the year	165,945	237,722
Total cash and cash equivalents at the end of the year	<u>86,764</u>	<u>165,945</u>

Notes to the financial statements

For the year ended 31 December 2022

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 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 our budget and projections in light of the current situation, 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 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Government grant: furlough scheme	-	-	-	716
Donations	1,941	-	1,941	-
	<u>1,941</u>	<u>-</u>	<u>1,941</u>	<u>716</u>

4. Income from charitable activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Legal Education Foundation	(22,246)	45,000	22,754	45,000
Joseph Rowntree Charitable Trust	60,000	-	60,000	60,000
Total grants	<u>37,754</u>	<u>45,000</u>	<u>82,754</u>	<u>105,000</u>
Other project income: research, education and events	(2,579)	-	(2,579)	1,457
Membership subscriptions	3,502	-	3,502	551
Publications	187,544	-	187,544	188,796
	<u>226,221</u>	<u>45,000</u>	<u>271,221</u>	<u>295,804</u>

In the year to 31 December 2021, £45,000 from The Legal Education Foundation was restricted. All other income from charitable activities was unrestricted in the year to 31 December 2021.

5. Expenditure

Current Year

	Direct Staff costs £	Direct costs £	Support costs £	Total 2022 £
Scholars Programme	-	5,790	-	5,790
Projects - research, education and events	228,653	12,726	177,185	418,564
Publications	927	-	718	1,645
Support costs (see Note 6)	47,010	130,893	(177,903)	-
	<u>276,590</u>	<u>149,409</u>	<u>-</u>	<u>425,999</u>

Prior Year

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

6. Support costs

	2022 £	2021 £
Governance costs:		
Independent examination	1,440	2,370
Board expenses and meeting costs	143	-
	<u>1,583</u>	<u>2,370</u>
Other support costs		
Staff costs	47,010	49,749
Premises, equipment and depreciation	67,853	53,132
Stationery, post, phone and IT	16,039	14,079
Information, research and communications	13,011	9,830
Legal and professional	23,830	21,372
Other	8,577	11,130
	<u>177,903</u>	<u>161,662</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 employer's pension contributions) were £61,882 (2021: £85,897).

None of the Trustees (or any persons connected with them) received any remuneration from the charity during the year. Two Trustees were reimbursed expenses of £143 (2021: Nil) relating to travel and subsistence.

There were no related party balances as at 31 December 2022 (2021: Nil).

	2022 £	2021 £
The aggregate payroll costs were:		
Wages and salaries	237,840	200,441
Social security costs	21,825	17,493
Employer pension contributions	16,925	11,841
Redundancy	-	22,376
	<u>276,590</u>	<u>252,151</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:

	2022 No.	2021 No.
	<u>6.0</u>	<u>5.0</u>

8. Intangible fixed assets

	Website development £
Cost	
At 1 January 2022	25,096
Additions in the year	-
At 31 December 2022	<u>25,096</u>
Amortisation	
At 1 January 2022	25,096
Charge for the year	-
At 31 December 2022	<u>25,096</u>
Net book value	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

9. Tangible fixed assets

	Computer and Office Equipment
	£
Cost	
At 1 January 2022	21,407
Additions in the year	1,358
Disposals in the year	<u>(4,912)</u>
At 31 December 2022	<u>17,853</u>
Depreciation	
At 1 January 2022	21,407
Disposals in the year	<u>(4,912)</u>
Charge for the year	679
At 31 December 2022	<u>17,174</u>
Net book value	
At 31 December 2022	<u>679</u>
At 31 December 2021	<u>-</u>

10. Debtors

	2022	2021
	£	£
Trade debtors	22,050	40,440
Prepayments	12,562	9,060
Accrued income	30,095	97,098
Other debtors	22,545	14,825
	<u>87,252</u>	<u>161,423</u>

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	7,131	3,353
Taxes and social security	5,309	12,801
Pension contributions	1,786	1,504
Accruals	6,437	8,039
Other creditors	826	435
Deferred income	4,013	-
	<u>25,502</u>	<u>26,132</u>
Deferred income:		
Balance brought forward	-	550
Amount released to income	-	(550)
Amount deferred in the year (see Note 2.4) all relating to services not performed until the following financial year		
SI Tracker income	4,013	-
	<u>4,013</u>	<u>-</u>

12. Statement of funds - current year

Restricted funds

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2022 £
Delegated Legislation Review	12,014	45,000	(57,014)	-	-
Total restricted funds	<u>12,014</u>	<u>45,000</u>	<u>(57,014)</u>	<u>-</u>	<u>-</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 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2022 £
Fixed assets	-	-	(679)	1,358	679
Total designated funds	<u>-</u>	<u>-</u>	<u>(679)</u>	<u>1,358</u>	<u>679</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 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2022 £
Designated funds	-	-	(679)	1,358	679
General fund	<u>289,222</u>	<u>228,956</u>	<u>(368,306)</u>	<u>(1,358)</u>	<u>148,514</u>
	289,222	228,956	(368,985)	-	149,193
Restricted funds	12,014	45,000	(57,014)	-	-
Total funds	<u>301,236</u>	<u>273,956</u>	<u>(425,999)</u>	<u>-</u>	<u>149,193</u>

13. Statement of funds - prior 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
Total restricted funds	<u>-</u>	<u>45,000</u>	<u>(32,986)</u>	<u>-</u>	<u>12,014</u>

Designated funds

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

SUMMARY OF FUNDS IN THE PRIOR YEAR

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

14. Analysis of net assets between funds

CURRENT YEAR	Designated funds	General funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	679	-	-	679
Net current assets	-	148,514	-	148,514
	<u>679</u>	<u>148,514</u>	<u>-</u>	<u>149,193</u>

PRIOR 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>

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 £16,925 (2021: £11,841). Contributions totalling £1,785 (2021: £1,504) 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:

	2022	2021
	£	£
Less than one year	10,406	62,436
Between two and five years	-	10,406
	<u>10,406</u>	<u>72,842</u>

17. Statement of financial activities - prior year

	<i>Unrestricted Funds 2021 £</i>	<i>Restricted Funds 2021 £</i>	<i>Total Funds 2021 £</i>
<i>INCOME</i>			
<i>Income from:</i>			
<i>Donations and legacies</i>	716	-	716
<i>Charitable activities</i>	250,804	45,000	295,804
<i>Investments: Bank interest</i>	9	-	9
<i>Other income</i>	40	-	40
 <i>TOTAL INCOME</i>	 <u>251,569</u>	 <u>45,000</u>	 <u>296,569</u>
 <i>EXPENDITURE</i>			
<i>Expenditure on:</i>			
<i>Charitable activities</i>	357,859	32,986	390,845
 <i>TOTAL EXPENDITURE</i>	 <u>357,859</u>	 <u>32,986</u>	 <u>390,845</u>
 <i>Net (expenditure) / income and Net movement in funds</i>	 <u>(106,290)</u>	 <u>12,014</u>	 <u>(94,276)</u>
 <i>Balances brought forward</i>	 395,512	 -	 395,512
 <i>Balances carried forward</i>	 <u>289,222</u>	 <u>12,014</u>	 <u>301,236</u>

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