

Registration number: 05449042

Council for Responsible Jewellery Practices Limited

trading as Responsible Jewellery Council

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Critchleys Audit LLP
Registered Auditors
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Council for Responsible Jewellery Practices Limited

trading as Responsible Jewellery Council

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Company Information

Directors who served during the year were as follows:

Director	Member	Appointed	Resigned
Azar, D	Gemological Science International	17/05/2018	
Backaert, D	Bonas & Co	01/05/2015	
Bodei, G	Pomellato SPA	17/05/2018	
Bouffard, D	Signet Jewelers Limited	17/05/2018	
Cavalieri, G	CIBJO	20/05/2020	
Di Roberto, M	Bulgari	14/09/2020	
Fischler, S	IDMA	01/05/2015	18/03/2021
Gsell Eherlin, FIWC		12/12/2019	
Hanna, M	Richline Group, Inc	11/05/2017	27/01/2021
Karakchiev, P	Public Joint Stock Company ALROSA	23/11/2016	
Kilgariff, M	Richemont SA	25/06/2019	
Kumbhat, A	Jewelex India Pvt Ltd	11/05/2017	
Lev, B	Gem Lab Services	15/05/2014	01/09/2020
Lussier, S	De Beers Group	11/05/2005	
Magid, G	Kusasa Refining Pty Ltd	14/05/2019	
Malek, B	Cartier	14/05/2019	
Neelakanta, R	BV Chinai & Co (India) Pvt. Ltd	14/05/2019	
Pinet-Couq, B	Union Francaise de la BJOP	01/05/2015	
Poly, I	Piaget	17/05/2018	
Pounds, J	Dominion Diamond Corporation	14/05/2019	09/03/2021
Reisert, P	C. Hafner GmbH + Co. KG	11/05/2017	
Rocquigny, E	Van Cleef & Arpels	11/05/2017	
Steinmetz, M	Leo Schachter Diamonds LLC	23/05/2013	
Vera, E	Minera Sotrami S.A.	25/06/2019	31/05/2020
Wiskemann, R	Allgemeine Gold-und	17/05/2018	
Zerouki, F	De Beers Group	23/05/2013	

Individuals listed as directors are statutory directors of the company and are appointed by the Council and members as their representative on the board of the Council for Responsible Jewellery Practices Limited. Alternates are not statutory officers of the company but are appointed by individual directors to temporarily act on their behalf in relation to the company's affairs when required.

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Company Information

Registered office Quality House
5-9 Quality Court
London
WC2A 1HP

Auditors Critchleys Audit LLP
Registered Auditors
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

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Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company is to promote responsible, ethical, social and environmental practices throughout the industry from mine to retail.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report 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.

Approved by the Board on 5th May 2021 and signed on its behalf by:



.....
D Bouffard
Chairman

Council for Responsible Jewellery Practices Limited

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Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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Independent Auditor's Report to the Members of Council for Responsible Jewellery Practices Limited

Opinion

We have audited the financial statements of Council for Responsible Jewellery Practices Limited (the 'company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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Independent Auditor's Report to the Members of Council for Responsible Jewellery Practices Limited

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members

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**Independent Auditor's Report to the Members of Council for Responsible Jewellery
Practices Limited**

those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Katherine Wilkes (Senior Statutory Auditor)
For and on behalf of Critchleys Audit LLP, Statutory Auditor

Registered Auditors
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Date: 23 July 2021
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Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Income		2,254,746	2,221,612
Gross surplus		2,254,746	2,221,612
Administrative expenses		(1,998,886)	(2,314,330)
Other operating income		47,919	54,700
Operating surplus/(deficit)		303,779	(38,018)
Other interest receivable and similar income		5,652	11,378
Surplus/(deficit) before tax	5	309,431	(26,640)
Taxation		(1,074)	(2,162)
Surplus/(deficit) for the financial year		308,357	(28,802)

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

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Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£	£
Surplus/(deficit) for the year	<u>308,357</u>	<u>(28,802)</u>
Total comprehensive income for the year	<u>308,357</u>	<u>(28,802)</u>

The notes on pages 12 to 17 form an integral part of these financial statements.

Council for Responsible Jewellery Practices Limited

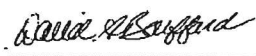
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**(Registration number: 05449042)
Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	6	62,931	12,546
Tangible assets	7	113,582	14,433
		<u>176,513</u>	<u>26,979</u>
Current assets			
Debtors	8	201,096	169,357
Cash at bank and in hand		3,208,081	2,900,690
		<u>3,409,177</u>	<u>3,070,047</u>
Creditors: Amounts falling due within one year	9	<u>(1,152,401)</u>	<u>(972,096)</u>
Net current assets		<u>2,256,776</u>	<u>2,097,951</u>
Net assets		<u>2,433,289</u>	<u>2,124,930</u>
Capital and reserves			
Profit and loss account		<u>2,433,289</u>	<u>2,124,930</u>
Shareholders' funds		<u>2,433,289</u>	<u>2,124,930</u>

These financial statements have 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.

Approved and authorised by the Board on 5th May 2021 and signed on its behalf by:



D Bouffard
Chairman

Council for Responsible Jewellery Practices Limited

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Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a company limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

The address of its registered office is:

Quality House
5-9 Quality Court
London
WC2A 1HP

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Income recognition

Income comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Income is shown net of sales/value added tax, returns, rebates and discounts.

Foreign currency transactions and balances

Income and expenditure account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated into sterling at closing rates at the balance sheet date and the exchange differences are included in the income and expenditure account.

Tax

The company has received dispensation due to its accepted mutual status such that it is not liable for corporation tax on any operating surplus. However corporation tax payable on bank interest received by the company is payable.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

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Notes to the Financial Statements for the Year Ended 31 December 2020

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment & database	4 years straight line basis
Office furniture and fittings	5 years straight line basis

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Database and website	4 year straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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Notes to the Financial Statements for the Year Ended 31 December 2020

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 11 (2019 - 13).

4 Auditors' remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>4,140</u>	<u>3,875</u>

5 Profit/loss before tax

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	26,743	20,400
Amortisation expense	<u>11,162</u>	<u>20,212</u>

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Notes to the Financial Statements for the Year Ended 31 December 2020

6 Intangible assets

	Internally generated software development costs £	Total £
Cost or valuation		
At 1 January 2020	12,813	12,813
Additions	61,547	61,547
At 31 December 2020	74,360	74,360
Amortisation		
At 1 January 2020	267	267
Amortisation charge	11,162	11,162
At 31 December 2020	11,429	11,429
Carrying amount		
At 31 December 2020	62,931	62,931
At 31 December 2019	12,546	12,546

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Notes to the Financial Statements for the Year Ended 31 December 2020

7 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2020	161,672	161,672
Additions	125,893	125,893
At 31 December 2020	287,565	287,565
Depreciation		
At 1 January 2020	147,240	147,240
Charge for the year	26,743	26,743
At 31 December 2020	173,983	173,983
Carrying amount		
At 31 December 2020	113,582	113,582
At 31 December 2019	14,433	14,433

8 Debtors

	2020 £	2019 £
Trade debtors	166,719	77,601
Prepayments	16,994	82,784
Other debtors	17,383	8,972
	201,096	169,357

9 Creditors

Creditors: amounts falling due within one year

	2020 £	2019 £
Due within one year		
Trade creditors	122,558	87,326
Taxation and social security	1,074	2,162
Accruals and deferred income	985,612	843,633
Other creditors	43,157	38,975
	1,152,401	972,096

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Notes to the Financial Statements for the Year Ended 31 December 2020

10 Financial commitments, guarantees and contingencies

The total amount of lease commitments is £241,689 (2019 - £13,331).

Lease commitments due within one year were £56,868 (2019: £13,331).

Lease commitments due between one and two years were £56,868 (2019: £Nil)

Lease commitments due between two and five years were £127,953 (2019: £Nil).

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Detailed Profit and Loss Account for the Year Ended 31 December 2020

	2020 £	2019 £
Turnover (analysed below)	2,254,746	2,221,612
Gross surplus (%)	100%	100%
Administrative expenses		
Employment costs (analysed below)	(1,151,328)	(1,207,881)
General administrative expenses (analysed below)	(809,653)	(1,009,326)
Depreciation costs (analysed below)	(37,905)	(40,612)
Other expenses (analysed below)	-	(56,511)
	(1,998,886)	(2,314,330)
Other operating income (analysed below)	47,919	54,700
Operating surplus/(deficit)	303,779	(38,018)
Other interest receivable and similar income (analysed below)	5,652	11,378
Surplus/(deficit) before tax	309,431	(26,640)

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Detailed Profit and Loss Account for the Year Ended 31 December 2020

Turnover

Membership income	2,225,087	2,211,612
Supporters	29,659	10,000
	<u>2,254,746</u>	<u>2,221,612</u>

Employment costs

Wages and salaries (excluding directors)	1,028,283	1,058,954
Staff NIC (Employers)	66,938	69,573
Staff pensions (Defined contribution)	56,107	79,354
	<u>1,151,328</u>	<u>1,207,881</u>

General administrative expenses

Office expenses	180,357	149,026
Communications and PR services	212,552	239,197
IT costs	52,307	31,326
General project implementation and management	255,655	272,825
Directors insurance	13,701	11,527
Staff travel and other expenses	55,477	163,590
Auditor's remuneration - The audit of the company's annual accounts	4,140	3,875
Legal and professional fees	90,385	52,671
Tax and company secretarial services	29,466	38,514
Foreign currency (gains)/losses	(84,387)	46,775
	<u>809,653</u>	<u>1,009,326</u>

Depreciation costs

Amortisation of development costs	11,162	20,212
Depreciation of furniture, fittings and equipment	26,743	20,400
	<u>37,905</u>	<u>40,612</u>

Other expenses

(Surplus)/deficit on disposal of intangible fixed assets	-	56,511
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Other operating income

Auditor accreditation	47,919	54,700
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Other interest receivable and similar income

Bank interest receivable	5,652	11,378
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