



HELPING HOMELESS AND VULNERABLE PEOPLE SINCE 1860

## **Trustees' Annual Report and Financial Statements for the year ended 31 March 2024**

Providence Row

Registered and Principal Office:  
The Dellow Centre  
82 Wentworth Street  
London  
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Company number      07452798  
Charity number        1140192

Website: [www.providencerow.org.uk](http://www.providencerow.org.uk)



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/ProvidenceRow

**Board of Trustees**

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His Grace the Duke of Norfolk

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**Chief Executive Officer & Company Secretary**

Tom O'Connor

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## Contents

<b>Overview</b>	<b>Page</b>
Message from our CEO	4
Message from our Patron	5
About us	6
 <b>Annual Report</b>	
Our plans for the future – Building a community of support	7
Achievements and Highlights	7
Our Services	7
Our supporters and funders	10
Structure, governance and management	12
Organisational structure, management and key relationships	12
Financial summary 2023/24	13
Financial Review	14
Principal risks and risk management	15
Review of reserves and reserves policy	16
Trustees' responsibility statement	17
 <b>Independent Auditor's Report</b>	18
 <b>Financial Statements</b>	
Statement of financial activities for the year ended 31 March 2024	22
Balance sheet as at 31 March 2024	23
Statement of cash flows	24
Notes to the financial statements	25

## Message from our CEO

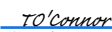
Dear Friends,

During the last year, we have seen more demand for our services as the number of those facing a life on the streets sadly continues to increase. Many of our clients are experiencing homelessness for the first time. The cost of living crisis, shortage of housing, insecure private rental tenancies, mental and physical health issues, and substance use are all significant factors. As the need for support has grown, it has also become more difficult for charities to secure sustainable funding, with Local Authorities and donors being confronted by increasing demands on their own resources.

Despite the challenges, Providence Row has continued to welcome and support some of the most vulnerable people in our society with services that address their immediate needs and help them to look ahead with new hope. No one has been turned away and we have gone into the community to seek out those most at risk.

At the very heart of Providence Row is an unshakable belief in the dignity of every person and a strong sense of responsibility towards those who are most in need. This drives and inspires the work of our excellent team of colleagues and volunteers.

We depend on our valued partners and donors without whom our services could not continue. Thank you so much for your support. Together we can help many more people to thrive and leave homelessness behind for good.

  
TO'Connor (Dec 18, 2024 10:09 GMT)  
Tom O'Connor  
CEO

## **Message from our Patron His Grace the Duke of Norfolk**

As the Patron of Providence Row, I am happy to put my name to this year's annual report, showcasing the vital work of our charity over the past year.

The support we provide to people experiencing homelessness remains as critical as ever. This year, we saw an increase in the number of individuals seeking our help as the cost of living crisis continued to take its toll.

In the face of these challenges, Providence Row has remained a lifeline for many, offering a safe and welcoming space for our clients. From warm meals and healthcare access to advice and guidance, our team has been unwavering in their commitment to supporting those in need.

But our impact goes beyond meeting immediate needs. This year, we have continued to empower our clients to make meaningful and lasting changes in their lives through our in-house training programmes, employability sessions, and tailored support for substance and alcohol use. We have also worked tirelessly to enhance our services, ensuring they meet the evolving needs of those we serve and give them the tools to thrive.

None of this would have been possible without the extraordinary generosity and dedication of our supporters, staff, and volunteers. Together, you have helped transform the lives of countless individuals affected by homelessness in East London, and for that, I am deeply grateful.

As we look ahead, let us remain steadfast in our mission, ensuring that Providence Row continues to be a safe space and a catalyst for change for those who need it most.

## **ABOUT US**

### **Vision**

Everyone has a safe home and a community in which to belong.

### **Mission**

To support and accompany more people who are homeless or at risk of homelessness on their journey to recovery, especially those who are most vulnerable and least likely to access services elsewhere.

To offer a range of services that support people from times of crisis through to when support is no longer needed.

### **Our values**

- Compassion
- Empowerment
- Inclusiveness
- Justice
- Respect

### **Why we are needed**

In 2023 London recorded the largest increase in England in the number of people estimated to be sleeping rough. There were 1,132 people this year compared to 858 people in 2022, an increase of 274 people or 32% \*. Annual count showed 10,053 rough sleepers spotted on London's streets between April 2022 and March 2023 \*\*. In 2023 Tower Hamlets Council reported that the number of people who were homeless or at risk of homelessness and who sought their support increased by 25.6% \*\*\*.

\*Department for Levelling Up, Housing and Communities, *Rough Sleeping Snapshot in England 2023*, statistics published February 2024.

\*\* The London-only Combined Homelessness and Information Network (Chain)

\*\*\* Tower Hamlets statistics for rough sleeping and households dealt with under the homelessness provisions of the 1996 Housing Act.

## **OUR PLANS FOR THE FUTURE – BUILDING COMMUNITIES OF SUPPORT**

As a charity our aim is to build communities of support for people experiencing homelessness so that everyone has a safe home and a community in which to belong. Our Strategy sets the following priorities:

- Growing our services to meet increasing needs
- Going out into the community to reach those in need and provide services
- Working with the whole person and tailoring support to individuals
- Complementing and working in partnership with other agencies
- Inspiring excellence in our staff and volunteers
- Building a robust infrastructure to support our work
- Generating income to achieve our vision.

Whilst significant progress has been made in achieving our priorities, two major factors limited progress in recent years: the impact of COVID-19 and the cost of living crisis. This is why we undertook a revaluation of our strategic framework and launched our updated “Building Communities of Support” strategy to consolidate the gains and learnings from the last years. We are now much better placed to deliver on our priorities and expand our services to reach even more people. Alongside our ambitions, we remain cautious given the current economic environment. A high priority up to 2026 will be rigorous financial management, maximising opportunities for full cost recovery, increasing unrestricted income and maintaining a range of income streams.

To achieve our strategic objectives we will build on, consolidate and further expand our services in four priority areas:

- Advice and support: enhancing our reconnection services with the resources to accompany clients and working with those who do not have a connection in Tower Hamlets; increasing our tenancy sustainment provision and developing services tailored to specific groups reflecting the diversity of East London;
- Substance use: increasing capacity within our outreach teams and developing our specialism to support particular groups (e.g. faith based communities);
- Health and Well-being: increasing health care support for clients in partnership with the NHS and the new integrated care systems (ICSs); continuing to develop food provision with increased flexibility to deliver nutritious meals where they are needed;
- Employment and training: Extending our employment services: reviewing and re-establishing training schemes to support our clients to sustain a life off the streets; scaling-up work with clients who have no recourse to public funds; increasing engagement with the hostel sector.

## **ACHIEVEMENTS AND HIGHLIGHTS FOR THE YEAR**

This year we saw an increased demand for our services as people struggled with the cost of living crisis. We are proud that with the dedication of our staff and volunteers and the support of our donors and partners we were able to continue to help and empower people experiencing homelessness in East London.

## **OUR SERVICES**

In 2023/24, Providence Row's Health Service demonstrated significant impact including the recognition we received through the National Homeless Link Excellence Awards for our outstanding Health and Wellbeing Initiative. We have also managed to expand our clinical offerings and pilot a new nutritional service for substance users and rough sleepers.

## **Service Expansion and Innovation**

- We introduced comprehensive on-site health care services, including primary health care, nutritional advice, mental health support, and targeted disease prevention programmes for rough sleepers and the homeless in Tower Hamlets
- Our programme extended crucial health interventions, such as Hep C testing and Flu/Covid-19 vaccinations, facilitating over 320 total engagements through our Health and Wellness Fairs
- The introduction of Health Peers has further enriched our service delivery, enhancing both the reach and quality of our community health interventions.

## **Community Impact**

- Throughout the year, we hosted four Health and Wellness Fairs, drawing significant participation from vulnerable populations and enabling access to a broad spectrum of health services
- We strengthened partnerships with local health providers, which was pivotal in providing seamless and sustained health care to our clients
- The programme successfully facilitated numerous health check-ups and registrations, promoting better health outcomes among our clients.

## **Ongoing and Future Initiatives**

We look forward to the continuation of our innovative projects, including the integration of new health services and expanding our Health Fair initiatives. Plans are underway to enhance our facilities and services further, including a potential expansion of weekend health provisions to provide more comprehensive support.

## **Resource Centre**

An essential part of East London's local community, our Resource Centre provides a safe space for vulnerable people and, last year, supported 1,021 individuals to access washing facilities, phone charging, a postal address, IT facilities and to engage with many other services from our Food Programme, to Progression and Training to our Advice and Support Service.

## **Reset**

Our Reset Outreach and Referral Service and Reset Rough Sleeping Navigator Team helped 701 clients through harm reduction advice and support, and referral into drug & alcohol treatment and recovery services. The team has also supported service users to register with GP's, and attend physical and mental health appointments.

Our Needle Exchange and Harm Reduction service has seen an increase in people from marginalised communities attending throughout the year, with a total of 181 individuals receiving support. We estimate that over 20,249 new and sterile needles, as well, as other harm reduction materials were distributed to service users.

Naloxone training and distribution has also increased, with 438 kits being distributed to service users and support agencies. Naloxone is a vital lifesaving drug that can reverse the effects of an opiate overdose.



The service has also seen its partnerships with external agencies increase, with more access to testing and prevention of blood borne viruses (BBV's), removing barriers to support for our service users.

### **Outreach Psychotherapy**

The Outreach Psychotherapy Service embarked on a transformative journey with a new tri-borough contract covering Tower Hamlets, the City of London and Hackney in August 2022. Since then, we have made a profound impact by assisting over 200 rough sleepers in these boroughs who have been grappling with mental health challenges. Our dedicated psychotherapists have played a pivotal role in empowering these individuals to not only secure stable accommodation but also to cultivate the autonomy needed to make informed decisions that serve their best interests. Through our interventions, we have facilitated access to essential support services such as accommodation assistance, drug and alcohol rehabilitation programs, health consultations, educational opportunities, and the vital process of re-establishing familial connections. Our commitment is unwavering as we continue to provide holistic care and guidance to those in need, fostering pathways to recovery, resilience, and a brighter future.

### **Progression & Training Service**

In 2023/24, we continued our mission to empower individuals and communities through education and training. With 174 referrals to the service and 133 sessions offering Information, Advice, and Guidance (IAG), we've broadened our support network, ensuring wide accessibility to resources. 132 individuals were supported to create CVs, equipping them for the job market. 11 participants secured employment, marking a significant milestone in their journey towards self-sufficiency. Our commitment to diverse training pathways is strong. From catering to gardening and Level 2 Food & Hygiene certification, we have provided tailored programmes, empowering 48 individuals with valuable skills. Recognising the importance of digital literacy, 11 participants completed digital training modules, enhancing their ability to navigate the digital landscape confidently. 7 individuals achieved Level 2 Food & Hygiene certification, enhancing their employability within the food service industry. Additionally, 25 individuals completed employability training, equipping them with essential skills for navigating the job market.

### **Health & Wellbeing Fairs**

<b>Health or Wellbeing Service at Health Fair</b>	<b>Total No.</b>
GP Health Checks & Registrations	320 total attendance / 80 per event
Dental Screenings	52 assessments, 46 registrations
COVID / Flu vaccines	21 attendances
Blood Borne Virus Testing	45 interventions
Mental Health support	8 engagements
Fibro Scans and Hep C testing	12 attendances
Hearing checks	37 treatments
Healthy meals	356 meals
Wellbeing activities	65 massages 54 haircuts
Health parcels	227 bags provided 57 per event
Pet support	2 animals
Nutritional advice and guidance	7 discussions including 3 assessments

## **Catering Service**

Over the course of the year we provided 5,552 breakfasts and 8,615 lunches. In total 14,167 nutritious meals were provided for rough sleepers and those affected by homelessness who are engaged with our services.

## **OUR SUPPORTERS AND FUNDERS**

Providence Row's work is made possible by our fantastic community of staff, supporters, funders and volunteers.

### **Our Staff**

During the year the charity employed an average of 46 staff (average monthly headcount), of whom 8 were part-time staff (2022-23 average monthly account: 42 staff, of whom 19 were part-time staff).

### **Our Supporters and Funders**

We are grateful to all our supporters and funders for their support, from regular gifts to one off donations and fundraising initiatives.

### **Our Volunteers**

Volunteers are at the heart of our work and provide essential support for service provision.

Our volunteering:

- Helps the clients we work with to meet new people and build skills, confidence and a new network of friends
- Assists the teams in providing a better service for our clients
- Creates a welcoming, safe place for people experiencing high levels of loneliness and isolation
- Gives people the chance to learn about homelessness, breaking down misconceptions and helping to build relationships with the local community

This year, we've on-boarded 45 community volunteers who support various functions such as the kitchen, Welcome Area as well as our garden and our "Roots to Routes" projects. This initiative has been instrumental in connecting those experiencing isolation with supportive communities

We also introduced two new volunteer roles:

- IT Support Volunteer: Assists in our IT Drop-In sessions, helping clients resolve technical issues, create CVs, and provide general support
- Administrative Volunteer: Collaborates with our psychotherapy team.

Moreover, our volunteers have played a crucial role in recruitment efforts by attending volunteer fairs and adding to our dynamic team. In October, we welcomed a new volunteer psychotherapy trainee who committed to providing a year of therapeutic support to clients.

Our collaboration with educational institutions has also flourished. We continued our successful partnership with the Institute for the International Education of Students (IES), welcoming two interns who brought unique skills and enthusiasm. A new partnership with Samford University allowed us to welcome

an international student volunteer, who contributed across multiple departments, including our Resource Centre and marketing team.

The Peer Mentor training programme resumed in March 2023 with two individuals starting the course. Upon completion, they will serve as integral team members for a year, bringing valuable perspectives and skills. In a notable achievement, one of our volunteers transitioned into a permanent staff position in February 2024, underscoring the role of volunteers in nurturing skilled professionals within the sector.

## **Companies**

We are incredibly grateful for the support of our company partners who donated £219,565 (£237,662 in 2022/23) over the course of year through a range of events, activities and grants. We would like to thank our long standing strategic partners Natixis Investment Managers and Reed Smith, Aldgate Connect BID, Land Securities, Mace, Speedy Services, Beazley, FSCS, YouView, AIG Insurance, Telent Technology, VARO Partners, Generali, Empiric, Howden Group, Frasers Property and Hamilton Group

## **Communities**

Thanks to continued support from a number of community groups we raised £126,780 (£81,952 in 2022/23). Our supporters in the community include: The Sisters of Mercy, The Society of the Holy Child Jesus CIO, Sisters of the Holy Cross Charitable Trust, St. Mary Moorfields Catholic Church, The Church of St Botolph Without Bishopsgate; St Sepulchre-without-Newgate, City of London School, the Young City Catholics, ASDA Foundation as well as other religious and non-religious groups and schools.

## **Trusts and Foundations**

Our private and institutional grant makers are a vital source of committed multi-year funding that allows us to plan ahead for our programmes and services. We received £527,649 (£357,239 in 2022/23). Thanks to the generosity of the Trusts and Foundations that supported us this year we were able to be there for our clients during another extremely challenging year.

## **Major Donors**

We stewarded some key existing relationships with Major Donors over the year (while developing new relationships too) which helped secure £60,500 towards our work. This programme will be further developed over the coming years.

## **Legacy**

We received £1,500 (£80,237 in 2022/23) in legacy income. We are immensely grateful to those who have so generously supported us in their will.

## **Individuals**

Our individual donors have once again made a crucial difference to the lives of the people we support. Thanks to the support of individual givers we raised £89,262 (£110,936 in 2022/23) during a year in which individual giving has shown a downward trend across the sector owing to the challenging economic environment.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Legal structure of the charity**

Providence Row is a private company limited by guarantee and does not have share capital. It was incorporated on 26 November 2010 (company number 07452798) and was registered as a charity on 2 February 2011 (charity number 1140192). Providence Row is the corporate successor to the unincorporated charity known as Providence Row Charity (PRC) (charity number 207454), which was originally established in 1860. The directors of Providence Row are its trustees for the purposes of charity law. Providence Row became operational as an incorporated charitable company on 1 April 2011 and on the same date a Charity Commission Scheme appointed Providence Row as the sole trustee of PRC.

### **Governance**

The Memorandum of Association and Articles of Association of Providence Row form the governing documents of the charity. Providence Row is governed by a Board of Trustees, which is made up of:

- up to four Nominated Trustees
- up to ten Elected Trustees.

Nominated Trustees are nominated to serve on the Board by the Catholic Archbishop of Westminster (two Trustees), the Superior General of the Union of the Sisters of Mercy (one Trustee) and the Congregational Leader of the Institute of Our Lady of Mercy (one Trustee). Their appointment is subject to approval by the Trustees. Nominated Trustees serve for three year renewable terms.

Elected Trustees must be appointed at the annual general meeting by means of election by those qualified to vote at the meeting. One third of Elected Trustees must retire by rotation (and can stand for re-election) at the Annual General Meeting, those who have been longest in office since their last appointment or re-appointment being subject to retirement by rotation.

The Trustees may appoint one of their number to be the Chair of the Trustees for such a term of office as they determine and may at any time remove him or her from that office. The Chief Executive Officer has been appointed as the Secretary to the charity. The Trustees may at their discretion establish procedures and criteria for inviting individual donors to become 'Associate members' of the charity with the right to vote at the annual general meeting. There are currently no 'Associate members' qualified to vote at the 2024 Annual General Meeting.

## **ORGANISATIONAL STRUCTURE, MANAGEMENT AND KEY RELATIONSHIPS**

The Board of Trustees meet at least quarterly. These quarterly meetings are preceded by meeting of the Finance Committee. The Remuneration Committee meets annually to consider the recommendations of the Chief Executive in relation to staff remuneration. The remuneration of the Chief Executive is considered separately by the Remuneration Committee in the absence of the Chief Executive. External market benchmarks are taken into consideration in relation to all staff remuneration decisions, focussing on pay levels in other providers of a similar nature, and geographical location. The Remuneration Committee submits its recommendations to the Board for approval.

The Chief Executive attends meetings of the Board of Trustees (with other senior staff as appropriate) and submits for approval the strategic plan and the annual budget. The Chief Executive and the leadership team report regularly to the Trustees on the implementation of the strategy and performance against the budget.

In accordance with charity law, decisions relating to disposals of land (including sales, leases, grants of easements and releases of rights of light) are made by the Trustees following the procedures set down in the Charities Act, statutory regulation and guidance issued by the Charity Commission. The Board of Trustees determines the charity's reserves policy.

The Chief Executive has formed a Leadership Team including the Director of Services, the Director of Finance and the Director of Fundraising and Marketing. The role of the Leadership Team is to assist the Chief Executive in implementing the strategic plan within the approved annual budget.

The charity's key relationships include the Sisters of Mercy (the Union of the Sisters of Mercy of Great Britain and the Institute of Our Lady of Mercy), the London Borough of Tower Hamlets and the Corporation of the City of London. The relationship with the Sisters of Mercy is a formal arrangement with powers to nominate Trustees to the Board. The charity is very grateful for the continued support of the Sisters of Mercy and committed to ensuring that the legacy of the Sisters is reflected in the ongoing work of the charity for the long term. In addition, the charity works with a range of other charities, agencies and partners.

## FINANCIAL SUMMARY 2023/24

### Overview of results

The charity recorded a deficit of £518,740 before net unrealised gain on investments of £94,168 and unrealised loss of £461,000 on evaluation of the investment property. This compares to a surplus of £953 before net unrealised loss on investments of £34,576 and net unrealised loss on the investment property of £305,000 in 2022/23.

### Income

Total income for 2023/24 was £2,939,574 (2022/23 was £2,577,100).

Income	2023/24		2022/23	
	£'000	% of total	£'000	% of total
Donations	569.1	19.4%	532.9	20.7%
Donated goods, facilities and services	24.3	0.8%	6.3	0.2%
Legacies	1.5	0.1%	80.2	3.1%
Charitable activities (see below)	2,005.8	68.2%	1,609.7	62.5%
Other trading activities	0.3	0.0%	0.1	0.0%
Investment income	313.6	10.6%	322.9	12.5%
Other income	25.0	0.9%	25.0	1.0%
<b>Total</b>	<b>2,939.6</b>	<b>100.0%</b>	<b>2,577.1</b>	<b>100.0%</b>

Income from charitable activities	2023/24		2022/23	
	£'000	% of total	£'000	% of total
Local authority contracts	1,342.1	66.9%	999.9	62.1%
Performance related grants	454.7	22.7%	254.9	15.8%
Rents from the Dellow Centre leases	209.0	10.4%	354.9	22.1%
<b>Total</b>	<b>2,005.8</b>	<b>100.0%</b>	<b>1,609.7</b>	<b>100.0%</b>

Total income for the year increased by £362,472 (14.1%) in relation to 2022/23 income. This is mainly due to £510K increase in Services, £60K interest/Dividend income and a £230K decrease in rental income.

### Expenditure

Total expenditure for 2023/24 was £3,458,314 (2022/23 was £2,576,147), an increase of £882,167 (34.2%). This increase is due to £320K cost increase in Services which is reflected in the increased income

outlined above, £280K buildings related cost increases which are part of a building's investment strategy, and some one-off support costs totalling £180K.

Expenditure	2023/24		2022/23	
	£'000	% of total	£'000	% of total
Costs of raising donations and legacies	690.3	20.0%	403.1	15.6%
Costs of investment management	240.1	6.9%	139.1	5.4%
Charitable activities (see below)	2,527.9	73.1%	2,034.0	79.0%
<b>Total</b>	<b>3,458.3</b>	<b>100.0%</b>	<b>2,576.1</b>	<b>100.0%</b>

Expenditure on charitable activities	2023/24		2022/23	
	£'000	% of total	£'000	% of total
Advice and Support / Resource Centre	1,353.7	53.5%	1,107.5	54.4%
Recovery and Progression	515.3	20.4%	445.4	21.9%
Trainee Schemes, Food & Garden	658.9	26.1%	481.1	23.7%
<b>Total</b>	<b>2,527.9</b>	<b>100.0%</b>	<b>2,034.0</b>	<b>100.0%</b>

## FINANCIAL REVIEW

### Investment policy and objectives

The charity's appetite for risk in relation to the Endowment Fund reflects the long-term nature of the charity's investment horizon. The Endowment Fund exists to generate sustainable income in perpetuity. For this reason, the Endowment Fund is focused on a diversified portfolio of unitised equity related investments, managed by the charity's investment advisors. The primary objective of the investment strategy is to preserve the long-term real value of the charity's permanent endowment, whilst providing a good level of income which may be deployed by the charity to further its objectives. The Trustees apply a policy of 'Responsible Investment' and we expect our investment managers to engage with companies on social, environmental and business ethics issues and to exercise voting rights in line with the policy. The Trustees have decided not to take an exclusionary approach to particular categories of investment.

The greater part of the charity's investible cash resources, which are outside the Endowment Fund, are managed by its investment advisors. The charity does not currently hold any cash deposits with maturities in excess of 30 days, and has instructed its investment advisors to adopt a cautious approach, investing our resources across a number of different banking institutions with investment grade credit ratings and, in the case of overseas or offshore deposit takers, benefiting from a full guarantee from a UK parent bank with a credit rating of at least A- (Fitch/S&P). The Charity is currently exploring refinements to its investment strategy to maximise benefit from the higher interest rate environment.

### Investment performance against objectives

Over the 12-month period to 31 March 2024, the charity's Endowment Fund generated an overall positive return of £110,601 (2022/23: negative return of £24,946), incorporating investment income of £23,194 (2022/23: £16,258), net unrealised gain of £94,168 (2022/23: unrealised loss of £34,576) and management fees of £6,761 (2022/23: £6,628).

The charity's managed cash deposit portfolio generated income in the year of £27,698 (2022/23: £12,094).

The charity's investment property generated total income (rent and service charge) of £219,843 during the year, a decrease of 21% over the comparative figure for 2022/23 of £278,826. This decrease is due to

vacancy levels during the year. Rental income was £165,789 (2022/23: £219,772). Direct costs of investment property management in 2023/24 (before allocated support costs) totalled £226,394 (2022/23: £151,968).

## **PRINCIPAL RISKS AND RISK MANAGEMENT**

The Trustees have considered and reviewed the major risks to which the charity is exposed and are satisfied that systems and procedures have been established to adequately manage these risks. The risks identified and reviewed are those which, if they occurred, would have a major impact on some or all of the following areas: governance; operations; finances; environmental or external factors such as public opinion or relationships with funders; compliance with law and regulation.

The Chief Executive together with the Leadership Team reports to the Board of Trustees on a regular basis regarding the major risks which have been identified, and measures in place (or planned) to manage and mitigate those risks.

We recognise that in our work we are exposed to significant risks relating to the safeguarding of vulnerable adults, and a failure to respond to changes in the external environment could endanger lives as well as our reputation. To manage this risk, procedures are in place in respect of staff, volunteers and clients. These processes are included in a range of policies, in particular: Safeguarding Adults; Health and Safety; Fire Safety; Personal Safety, and Lone Working.

Economic uncertainty is a threat to our income at a time when the needs of homeless people are increasing and Local Authorities finances are under pressure. The Board and the Leadership Team are carefully monitoring the external environment to identify specific risks to our projected income.

The charity's largest single source of recurring (contractual) income is currently from the London Borough of Tower Hamlets. Local Authority budgets continue to be placed under considerable pressure by public sector financing constraints. Uncertainty about future levels of Local Authority income represent a risk to the charity. Consequently, we have prioritised the further diversification of income streams. All our commissioned services are due for re-tendering, and re-structuring over the next 18 months. Whilst this presents us with the risk of losing some priority services, it also offers the opportunity to update and renew our established partnerships and service provision.

We now have an established fundraising programme across a range of income streams. This has grown year on year and we forecast sustained growth over the next three years.

The charity owns a number of property assets, and the ownership and management of these properties involves a number of risks:

- The charity's main premises, the Dellow Centre complex, is a substantial purpose-built property on Gunthorpe Street/Wentworth Street and is owned freehold. The effective management of this and of the charity's Resource Centre on the same site represents a considerable operational and financial commitment. We have begun to invest in the Centre to make improvements to the premises and the way in which we provide our services.
- Most of the upper parts of the Dellow Centre comprise hostel accommodation for vulnerable people. This was occupied and operated by a Housing Association for many years and generated a substantial rental income for the charity. The tenant vacated the building in October 2023. We have undertaken a transparent bidding process and secured a new provider. This new provider will undertake a full refurbishment of the hostel accommodation. At 31<sup>st</sup> March 2024 this project was ongoing (hence some losses of rental income). At the date when this report was approved, Providence Row had agreed a 40 year lease with a new provider. This guaranteed long term rental income and the provision of appropriate and well maintained accommodation for residents.
- Providence Row's investment property, Sherrington Mews, lies adjacent and to the south of the Dellow Centre and provides commercial office space arranged in small suites. The property is



managed by a third-party professional property manager. During the year some tenants vacated the premises and those units remained vacant.

## **REVIEW OF RESERVES AND RESERVES POLICY**

Providence Row reviews its reserves policy regularly in line with its evolving strategic outlook and operating environment and in order to ensure that the policy continues to reflect the underlying risks facing the charity and the level of reserves judged necessary to protect its core services to clients and to safeguard its long-term sustainability and independence.

Providence Row holds restricted funds (or 'special trusts') in accordance with donors' express requirements and the terms of grants or appeals. In addition, the charity has established designated (unrestricted) funds for planned future requirements in accordance with the strategic plan. The creation of a designated fund does not legally restrict the Trustees' discretion in how to apply the unrestricted funds that have been earmarked.

As at 31 March 2024 the charity held total funds of £10,447,936 (2022/2023: £11,333,508), comprising the restricted endowment fund, restricted income funds and unrestricted funds.

The Trustees have determined that the previously agreed target level of £1,000,000 in free reserves should remain. At 31 March 2024, the actual level of free reserves (including the contingency fund) was £769,653 (2022/23: £1,030,102).

The Trustees will continue to review the target level of free reserves annually to take into account changing circumstances, revised financial forecasts and evolving challenges and opportunities facing the charity. The target level of free reserves may therefore change over time.

Movements on the funds held by the charity during the period under review and an analysis of the charity's net assets between the funds held are summarised in notes 16 to 19 to the financial statements.

## **Going concern**

An established and robust fundraising programme is in place that has been showing sustainable year on year growth. Our cash position remains strong despite the challenging environment in which we are working. The ownership of property assets protects us from challenges being faced by many charities at this time.

We are currently in a time of transition as we commence the full refurbishment of the hostel with a new provider, and plan for the upgrading and modernisation of our Resource Centre. Trustees remain confident that the associated financial deficit for 2023/24 does not represent a long term risk to the charity.

The Trustees consider that it is therefore appropriate to prepare the financial statements on a going concern basis.



## TRUSTEES' RESPONSIBILITIES STATEMENT

The law applicable to charities in England and Wales requires the Trustees to prepare the annual report and financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and enable them to ascertain the financial position of the charity and ensure that the financial statements comply with the Companies Act 2006. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are not aware of any relevant audit information that has not been disclosed to the charity's auditors. The Trustees have taken all the steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Auditors

Forvis Mazars LLP acted as auditors during the period under review and have signified their willingness to continue in office. A resolution proposing their re-appointment will be put to the annual general meeting.

These financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime.

Approved by the Trustees on 05/12/2024 and signed on their behalf by

E M Canning  
E M Canning (Dec 18, 2024 09:00 PST)

Elizabeth Canning – Chair

Richard Solomon  
Richard Solomon (Dec 19, 2024 15:26 GMT)

Richard Solomon – Honorary Treasurer

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE ROW**

### **Opinion**

We have audited the financial statements of Providence Row (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of the Trustees**

As explained more fully in the trustees' responsibilities statement on page 17, the trustees (who are also the directors of the charitable company for the purposes of company laws) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to income recognition and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of the audit report**

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

  
Nicola Wakefield (Dec 19, 2024 17:28 GMT)

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
2<sup>nd</sup> Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS  
Date: 19-Dec-2024 .....

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2024

### Statement of Financial Activities for the year ended 31 March 2024 (incorporating an income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds 2024	Total Funds 2023
		£	£	£	£	£
<b>Income and Expenditure</b>						
<b>Income from:</b>						
Donations		502,705	90,662	-	593,367	539,142
Legacies		1,500	-	-	1,500	80,237
Sub-total: Donations and legacies	2a	504,205	90,662	-	594,867	619,379
Charitable activities	2b	1,551,091	454,707	-	2,005,798	1,609,670
Other trading activities	2c	312	-	-	312	129
Investments	2d	313,597	-	-	313,597	322,922
Other	2e	25,000	-	-	25,000	25,000
<b>Total income</b>		<b>2,394,205</b>	<b>545,369</b>	<b>0</b>	<b>2,939,574</b>	<b>2,577,100</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Raising donations and legacies		(659,425)	(30,840)	-	(690,265)	(403,077)
Other trading activities		-	-	-	-	-
Investment management		(233,387)	-	(6,761)	(240,148)	(139,107)
Sub-total: Raising funds		(892,812)	(30,840)	(6,761)	(930,413)	(542,184)
<b>Charitable activities</b>						
Advice and Support / Resource Centre		(1,096,231)	(257,428)	-	(1,353,659)	(1,107,512)
Recovery and Progression		(506,358)	(8,967)	-	(515,325)	(445,353)
E&T: Trainee Schemes, Food & Garden		(357,568)	(301,349)	-	(658,917)	(481,098)
E&T: Providence Row Bakery		-	-	-	-	-
Property let for charitable purposes		-	-	-	-	-
Sub-total: Charitable activities		(1,960,157)	(567,744)	-	(2,527,901)	(2,033,963)
<b>Total expenditure</b>	3	<b>(2,852,969)</b>	<b>(598,584)</b>	<b>(6,761)</b>	<b>(3,458,314)</b>	<b>(2,576,147)</b>
<b>Net (expenditure)/income before net (losses)/gains on investments</b>		<b>(458,764)</b>	<b>(53,215)</b>	<b>(6,761)</b>	<b>(518,740)</b>	<b>953</b>
<b>Net (losses) on investments</b>						
Unrealised (losses) on investment property	8	(461,000)	-	-	(461,000)	(305,000)
Net gains/(losses) on other investments	9, 16	-	-	94,168	94,168	(34,576)
<b>Net movement in funds</b>		<b>(919,764)</b>	<b>(53,215)</b>	<b>87,407</b>	<b>(885,572)</b>	<b>(338,623)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward (as previously stated)		8,395,723	2,138,652	799,133	11,333,508	11,672,131
<b>Total funds carried forward</b>		<b>7,475,959</b>	<b>2,085,437</b>	<b>886,540</b>	<b>10,447,936</b>	<b>11,333,508</b>

All of the above results relate to continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities above. Movements in funds are disclosed in Notes 16 to 19 of the financial statements.

Registered company number: 07452798  
Charity number: 1140192

## BALANCE SHEET

As at 31 March 2024

	NOTES	Total funds 2024		Total funds 2023	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	7		5,266,919		5,318,621
Investment property	8		3,414,000		3,875,000
Other Investments	9		1,520,939		1,398,244
Total Fixed Assets			10,201,858		10,591,865
<b>Current Assets</b>					
Debtors	10	479,327		365,143	
Cash at bank and in hand		1,576,690		2,095,180	
Total Current Assets		2,056,017		2,460,323	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	11	(799,555)		(708,296)	
Net Current Assets			1,256,462		1,752,027
Total Assets less Current Liabilities			11,458,320		12,343,892
Creditors falling due after more than one year	12, 13		(1,010,384)		(1,010,384)
<b>Total Net Assets</b>	19		<b>10,447,936</b>		<b>11,333,508</b>
<b>The Funds of the Charity</b>					
<b>Endowment Fund</b>	16		886,540		799,133
<b>Restricted Income Funds</b>	17				
Tangible fixed asset fund: Restricted		2,072,000		2,128,000	
Other restricted income funds		13,437		10,652	
			2,085,437		2,138,652
<b>Unrestricted Funds</b>	18				
Tangible fixed asset fund: Unrestricted		3,194,919		3,190,621	
Fixed asset fund: Investment Property		1,556,597		1,556,597	
Revaluation Reserve: Investment Property		1,857,403		2,318,403	
Cyclical Maintenance and repairs fund		97,387		300,000	
<b>Free Reserves</b>					
Contingency fund: Charity running costs		700,000		800,000	
General Funds		69,653		230,102	
<b>Total Free Reserves</b>		769,653		1,030,102	
			7,475,959		8,395,723
<b>Total Charity Funds</b>	19		<b>10,447,936</b>		<b>11,333,508</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements on pages 22 to 42 were approved by the Board of Trustees on 05/12/2024 and signed on its behalf by:

E M Canning

E M Canning (Dec 18, 2024 12:00 PST)

Elizabeth Canning – Chair

Richard Solomon

Richard Solomon (Dec 19, 2024 13:26 GMT)

Richard Solomon – Honorary Treasurer

The notes on pages 25 to 42 form an integral part of these financial statements

## STATEMENT OF THE CASHFLOWS

For the year ended 31 March 2024

### Statement of Cash Flows for the year ended 31 March 2024

	Notes	Total Funds 2024 £	Total Funds 2023 £
<b>a) Reconciliation of net expenditure to net cash flow from operating activities</b>			
<b>Net (expenditure) for the year (as per the statement of financial activities)</b>		(885,572)	(338,623)
Adjustments for:			
Depreciation charges, impairment and disposal	3,7	189,575	142,797
Unrealised loss on investment property	8	461,000	305,000
Net (gains)/loss on other investments	9	(94,168)	34,576
Other non-cash Income		-	-
Dividends, interest and rents from investments per the SOFA		(313,597)	(322,922)
Investment management costs per the SOFA		240,148	139,107
(Increase)/decrease in debtors (operating activities)		(114,184)	26,113
Increase in creditors (operating activities)		91,259	108,022
<b>Net cash (used in)/provided by operating activities</b>		<b>(425,539)</b>	<b>94,070</b>
	Notes	Total Funds 2024 £	Total Funds 2023 £
<b>b) Statement of Cash Flows</b>			
<b>Net cash (used in)/provided by operating activities</b>		(425,539)	94,070
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments per the SOFA		313,597	322,922
Investment management costs per the SOFA		(240,148)	(139,107)
Purchase of property, plant and equipment	7	(137,873)	(160,962)
Purchase of investments	9	(215,263)	(97,284)
Disposal of investments	9	249,424	95,001
<b>Net cash (used in)/provided by investing activities</b>		<b>(30,263)</b>	<b>20,570</b>
<b>Change in cash and cash equivalents in the year</b>		(455,802)	114,640
<b>Cash and cash equivalents at the beginning of the year</b>		2,666,339	2,551,699
<b>Cash and cash equivalents at the end of the year</b>		<b>2,210,537</b>	<b>2,666,339</b>
	Notes	Total Funds 2024 £	Total Funds 2023 £
<b>c) Analysis of Cash and Cash Equivalents</b>			
Cash at bank and in hand		1,576,690	2,095,180
Investments: Notice deposits (3 months or less)	9	583,739	556,041
Investments: Cash held in endowment fund (capital)	9	50,108	15,118
<b>Total cash and cash equivalents</b>		<b>2,210,537</b>	<b>2,666,339</b>



## Notes to the Financial Statements

### For the year ended 31 March 2024

#### 1 Accounting Policies

##### a. Basis of accounting

The financial statements have been prepared on the going concern basis and under the historical cost convention as modified by the revaluation of investments or as otherwise stated in the relevant accounting policy notes. There are no material uncertainties about Providence Row's ability to continue as a going concern. Providence Row is a public benefit entity.

The financial statements have been prepared in accordance with:

- The reporting requirements of the Companies Act 2006;
- The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (Charities SORP (FRS 102)), issued by the Charity Commission and the Office of the Scottish Charity Regulator in 2014 in their role as the joint SORP-making body and applicable to the financial statements of relevant charities for reporting periods beginning on or after 1 January 2019.

##### Incorporation and transfer of charitable undertaking at 31 March 2011

Providence Row was incorporated on 26 November 2010. Providence Row is the corporate successor to the unincorporated charity known as Providence Row Charity (PRC) (charity number 207454). (PRC was known as 'Providence Row Night Refuge and Home' until it changed its name on 21 January 2003.) With the exception of funds held on permanent endowment, the assets, liabilities, employees, operations and activities of PRC were transferred to Providence Row with effect from midnight on 31 March 2011. Providence Row became operational as an incorporated charitable company on 1 April 2011.

Also, on 1 April 2011 a Charity Commission Scheme appointed Providence Row as the sole trustee of PRC. PRC continues in existence to hold the charity's permanent endowment and to receive any legacies bequeathed to PRC after 31 March 2011. Although PRC continues to hold legal title to the Endowment.

Fund assets, from an accounting perspective PRC is considered to hold these assets only as custodian for its corporate successor, due to the corporate trusteeship established by the Charity Commission Scheme. As a consequence of the constitutional arrangements (corporate trusteeship of Providence Row in relation to PRC), the financial statements of Providence Row have been prepared on the basis that they aggregate its own assets, results and activities with those of PRC. For this reason, the Endowment Fund appears on the statutory balance sheet of Providence Row, and legacy income of PRC and investment income arising from the Endowment Fund are shown within Providence Row's Statement of Financial Activities (SOFA).

##### b. Income

Income is recognised in the SOFA when a transaction or other event (e.g. a gift) results in an increase in the charity's assets or a reduction in its liabilities. Income is recognised only when the following criteria are met:

- Entitlement: control over the rights or other access to the economic benefit has passed to the charity;
- Probable: it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity; and
- Measurement: the monetary value or amount of the income and relevant costs incurred can be measured reliably.

In the case of a donation, entitlement usually arises immediately on its receipt. In the case of a grant, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, some grants contain terms or conditions that must be met before the charity has entitlement to the resources. Where grants specify a time period within which the funds must be spent and

the funds are received before the start of that period, then the income is deferred and only released to income at the start of the relevant period.

Grant funding agreements may contain conditions that specify the particular activities, goods or services to be provided by the charity within the scope of its charitable activities (performance-related grants). Income derived from performance-related grants is included within the SOFA heading 'Income from charitable activities' rather than 'Income from donations and legacies'. However, simply because a grant is restricted to a particular purpose of the charity does not mean that it should be recognised as a performance-related grant. Unrestricted and restricted grants that are not subject to performance-related conditions are included within the SOFA heading 'Income from donations and legacies'.

Gift Aid recoverable from HMRC in relation to donations is included in income on an accruals basis where there is a valid Gift Aid declaration from the donor.

Donated goods, facilities and services are recognised as income when brought into use by the charity. They are included in income at an amount equivalent to their estimated value to the charity, where this can be quantified, and an equivalent amount is included in the appropriate cost line, or (in the case of tangible assets) capitalised if appropriate. The only amounts included for donated services are those provided in a professional capacity. No amounts are included in the financial statements for services donated by volunteers. Details of the contribution made by volunteers can be found in the Report of the Trustees.

Evidence of entitlement to a legacy exists when the charity has sufficient evidence, after the death of the benefactor, that a gift has been left to it and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Recognition of the legacy income is also affected by the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Receipt of a legacy is normally judged to meet the probability criterion when:

- There has been grant of probate;
- The executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- Any conditions attached to the legacy are either within the control of the charity or have been met.

Where the charity has entitlement to a legacy but the criteria for income recognition have not been met (e.g. due to uncertainty as to the amount of the payment) then the legacy is treated as a contingent asset (and is disclosed in the notes to the financial statements if material) until the criteria for income recognition are met.

Income from fundraising events, where the income is not a simple gift or donation but rather a payment in exchange for supplying goods or services to raise funds for the charity, is recognised when the event takes place and is included within the SOFA heading 'Income from other trading activities'.

Income from the sale of goods is recognised at the time of supply of goods to the buyer, provided receipt of the income is probable.

Income from contracts for the supply of services is recognised with the delivery of the contracted service.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably. Dividend income is recognised when its receipt is probable, and the amount receivable can be measured reliably. Dividends are accrued when the charity's right as shareholder to receive payment is established.

Rental income from property leases is recognised when it is receivable in accordance with the terms of the relevant leases, provided receipt of the income is probable. The aggregate cost of lease incentives (e.g. rent free periods or periods of concessionary reduced rents) is recognised as a reduction to the rental income over the full contractual term of the lease on a straight-line basis.

#### **c. Expenditure**

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is reported in the financial statements on an activity basis, as required by Charities SORP (FRS 102). This involves identifying the total cost of an activity, including direct, shared and indirect (or support)

costs. Charities SORP (FRS 102) identifies three high-level categories of a charity's activities: (i) expenditure on raising funds; (ii) expenditure on charitable activities, and (iii) other expenditure. These broad categories are further analysed between their significant components.

Support costs, which are not directly attributable to activities for raising funds or charitable activities, are allocated to those categories on a basis consistent with the use of resources. The bases on which support costs have been allocated are set out in note 3 'Expenditure'. Support costs include:

- Governance costs;
- Costs of the Finance function, including financial accounting, banking, budgeting, payroll management and day-to-day financial administration;
- Human resources management, office, general and administration costs;
- Costs of central information technology resources and telecommunications;
- Property costs relating to premises used by the charity for its own activities, including buildings management;
- Senior general management (where not allocated as a direct cost to specific activities) and other central costs; and
- Depreciation charges in relation to tangible fixed assets.

Governance costs are those associated with the governance arrangements of the charity, including external audit, general legal advice for the trustees (fees for legal advice specifically relating to investment property are included in investment management costs) and costs associated with constitutional and statutory requirements and ensuring proper public accountability (e.g. the costs of preparing statutory financial statements). Governance costs include any costs associated with the strategic as opposed to day-to-day management of the charity's activities and the cost of charity employees in respect of their time when involved in and preparing for meetings with trustees.

#### **Costs of raising donations and legacies**

Costs of raising donations and legacies are those incurred in seeking voluntary donations, gifts and grants of a general nature, together with the costs of administration related to legacies left to the charity. It excludes costs associated with applying for performance-related grants or negotiating contracts to provide services, which are included within the costs of the relevant charitable activities.

#### **Investment management costs**

Investment management costs include the costs of:

- Portfolio management and administration of investment funds and cash deposits; and
- The costs of managing the charity's investment property, including property repairs and maintenance charges, vacant property rates, utility charges, insurance, security, managing agents' fees, letting agents' fees, legal fees related to the property and staff costs.

### **d. Tangible fixed assets**

#### **(i) Freehold land and buildings**

Freehold land and buildings transferred from PRC on 31 March 2011, other than assets in the course of construction at that date, are stated at fair value on the date of transfer less depreciation charged since the transfer. Freehold buildings in use are depreciated on a straight line basis over a period of 50 years from the date of transfer. Freehold properties let to tenants on long term leases in respect of which Providence Row receives rental income are depreciated on a straight line basis over the remaining terms of the respective leases.

In the case of freehold land and buildings in use by the charity, fair value was ascertained, based on professional advice, as 'Market Value', defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the case of freehold properties let to tenants on long-term leases, fair value was determined based on a discounted cash flow analysis of expected future rental income under the existing lease terms and assumptions relating to future levels of inflation, potential outcomes of rent reviews and other factors where applicable.

The Activity Centre on the Gunthorpe Street/Wentworth Street site was under construction at the date of transfer and was brought on to the balance sheet of Providence Row at that date on the basis of historical cost of construction and related capitalised professional costs. Construction was completed in November 2011 and the building is subject to depreciation over a period of 50 years from 1 January 2012.

Included within 'Freehold land and buildings in use' are the capitalised costs of the full replacement and resurfacing of the flat roof of the charity's main Gunthorpe Street / Wentworth Street premises (the Dellow Centre complex) undertaken during 2014-15. The costs of the new roof are being depreciated on a straight line basis over 25 years.

Freehold land is not depreciated.

**ii) Other tangible fixed assets**

Other categories of tangible fixed assets are depreciated on a straight line basis so as to write off their original cost over their estimated useful lives, as follows:

Office furniture and equipment	- 4 years
Computer equipment	- 3 years
Plant & mechanical equipment	- 10 years

Tangible fixed assets are capitalised if their initial cost (or, in the case of donated goods, the value to the charity – see note 1c above) is £1,000 or greater.

**e. Fixed asset investments**

Investment property assets are measured initially at cost and subsequently shown in the balance sheet at their fair value at the reporting date and are not depreciated. Changes in value of investment property arising in the period are shown in the SOFA under the heading 'Net gains / (losses) on investments' and are reflected in the 'Revaluation reserve: Investment property' (Unrestricted funds). 'Fair value' means the amount for which an asset could be exchanged, a liability settled, or an equity instrument granted between knowledgeable, willing parties in an arm's length transaction.

Investments in quoted collective investment funds are shown in the balance sheet at market value (bid price). Realised gains and losses are accounted for by reference to the sale proceeds and either the market value at the previous balance sheet date, or the cost of purchase, if later. Unrealised gains and losses are calculated by comparing the market value at the previous balance sheet date, or cost of purchase, if later, to the year-end valuation. Any gain or loss arising in the period is taken to the SOFA under the heading 'Net gains / (losses) on investments'. All gains and losses are dealt with as part of the funds to which they relate.

Fixed asset investments include cash deposits (both in instant access accounts and on deposits with a range of maturity dates) which the charity intends to hold as part of its on-going investment activities for more than one year from the reporting date.

**f. Fund accounting**

**i) Endowment fund**

The endowment fund represents investments, the capital of which forms the permanent endowment of the charity and must be retained and invested. Only the income from this fund is available to be used for general charitable purposes (as an addition to unrestricted funds). The assets of the endowment fund are held by Providence Row (see note 1a for further information on the basis of accounting for the endowment fund assets). The investments of the endowment fund are included within 'Fixed Assets: Other Investments' (see note 9, 'Other Investments').

**ii) Restricted income funds**

Restricted income funds can only be used for particular purposes (within the objects of the charity) specified by the donor or grantor or the terms of an appeal.

**iii) Designated funds - unrestricted**

Designated funds are unrestricted funds of the charity set aside out of the general funds by the Trustees for specific purposes or projects for the furtherance of particular aspects of the charity's objects, but over which the Trustees retain full discretion.

**iv) General funds - unrestricted**

These comprise the funds which are available to be used for any purpose within the charity's objects.

**g. Pension costs**

The amounts charged to the SOFA for defined contribution pension arrangements represent the employer contributions payable in the period.

**h. Operating leases**

Rentals paid under operating leases are charged to the SOFA on a straight line basis over the term of the lease.

**i. Taxation**

Irrecoverable VAT is not separately analysed and is charged to the SOFA when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Tax recoverable from voluntary income received under Gift Aid is recognised when the related income is receivable.

**j. Subsidiaries**

Providence Row charity (charity number 207454), of which Providence Row became the sole trustee following the transfer of charitable undertaking, is a subsidiary of Providence Row. Following the transfer of charitable undertaking, the assets, results and activities of Providence Row Charity are aggregated into the financial statements of Providence Row (see note 1a above).

## 2 Income

a)

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2024 Total £</b>	<b>2023 Total £</b>
Individuals	131,575	-	131,575	99,018
Corporate donors	140,385	79,180	219,565	237,662
Community	115,298	11,482	126,780	81,952
Gift Aid reclaimed	18,188	-	18,188	11,918
Donated goods, facilities and services *	24,317	-	24,317	6,270
Grants from trusts and foundations	72,942	-	72,942	102,322
Sub-total: Donations	502,705	90,662	593,367	539,142
Legacies	1,500	-	1,500	80,237
<b>Total income from donations and legacies</b>	<b>504,205</b>	<b>90,662</b>	<b>594,867</b>	<b>619,379</b>

\* The donated goods, facilities and services are shown separately and analysed further in the table below.

The category of 'Corporate donors' includes individuals whose connection with Providence Row derives primarily from their employer's relationship with the charity. Donations in this category from individuals during the period totalled £16,555, none of which was in restricted income (2023: £12,661).

'Community' donations include gifts from religious communities, churches, schools and local community groups. This category also includes income from individuals participating in external community events such as sponsored runs.

Donated goods, facilities and services are broken down by type in the table below (all income within this category is included within unrestricted funds):

	<b>2024 £</b>	<b>2023 £</b>
Donated furniture, electronic and computer equipment, catering equipment capitalised as tangible fixed assets	18,570	
Food and kitchen equipment	1,147	
Other goods donated for client use	3,638	6,270
Pro bono legal advice to the charity		
Other donated services	962	
<b>Total donated goods, facilities and services</b>	<b>24,317</b>	<b>6,270</b>

In accordance with Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements. However, as set out in more detail in the Report of the Trustees, our volunteers make a vital contribution to the work of the charity, including corporate volunteers, Welcome Area volunteers and general volunteers within the main service teams, Finance and Resources and Fundraising.

b)

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2024 Total £</b>	<b>2023 Total £</b>
London Borough of Tower Hamlets (LBTH): Advice & Support - Rough Sleepers Services	248,475	-	248,475	301,753
LBTH Drug & Alcohol Action Team: Substance misuse Worker & Needle Exchange, Women's Service	594,750	-	594,750	358,647
City of London: Recovery & Progression Service	321,863	-	321,863	226,476
Hackney	87,324	-	87,324	104,986
Sub-total: Local Authority Contracts for Services	1,252,412	-	1,252,412	991,862
Performance-related grants - Public Sector	89,675	-	89,675	8,000
Performance-related grants - Trusts & Foundations	-	454,707	454,707	254,917
Rents and charges from non-investment properties let in furtherance of charitable purposes	209,004	-	209,004	354,891
<b>Total income from charitable activities</b>	<b>1,551,091</b>	<b>454,707</b>	<b>2,005,798</b>	<b>1,609,670</b>

Income from government sources is summarised in the table below:

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2024 Total £</b>	<b>2023 Total £</b>
Local Authority Contracts for Services (see above)	1,252,412	-	1,252,412	991,862
Other grants - Public sector	14,675	-	14,675	-
London Borough of Tower Hamlets	75,000	-	75,000	8,000
<b>Total income from government sources</b>	<b>1,342,087</b>	<b>-</b>	<b>1,342,087</b>	<b>999,862</b>

c)

	<b>2024 Total £</b>	<b>2023 Total £</b>
Other trading activities	312	35
Income from letting and licensing of property held primarily for functional use but temporarily surplus to operational requirements (inc. room hire)	-	94
<b>Total income from trading activities</b>	<b>312</b>	<b>129</b>

All of the income in the table above was included in unrestricted funds.

d)

	<b>2024</b>	<b>2023</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Rent and charges from commercial tenants at investment property (Sherrington Mews)	223,130	283,705
Dividend and interest income from other investments	90,467	39,217
<b>Total investment income</b>	<b>313,597</b>	<b>322,922</b>

All of the income in the table above was included in unrestricted funds.

e)

	<b>2024</b>	<b>2023</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Ground rents from non-investment freehold property let on long leases	25,000	25,000
<b>Total other income</b>	<b>25,000</b>	<b>25,000</b>

All of the income in the table above was included in unrestricted funds.

### 3 Expenditure

	<b>Direct costs</b>	<b>Support Costs</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Raising Funds</b>				
Raising donations and legacies	540,127	150,138	690,265	403,077
Investment management	233,155	6,993	240,148	139,107
Sub-total: costs of raising funds	773,282	157,131	930,413	542,184
<b>Charitable activities</b>				
Advice and Support / Resource Centre	1,059,229	294,430	1,353,659	1,107,512
Recovery and Progression	403,239	112,086	515,325	445,353
Trainee Schemes, Food & Garden	515,598	143,319	658,917	481,098
Sub-total: costs of charitable activities	1,978,066	549,835	2,527,901	2,033,963
<b>Total expenditure</b>	<b>2,751,348</b>	<b>706,966</b>	<b>3,458,314</b>	<b>2,576,147</b>



**Providence Row - Helping homeless and vulnerable people since 1860**  
**Trustees' Annual Report and Financial Statements for the Year Ended 31 March 2024**

**Support Costs**

Support costs can be analysed as follows:

	Governance £	Finance £	HR / Office Admin £	IT / Telecoms £	Property (Own Use) £	Other Central £	Depreciation £	2024 Total £	2023 Total £
<b>Raising Funds</b>									
Raising donations and legacies	5,503	3,364	19,989	7,332	60,493	12,795	40,662	150,138	53,272
Investment management	2,376	1,452	-	3,165	-	-	-	6,993	4,185
Sub-total: costs of raising funds	7,879	4,816	19,989	10,497	60,493	12,795	40,662	157,131	57,457
<b>Charitable activities</b>									
Advice and Support / Resource Centre	10,792	6,597	39,199	14,379	118,630	25,093	79,741	294,431	146,373
Recovery and Progression	4,108	2,511	14,923	5,474	45,161	9,553	30,356	112,086	58,859
Trainee Schemes, Food & Garden	5,253	3,211	19,081	6,999	57,745	12,214	38,815	143,318	63,584
Sub-total: costs of charitable activities	20,153	12,319	73,203	26,852	221,536	46,860	148,912	549,835	268,816
<b>Total expenditure</b>	<b>28,032</b>	<b>17,135</b>	<b>93,192</b>	<b>37,349</b>	<b>282,029</b>	<b>59,655</b>	<b>189,574</b>	<b>706,966</b>	<b>326,273</b>

During 2023/24 the charity incurred a significant number of one-off support costs mainly in regard to the temporary closure of the hostel and plans for its future development, and administrative costs.

Support costs are allocated to the different activities of the charity based on the proportion of direct costs attributable to the relevant activities, as follows:

- Governance, Finance, IT/Telecoms: split between all activities of the charity in proportion to direct costs of the activities;
- HR/Office Administration costs, Property (Own Use), Other Central costs: split between all activities of the charity except for investment management and non-investment property let to tenants, in proportion to direct costs;
- Depreciation charges: buildings depreciation charges are allocated to 'non-investment properties let in furtherance of charitable purposes' in relation to the physical share of the Dellow Centre let to relevant tenants; the remainder of buildings depreciation and depreciation of other tangible fixed assets is allocated to the activities of the charity (except investment management) in proportion to direct costs.

## 4 Staff Cost and Employee Benefits

### 4 Staff Costs and Employee Benefits

	2024	2023
	£	£
Wages and salaries (inc accrual for unpaid annual leave)	1,658,869	1,373,358
Employers National Insurance contributions (social security costs)	172,006	159,925
Employer's contribution to defined contribution pension schemes	65,030	59,288
Agency staff (including agency fees)	199,512	102,808
Insurance premiums: group life assurance and employee personal accident	6,910	6,897
<b>Total</b>	<b>2,102,327</b>	<b>1,702,276</b>

No member of the Board of Trustees was paid any remuneration or received any other benefits for their services as a trustee or from an employment with the charity or a related entity during the year (2023: none). No Trustee received reimbursement of expenses incurred for services provided to the charity during the year (2023: none). Details of transactions with connected parties of trustees are disclosed in Note 20.

During the year there were two employees whose total employee benefits fell within the banding £60,000 to £69,999 (2023: two). During the year there was one employee whose total employee benefits fell within the banding £70,000 to £79,999 (2023: one). During the year there was one employee whose total employee benefits fell within the banding £80,000 to £89,999 (2023: one). Employer payments in the year to a defined contribution pension scheme in respect of these employees totalled £6,462 (2023: £6,462).

The key management personnel of the charity consists of the Trustees, the Chief Executive and the Leadership Team. Total employee benefits received by the charity's key management personnel (excluding trustees) during the year were £302,085 (2023: £285,231).

## 5 Staff Numbers

The average monthly head count (number of staff employed) in the twelve month period ending 31 March 2024, analysed between full-time and part-time staff, was:

	2024	2023
Full-time staff	38.8	33.0
Part-time staff	7.3	8.6
<b>Total Average Head Count</b>	<b>46.1</b>	<b>41.6</b>

The average monthly number of full-time equivalent employees in the twelve month period ending 31 March 2023, analysed by activity, was:

Activity	2024	2023
Fundraising, communications, marketing	7.9	5.5
Charitable activities	29.9	27.2
Support, central, investment management	5.1	5.7
<b>Total Average Head Count</b>	<b>42.9</b>	<b>38.4</b>

## 6 Amounts Payable to the Auditors

	2024 £	2023 £
Audit fee:		
Current Year	23,760	16,854
Non-audit services	2,900	2,900
<b>Total</b>	<b>26,660</b>	<b>19,754</b>

No other services were provided by the auditors during the year (2023: none).

## 7 Tangible Fixed Assets

	Freehold land and buildings in use £	Freehold properties let on long leases £	Office furniture and equipment £	Computer equipment £	Plant and mechanical equipment £	Total £
<b>Cost or 'Fair Value' on incorporation</b>						
Balance at 31 March 2023	5,564,766	300,000	156,882	120,474	448,631	6,590,753
Additions	-	-	46,312	19,467	72,094	137,873
Disposals	-	-	(25,632)	(54,816)	-	(80,448)
Balance at 31 March 2024	5,564,766	300,000	177,562	85,125	520,725	6,648,178
<b>Accumulated Depreciation</b>						
Balance at 31 March 2023	853,832	25,714	97,062	112,343	183,181	1,272,132
Charge for the year	75,240	2,143	13,060	9,471	45,621	145,535
Impairment	-	-	44,040	-	-	44,040
Disposals	-	-	(25,632)	(54,816)	-	(80,448)
Balance at 31 March 2024	929,072	27,857	128,530	66,998	228,802	1,381,259
<b>Net book value</b>						
At 31 March 2024	4,635,694	272,143	49,032	18,127	291,923	5,266,919
At 31 March 2023	4,710,934	274,286	59,820	8,131	265,450	5,318,621

'Freehold land and buildings in use' at 31 March 2024 includes £2,000,000 of land that is not depreciated (2023: £2,000,000).

## 8 Investment Property

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance at beginning of the year	1,556,353	3,875,000	1,556,353	4,180,000
Unrealised (loss) on revaluation	-	(461,000)	-	(305,000)
<b>Balance at end of the year</b>	<b>1,556,353</b>	<b>3,414,000</b>	<b>1,556,353</b>	<b>3,875,000</b>

The charity's investment property carried at a value of £4,180,000 as at 31 March 2022. In April 2023 the investment property was valued as at 31 March 2023 at £3,875,000. This valuation was based on the investment and market approach and represented a reduced scope assessment of the value of the property and relied on the most recent full valuation in March 2022. The property was revalued by an independent valuer, BNP Paribas Real Estate Advisory & Property Management UK Ltd, a professional firm of Chartered Surveyors external to Providence Row with extensive experience in the location and class of property being valued. In March 2024 the charity used the MSCI property index. For Central London offices the index fell 13.5% between March 2023 and March 2024.

## 9 Other investments

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unitised investments held within Endowment fund</b>				
Balance at beginning of the year	741,420	827,085	729,805	859,378
Less: Disposals	(225,311)	(249,424)	(85,671)	(95,001)
Add: Acquisitions	215,263	215,263	97,286	97,284
Net gains / (losses) on revaluation	-	94,168	-	(34,576)
<b>Balance at end of the year</b>	<b>731,372</b>	<b>887,092</b>	<b>741,420</b>	<b>827,085</b>
<b>Cash deposits at end of the year</b>				
Notice deposits (3 months or less)	583,739	583,739	556,041	556,041
Cash held in Endowment fund (capital account)	50,108	50,108	15,118	15,118
<b>Total cash deposits at end of the year</b>	<b>633,847</b>	<b>633,847</b>	<b>571,159</b>	<b>571,159</b>
<b>Total other investments at end of the year</b>	<b>1,365,219</b>	<b>1,520,939</b>	<b>1,312,579</b>	<b>1,398,244</b>

## 10 Debtors

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Long term debtors (receivable after more than one year)</b>		
Rent deposits held by agents	10,384	10,384
Long term lease agent fees	24,000	-
<b>Short term debtors</b>		
Trade debtors	310,686	156,008
Rent deposits held by agents	33,018	74,071
Service Charge deposits held by agents	40,276	82,835
Prepayments	38,283	33,555
Accrued income	20,845	7,253
Staff loans	1,835	1,037
<b>Total Debtors</b>	<b>479,327</b>	<b>365,143</b>

## 11 Creditors: Amounts Falling Due Within One Year

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade creditors	120,243	59,164
Tax and social security	40,218	36,980
Rent deposits held from commercial tenants	56,274	10,399
Grant payments received on account	33,967	74,808
Holiday pay accrual	40,306	41,494
Other accruals	315,472	261,499
Deferred income	193,075	223,952
<b>Total</b>	<b>799,555</b>	<b>708,296</b>

## 12 Creditors: Amounts Falling Due After More Than One Year

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Bank loan	1,000,000	1,000,000
Rent deposits held from commercial tenants	10,384	10,384
<b>Total</b>	<b>1,010,384</b>	<b>1,010,384</b>

### 13      **Loan**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Amounts falling due within 2-5 years	<u>1,000,000</u>	<u>1,000,000</u>
<b>Total</b>	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>

The charity took a 5 year loan from Handelsbanken. The loan can be repaid at any time in full or instalments and it must be repaid before September 2026. The loan interest rate is 2% above the sterling base lending of the Bank. The base rate was 5.75% on 31st March 2024. During the year the interest paid was £73,712 (2023: £41,411).

### 14      **Deferred Income**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Balance brought forward at 31 March 2023	223,952	130,554
Amounts deferred	477,178	497,204
Amounts released	<u>(508,055)</u>	<u>(403,806)</u>
Balance carried forward at 31 March 2024	<u><u>193,075</u></u>	<u><u>223,952</u></u>

### 15      **Operating Leases**

The table below sets out the future minimum lease payments under non-cancellable operating leases for the periods shown:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Office Equipment		
Within one year	21,391	24,029
In one to two years	<u>10,665</u>	<u>13,186</u>
	<u><u>32,056</u></u>	<u><u>37,215</u></u>

Lease payments made during the year amounted to £23,915 (2023: £23,915).

**16 Endowment Fund**

	Balance 1 April 2023	Investment managem't fees charged	Unrealised gains on investments	Balance 31 March 2024
	£	£	£	£
<b>Permanent Endowments</b>				
Endowment fund	799,133	(6,761)	94,168	886,540

The Endowment fund represents investments, the capital of which forms the permanent endowment of the charity; only the income from the investments is available to be used for general charitable purposes (as an addition to unrestricted funds). Income of £23,194 (2023: £16,258) was received during the year.

## 17 Restricted Income Funds

	Balances 1 April 2023 £	Income £	Expenditure £	Balances 31 March 2024 £
<b>Tangible fixed asset fund: Restricted</b>	2,128,000	-	(56,000)	2,072,000
Marie Celeste Samaritan Society: Hospital Discharge Project	6,837	101,078	(104,673)	3,242
SGF-Big Lottery Fund	-	71,150	(71,150)	-
Society of the Holy Child Jesus	-	10,000	(10,000)	-
Morrisons Gardening	815	-	(620)	195
The Aldgate Business Partnership Ltd - Welcome Area	-	50,000	(50,000)	-
City of London Justice Rooms Charitable Trust - Employ & Progres	3,000	3,500	(6,500)	-
The Good Things Foundation	-	75,000	(75,000)	-
Charlotte Bonham Carter Charitable Trust	-	5,000	(5,000)	-
The Rayne Foundation	-	25,000	(25,000)	-
Jan and Catherine Nasmyth Charitable Foundation	-	20,000	(20,000)	-
Streets of London	-	15,000	(15,000)	-
The Albert Hunt Trust	-	7,000	(7,000)	-
General Corporate Restricted	-	1,780	(1,780)	-
The Adint Charitable Trust	-	10,000	(10,000)	-
The Charles Plater Trust	-	18,750	(18,750)	-
Landsec	-	25,000	(25,000)	-
General Community Restricted	-	1,482	(1,482)	-
The Worshipful Company Of Chartered Secretaries & Administrator	-	2,000	(2,000)	-
The Hobson Charity	-	8,000	(8,000)	-
The G Foundation	-	10,000	(10,000)	-
Beazley Group	-	2,400	(2,400)	-
City of London - City Bridge Foundation	-	20,000	(20,000)	-
Derwent-Health & Wellbeing Fair	-	3,333	(3,333)	-
CHK Foundation	-	10,000	-	10,000
The Good Things Foundation (Capability Grant)	-	3,600	(3,600)	-
Just FACT – The National Lottery Climate Action Fund	-	2,750	(2,750)	-
Tower Hamlet Mayor Community Fund	-	10,417	(10,417)	-
<b>Training &amp; Employment</b>				
Streetsmart	-	10,000	(10,000)	-
TGF-Gardening TS (Charlotte Marshall Charitable Trust)	-	1,800	(1,800)	-
TGF-Trainee Scheme(M.Watson Charitable Trust)	-	2,500	(2,500)	-
TGF-SIB	-	18,829	(18,829)	-
<b>Total Restricted Income Funds</b>	<b>2,138,652</b>	<b>545,369</b>	<b>(598,584)</b>	<b>2,085,437</b>



## 18 Unrestricted Funds

	Balances 1 April 2023 £	Income £	Expenditure £	Net transfers between funds £	Revaluation Loss £	Balances 31 March 2024 £
Tangible fixed asset fund: Unrestricted	3,190,621	-	(133,575)	137,873	-	3,194,919
Fixed asset fund: Investment Property	1,556,597	-	-	-	-	1,556,597
Revaluation reserve: Investment Property	2,318,403	-	-	-	(461,000)	1,857,403
Cyclical maintenance and repairs fund	300,000	-	(52,613)	(150,000)	-	97,387
<b>Free Reserves</b>						
Contingency fund: Charity running costs	800,000	-	-	(100,000)		700,000
General funds	230,102	2,394,205	(2,666,781)	112,127	-	69,653
<b>Sub-total: Free Reserves</b>	1,030,102	2,394,205	(2,666,781)	12,127	-	769,653
<b>Total Unrestricted Funds</b>	<b>8,395,723</b>	<b>2,394,205</b>	<b>(2,852,969)</b>	<b>-</b>	<b>(461,000)</b>	<b>7,475,959</b>

The balances on the unrestricted reserves are made up as follows:

### Tangible fixed asset fund: Unrestricted

This fund represents the carrying value of the charity's tangible fixed assets whose original acquisition or costs of construction were financed by unrestricted funds (or where the terms of a restricted grant or donation have been met once the asset has been acquired and the Trustees have accordingly transferred the corresponding amount from restricted funds). This includes part of the carrying value of freehold properties at the charity's main Gunthorpe Street/Wentworth Street site (the Dellow Centre complex) and the Activity Centre at the same site.

### Fixed asset fund: Investment Property / Revaluation reserve: Investment Property

These two funds together represent the fair value of the charity's investment property, Sherrington Mews (formerly known as the Gunthorpe Street Workshops).

In accordance with regulations made under the Companies Act 2006 and the requirements of Charities SORP (FRS 102), a separate revaluation reserve is disclosed in relation to revaluation gains on the property, i.e. the difference between (i) the cost of the property when first recognised plus the value of capitalised additions at cost and (ii) the assessed fair value of the property at the end of the reporting period.

### Cyclical maintenance and repairs fund

The Trustees have determined that there should be sufficient funds available in the future for major capital repairs to the charity's buildings and planned maintenance and replacement of associated plant and equipment, as well as to provide a contingency reserve for potential major risks such as mechanical breakdown or structural defects impacting on property, plant and equipment. During the year the charity transferred £150,000 from cyclical maintenance to general funds towards funding of capital expenditure towards the building and Day Centre improvements.

### Contingency fund: Charity running costs

In order to protect the charity against significant unplanned variability in operating cash flow and in particular to prevent disruption of services to beneficiaries in the event of unexpected falls in income levels, the Trustees have set aside a contingency reserve whose value is determined with reference to the following factors:

- Forecasts for future years' income and the level of risk and variability attaching to each category of income;
- The costs of running each of our services and areas of activity, and the degree of commitment or flexibility in relation to each area of expenditure;
- The potential impact of any sudden reduction in income and the minimum time period over which the charity would aim to be able to finance each of our core services in the absence of new external income;

- Changes to the level of commercial risks facing the charity following the acquisition of Sherrington Mews in 2014;
- A contingency for redundancy costs;

### General funds

The General funds together with the Contingency fund (see above) represent the free reserves of the charity, i.e. those unrestricted funds, backed by cash (including cash deposit investments) which have not been designated (or 'earmarked') for a specific short or medium term purpose or otherwise as set out in relation to the remaining designated funds in the section above.

## 19 Analysis of Net Assets Between Funds

	Tangible fixed assets £	Investment property £	Other investments £	Current assets less total liabilities £	Total 31 March 2024 £
<b>Endowment Fund</b>	-	-	886,540	-	886,540
<b>Restricted income funds</b>					
Tangible fixed asset fund: Restricted	2,072,000	-	-	-	2,072,000
Other restricted funds	-	-	-	13,437	13,437
<b>Unrestricted funds</b>					
Tangible fixed asset fund: Unrestricted	3,194,919	-	-	-	3,194,919
Fixed asset fund: Investment Property	-	1,556,597	-	-	1,556,597
Revaluation fund: Investment Property	-	1,857,403	-	-	1,857,403
Cyclical maintenance and repairs	-	-	97,387	-	97,387
Other designated funds	-	-	-	-	-
Contingency fund	-	-	537,012	162,988	700,000
General funds	-	-	-	69,653	69,653
	<u>5,266,919</u>	<u>3,414,000</u>	<u>1,520,939</u>	<u>246,078</u>	<u>10,447,936</u>

## 20 Related Party Transactions

During the year the charity received donations from Trustees and related parties (including the Institute of Our Lady of Mercy and Mercy Union Generalate) totalling £3,100 (2023: £13,090). When Providence Row was founded in 1860, it was to the Sisters of Mercy of the Union of Great Britain and the Institute of Our Lady of Mercy that the founder turned to run the operation. Since incorporation in 2011 the Union and the Institute have the right to appoint one trustee each to the Board of Trustees.

Cluttons LLP have been appointed to project manage the process for agreeing the new hostel lease and for the refurbishment of the Resource Centre. One of our Trustees is employed by Cluttons LLP. To ensure there was no conflict of interest an assessment panel was appointed to oversee the procurement process including interviews of all shortlisted contractors. Progress reports are regularly presented to the full Board of Trustees. The total amount paid to Cluttons LPP for the project during the year was £13,734 (2023: £14,100). There was no outstanding balance at the year end.

## 21 Post Balance Sheet Event

On 3 December the Charity was notified that it will be a beneficiary of a significant legacy, in the region of £760,000.