



HELPING HOMELESS AND VULNERABLE PEOPLE SINCE 1860

Trustees' Annual Report and Financial Statements for the year ended 31 March 2023

Providence Row

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Charity number 1140192

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/ProvidenceRow

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Paul Strange
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Patron

His Grace the Duke of Norfolk

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Letter from our Chair

Welcome to the Annual report for Providence Row 2022/2023.

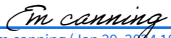
As the impact of the Covid pandemic recedes, so we find ourselves in challenging times with cost of living and inflationary woes, and now a war in Europe. There is significant stress within our communities with again large numbers becoming homeless or at risk of homelessness. It comforts me that Providence Row is still here to continue its mission to help those most in need of our services, although I am sure, like me, you would prefer our mission was not required. We continue to adapt our services to meet the needs that are changing but also remain constant: providing nourishing food; signposting good health outcomes and training services to give hope to those who have given up on finding a sympathetic ear and practical help.

Providence Row continues to invest in Fundraising and of course our Services. We can do nothing without the help and support of our donors. All of the Trustees and staff would like to thank you for all your support and encouragement. Our corporate donors have volunteering days and also provide goods to our organisation. In particular, these donations in kind and volunteering of time make a difference to our running costs ensuring that we can spend our money where it is most needed.

As a Board of Trustees we continue to self assess where we need additional expertise and we are committed to maintaining high standards in our governance. We are happy to commend the accounts to you.

In closing, I would again like to thank all of our supporters and donors; our Patron The Duke of Norfolk, our President HE Cardinal Nichols, all of the staff and volunteers. My fellow Trustees freely provide expertise and time to the organisation, often unseen but without their contribution, Providence Row would not thrive. I cannot end this letter without acknowledging the role of the Sisters of Mercy, who continue to support us financially and through their prayers. Their spirit resides in the organisation and in our values.

At the turn of another year, may I wish you a Happy and Healthy 2024.


Em canning (Jan 29, 2024 18:48 GMT)

Elizabeth Canning
Chair of Trustees – January 2024

Message from our CEO

Dear Friends,

At the end of another challenging year we are hugely grateful to all our supporters, donors and partners.

The cost of living crisis has significantly increased demand for our services, whilst fundraising is more difficult and local government budgets are under pressure. We have seen many more people facing homelessness, often for the first time in their lives.

I am delighted to report that we have continued to support those facing immediate crisis with tailored individual support. We have also accompanied them with services to plan for the future with hope. From our walk-in day centre to our award winning psychotherapy outreach service, from our training schemes to our employability programme, we have sought to honour the values of our founder and the Sisters of Mercy, by walking alongside those most in need and treating them with kindness and profound respect.

Our fundraising programme has continued to generate increased income year on year, and our internal operations have continued to perform well. I am pleased to let you know that we have recorded a modest underlying surplus over the last year.

The year ahead will bring new challenges as the scandal of homelessness continues to grow. Your support will be more important than ever. On behalf of so many who can now see a brighter future and many more who will follow in their footsteps, thank you so much.

TO'Connor

TO'Connor (Jan 29, 2024 18:23 GMT)

Tom O'Connor
CEO

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 England 271,000 families and individuals experienced homelessness in 2022 *, including one in 58 Londoners. **3,570 people** were recorded as sleeping rough in London in October and December 2022 **.

The ongoing homelessness crisis is caused by:

- Increased cost of living
- Isolation
- Substance use
- Relationship breakdown
- A criminal record
- Mental and physical health issues
- Lack of affordable housing
- Welfare reform
- Literacy and numeracy challenges

*Shelter, Homelessness in England 2022

**GLA Chain reports

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 these priorities, two major factors have limited progress to date: 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 new “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 2025 will be rigorous financial management, maximising opportunities for full cost recovery, increasing unrestricted income and maintaining a range of income streams.

From 2023, to achieve our strategic objectives we will build on, consolidate and further expand our services in 4 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.

We will also continue to:

- Go out in the community to reach those in needs, working with the whole person and tailoring support to the individual
- Work in partnership with other agencies
- Inspire excellence in our staff and volunteers and develop their skills
- Build a robust infrastructure for our work
- Generate income to achieve our vision.

ACHIEVEMENTS AND HIGHLIGHTS FOR THE YEAR

As the world started to come out of the Covid-19 pandemic, we continued to run and develop our essential services and to innovate in the ways that we reach and support people affected by homelessness. We saw a noticeable increase in the demand for our services with both the pandemic and the beginning of a cost of living crisis having a significantly negative impact on the most vulnerable people in our society. More and more clients who never thought they would be affected by homelessness turned to us for help as they were pushed over the edge by unaffordable rents and rising utility costs. The cost of living crisis also meant that the costs of delivering our services increased at a time when we were needed more than ever. Although we had to operate in a difficult environment we managed to support many more clients with complex needs, and to enable them make a positive and lasting impact to their lives.

OUR SERVICES

Resource Centre

An essential part of East London's local community, our Resource Centre is there to provide anyone who needs it with a safe space and, last year, supported 917 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.

We're delighted to have secured Public Health funding for the next year to support these services.

Reset

Our Reset Outreach and Referral Service and Reset Navigator Team helped 916 clients through harm reduction advice and support, and referral into Reset treatment and recovery services. The team has also supported service users to register with GP's and attend medical appointments.

As part of this lifesaving provision, our Needle Exchange and Harm Reduction service has seen an increase in new people from marginalised communities attending throughout the year, with a total over 169 individuals. We estimate that over 15,000 new and sterile needles were distributed to service users.

Naloxone training and distribution has also increased, with 100's of kits being sent out to service users and support workers. Naloxone is a vital resource which can be lifesaving in the event of an opiate overdose.

Outreach Psychotherapy

Our unique Outreach Psychotherapy Service started a new tri-borough contract in August 2022 and has supported 133 rough-sleepers to date in Tower Hamlets, the City of London and Hackney, who have struggled with their mental health. The psychotherapists have contributed towards supporting individuals to sustain their accommodation and to gain autonomy to make decisions in their best interest – accessing accommodation and drug and alcohol support, attending health appointments, exploring training opportunities and reconnecting with family members.

Progression & Training Service

2022/23 was the first year of our new funding from the Good Things Foundation. This partnership ensured that we were able to add a further member of staff to our team so that can support more people. We're working closely with our hostel partners to bring digital inclusion directly to where the residents live as we develop this programme. 85 people this year further developed their skills including basic competence using computers, creating email account, and managing online security.

Of the 144 people who were referred to the service, 90 met with a specialist progression coach for an assessment. We created 93 CV's for 58 people and 15 jobs were secured.

We also brought back the Garden Training Programme for the first time since the pandemic with 6 people completing the course.

Health & Wellbeing Fair

During the Covid-19 pandemic, we ran several vaccine hubs intended to reduce vaccine hesitancy and improve health outcomes. This year we decided, alongside commissioned services and partners (London Borough of Tower Hamlets, St Mungo's Tower Hamlets Street Outreach Team, Groundswell and Tower Hamlets Public Health) to create larger, more holistic health and wellbeing events to take place quarterly. The aim of these events is to encourage engagement around all aspects of health and wellbeing and create an environment which is fun and different from daily service provision. We recognise the need for a holistic health service for our client group who face far poorer health outcomes than the general population and have a higher rate of undiagnosed health conditions.

Four Health & Wellness Fairs were held at Providence Row's Day Centre serving 285 individuals across all events. Each Health Fair provides an opportunity for vulnerable clients to access vaccinations and get support with physical, mental and sexual health needs.

Health or Wellbeing Service	Number of engagements
Covid	12
Flu	11
HE1/GP Service	18
Sexual Health Support	35
Substance Use Support	36
Mental Health Support	21
Clearly Hearing	37
Massage	63
Haircuts	43
Dental Care	37
Podiatry	15
Fibroscan (Liver Scans)	29
Chest X-Ray (TB Testing)	15
Nutritious Hot Meals (BBQ, Salads, Smoothies)	346

Food Programme

Over the course of the year we have provided 2,937 breakfasts and 6,813 lunches. Further to this we continued to provide freshly cooked meals each day for residents of an emergency accommodation provider with 5,760 meals being delivered over a 10 month period. In total 15,510 nutritious meals were provided across the year.

SWEP

For many years Providence Row's Day Centre has been supporting a programme called the Severe Weather Emergency Protocol (SWEP) which delivers the emergency provision of pop up night shelters for people who are known to be sleeping rough at the time there is a severe weather warning or temperatures fall below freezing. Over the past year, Providence Row coordinated emergency lifesaving provision 6 times for 33 nights supporting 55 individuals.

Advice and Support Team

Our Advice and Support (AST) Team supported 272 clients to access additional support including securing accommodation, applying for benefits, ID documents and EU pre-settled and settled status, health referrals, and additional mental health and drug and alcohol support.

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 42 staff (average monthly headcount), of whom 19 were part-time staff (2021-22 average monthly account: 37 staff, of whom 8 were part-time staff).

Our Supporters and Funders

Our supporters are our lifeblood; whether it's a regular gift, a one-off donation or fundraising activities, every single pound donated is much needed and much appreciated.

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 meet new people and build skills, confidence and a new network of friends
- 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

We also recruited and trained 10 community volunteers helping multiple services including the food service project, Welcome Area, Routes to Routes connecting many who were experiencing isolation with communities of support.

We successfully continued our partnership with the Institute for the International Education of Students (IES) which provided 2 interns who volunteered in our Resource Centre, Reset and Marketing teams from February through to April.

Our charity is governed by a Board of Trustees who give their time and expertise to ensure good governance.

Companies

We are incredibly grateful for the support of our company partners who donated £237,662 (£126,651 in 2021/22) 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, Vanguard Group Foundation, The Investment Association, FSCS, UNUM, Adecco, Global Aerospace, Beazley, Mace, Aon, Capita, AIG Insurance, Peel Hunt, Telent, BNY Mellon, Hamilton Insurance, Barclays, JP Morgan, Credit Suisse, Clothmaker's Company, Societe Generale.

Communities

Thanks to continued support from a number of community groups we raised £81,952 (£48,896 in 2021/22). 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 and the Young City Catholics, Morrison's 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 £357,239 (£317,555 in 2021/22). Thanks to the generosity of the Trusts and Foundations that supported us this year we were able to be there for our clients in one of the most challenging years Providence Row has experienced. The list of Trust and Foundations that supported us is within Note 21.

Major Donors

We developed a few new relationships with some Major Donors over the year which helped secure £15,000 towards our work. This programme will be further developed over the coming years.

Legacy

We received £80,237 (£56,704 in 2021/22) 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 £110,936 (£167,948 in 2021/22) during a year in which individual giving has shown a downward trend across the sector due 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 six Elected Trustees
- up to four Appointed 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) and 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 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.

Appointed Trustees are appointed for a renewable term of three years by a decision of the Trustees.

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 2022 annual general meeting.

ORGANISATIONAL STRUCTURE, MANAGEMENT AND KEY RELATIONSHIPS

The Board of Trustees meet quarterly. 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 has an ongoing relationship with Providence Row Housing Association (PRHA) which was established by Providence Row in 1970 to provide residential accommodation. PRHA is fully independent of Providence Row and leases part of the Dellow Centre property, consisting of offices and 58 units of accommodation, which it manages as a hostel funded by the London Borough of Tower Hamlets.

The charity's other 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 2022/23

Overview of results

The charity recorded a surplus of £953 before net unrealised loss on investments of £34,576 and an unrealised loss on revaluation of the investment property of £305,000. This compares to a surplus of £155,382 (restated) before net unrealised gain on investments of £38,114 and net unrealised loss on the investment property of £270,000 in 2021/22.

Income

Total income for 2022/23 was £2,577,100 (2021/22: £2,492,857).

Income	2022/23		2021/22	
	£'000	% of total	£'000	% of total
Donations	532.9	20.7%	475.4	19.1%
Donated goods, facilities and services	6.3	0.2%	17.9	0.7%
Legacies	80.2	3.1%	56.7	2.3%
Charitable activities (see below)	1,609.7	62.5%	1,514.4	60.7%
Other trading activities	0.1	0.0%	0.3	0.0%
Investment income	322.9	12.5%	403.3	16.2%
Other income	25.0	1.0%	25.0	1.0%
Total	2,577.1	100.0%	2,493.0	100.0%

Income from charitable activities	2022/23		2021/22	
	£'000	% of total	£'000	% of total
Local authority contracts	999.9	62.1%	981.0	64.8%
Performance related grants	254.9	15.8%	185.7	12.2%
Rents from the Dellow Centre leases	354.9	22.1%	347.7	23.0%
Total	1,609.7	100.0%	1,514.4	100.0%

Total income for the year increased by £84,243 (3.4%) in relation to 2021/22 income. This increase is mainly due to the increase in fundraised income and new, smaller contracts with Tower Hamlets local authority.

Expenditure

Total expenditure for 2022/23 was £2,576,147 (2021/22: £2,337,475 restated), an increase of £238,672 (9.3%).

Expenditure	2022/23		2021/22	
	£'000	% of total	£'000	% of total
Costs of raising donations and legacies	403.1	15.6%	506.6	21.7%
Costs of investment management	139.1	5.4%	154.2	6.6%
Charitable activities (see below)	2,034.0	79.0%	1,676.6	71.7%
Total	2,576.1	100.0%	2,337.4	100.0%

Expenditure on charitable activities	2022/23		2021/22	
	£'000	% of total	£'000	% of total
Advice and Support / Resource Centre	1,107.5	54.5%	938.8	56.0%
Recovery and Progression	445.4	21.9%	372.6	22.1%
Trainee Schemes, Food & Garden	481.1	23.7%	363.7	21.8%
Providence Row Bakery	-	-	0.9	0.1%
Non-investment properties let in furtherance of charitable purposes	-	-	0.7	0.0%
Total	2,034.0	100.0%	1,676.6	100.0%

The expenditure increase is mainly due to significant staff cost increase across charitable activities.

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. During recent years, due to the prevailing market environment it was increasingly difficult to make cash deposits on terms other than 'instant access' or up to 30 days' notice, and the financial rewards for doing so were also limited. Interest rates have however been rising during the 2022/23 financial year, and have continued to do so beyond 31 March 2023. 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 2023, the charity's Endowment Fund generated an overall negative return of £24,946 (2021/22: positive return of £46,829), incorporating investment income of £16,258 (2021/22: £18,158), net unrealised loss of £34,576 (2021/22: unrealised gain of £38,114) and management fees of £6,628 (2021/22: £9,443).

The charity's managed cash deposit portfolio generated income in the year of £12,094 (2021/22: £84). We anticipate an improved return over the year ahead due to increased rates of interest.

The charity's investment property generated total income (rent and service charge) of £278,826 during the year, a decrease of 25.4% over the comparative figure for 2021/22 of £373,976. This decrease is mainly due to vacancy levels during the year. Rental income was £219,772 (2021/22: £265,387). Direct costs of investment property management in 2022/23 (before allocated support costs) totalled £151,968 (2021/22: £135,072).

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 produces a risk register for the charity and reports to the Board of Trustees on a regular basis 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. We have secured multiyear funding for all service delivery contracts commissioned by Local Authorities. We continue to increase our capacity and experience in public sector tendering and impact monitoring and reporting.

Investment over the last three years in a new fundraising strategy to generate sustainable funds from a wider range of income streams is showing healthy returns with positive prospects for the year ahead. Fundraising from individuals, communities, trusts and companies now makes up just under a third of our annual income and robust plans are in place to protect and strengthen these income streams.

Providence Row has a good level of liquidity, a business model that has generated a small underlying surplus over the last three years and modest levels of debt, and so remain confident in our resilience and capacity to manage the risks identified.

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 the Gunthorpe Street / Wentworth Street site and is owned freehold. The effective management of this and of the charity's Day / Activity 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 a Hostel. This was occupied and operated by a Housing Association for many years and generated a substantial rental income for the charity, but the tenant vacated the building on 2nd October 2023. We instructed a property agent to market the hostel which has generated reasonably good interest at a satisfactory level of rent. We are confident that a new tenant will be secured during 2024.
- Providence Row's investment property, Sherrington Mews, lies adjacent to and to the south of the Dellow Centre and largely provides office space arranged in small suites. The property is managed by a third-party professional property manager, however there is an inherent risk around void periods and the rental level at which space can be re-let. The property represents a valuable source of rental income, and the largest tenant has recently vacated.

Whilst the charity is currently experiencing a reduced level of income from both the Dellow Centre Hostel and Sherrington Mews, the Board has been reassured by the interest in a potential new tenant acquiring the Hostel space at a satisfactory level of rent.

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 2023 the charity held total funds of £11,333,508 (2021/2022: £11,672,131 restated), 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 2023, the actual level of free reserves (including the contingency fund) was £1,030,102 (2021/22: £1,047,004 restated).

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

We have a robust fundraising programme 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. In addition Trustees have confidence that the approved strategy is realistic and gives us the resilience to tackle external risks.

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.


The trustees are responsible for the maintenance and integrity of the Charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors


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 25th January 2024 and signed on their behalf by


Em canning (Jan 29, 2024 18:48 GMT)

Elizabeth Canning – Chair


Richard Solomon (Jan 29, 2024 21:48 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 2023 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 2023 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. 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 (Jan 30, 2024 15:42 GMT)

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Date: 30-Jan-2024

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2023

Statement of Financial Activities for the year ended 31 March 2023 (incorporating an income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2023 £	Total Funds 2022 Restated £
Income and Expenditure						
Income from:						
Donations		411,642	127,500	-	539,142	493,230
Legacies		80,237	-	-	80,237	56,704
Sub-total: Donations and legacies	2a	491,879	127,500	-	619,379	549,934
Charitable activities	2b	1,354,753	254,917	-	1,609,670	1,514,365
Other trading activities	2c	129	-	-	129	250
Investments	2d	322,922	-	-	322,922	403,308
Other	2e	25,000	-	-	25,000	25,000
Total income		2,194,683	382,417	-	2,577,100	2,492,857
Expenditure on:						
Raising funds						
Raising donations and legacies		(393,815)	(9,262)	-	(403,077)	(506,622)
Investment management		(132,479)	-	(6,628)	(139,107)	(154,222)
Sub-total: Raising funds		(526,294)	(9,262)	(6,628)	(542,184)	(660,844)
Charitable activities						
Advice and Support / Resource Centre		(885,091)	(222,421)	-	(1,107,512)	(938,777)
Recovery and Progression		(435,119)	(10,234)	-	(445,353)	(372,622)
E&T: Trainee Schemes, Food & Garden		(290,916)	(190,182)	-	(481,098)	(363,692)
E&T: Providence Row Bakery		-	-	-	-	(850)
Property let for charitable purposes		-	-	-	-	(690)
Sub-total: Charitable activities		(1,611,126)	(422,837)	-	(2,033,963)	(1,676,631)
Total expenditure	3	(2,137,420)	(432,099)	(6,628)	(2,576,147)	(2,337,475)
Net income/(expenditure) before net (losses)/gains on investments		57,263	(49,682)	(6,628)	953	155,382
Net (losses) on investments						
Unrealised (losses) on investment property	8	(305,000)	-	-	(305,000)	(270,000)
Net (losses)/gains on other investments	9, 16	-	-	(34,576)	(34,576)	38,114
Net movement in funds		(247,737)	(49,682)	(41,204)	(338,623)	(76,504)
Reconciliation of funds						
Total funds brought forward (as previously stated)		8,816,060	2,188,334	840,337	11,844,731	11,892,107
Prior year adjustment	22	(172,600)	-	-	(172,600)	(143,472)
Total funds brought forward - restated		8,643,460	2,188,334	840,337	11,672,131	11,748,635
Total funds carried forward		8,395,723	2,138,652	799,133	11,333,508	11,672,131

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.

The analysis of the Statement of Financial Activities for the year ended 31 March 2022 between unrestricted funds, restricted funds and the endowment fund is set out within Note 23 on page 44 of these financial statements.

Registered company number: 07452798
Charity number: 1140192

BALANCE SHEET

As at 31 March 2023

Balance Sheet as at 31 March 2023

	NOTES	Total funds 2023 £	Total funds 2022 Restated £
Fixed Assets			
Tangible fixed assets	7	5,318,621	5,300,456
Investment property	8	3,875,000	4,180,000
Other Investments	9	1,398,244	1,424,613
Total Fixed Assets		10,591,865	10,905,069
Current Assets			
Debtors	10	365,143	391,256
Cash at bank and in hand		2,095,180	1,986,463
Total Current Assets		2,460,323	2,377,719
Liabilities			
Creditors: Amounts falling due within one year	11	(708,296)	(600,273)
Net Current Assets		1,752,027	1,777,446
Total Assets less Current Liabilities		12,343,892	12,682,515
Creditors falling due after more than one year	12,13	(1,010,384)	(1,010,384)
Total Net Assets	19	11,333,508	11,672,131
The Funds of the Charity			
Endowment Fund	16	799,133	840,337
Restricted Income Funds	17		
Tangible fixed asset fund: Restricted		2,128,000	2,184,000
Other restricted income funds		10,652	4,334
		2,138,652	2,188,334
Unrestricted Funds	18		
Tangible fixed asset fund: Unrestricted		3,190,621	3,116,456
Fixed asset fund: Investment Property		1,556,597	1,556,597
Revaluation Reserve: Investment Property		2,318,403	2,623,403
Cyclical Maintenance and repairs fund		300,000	300,000
Free Reserves			
Contingency fund: Charity running costs		800,000	800,000
General Funds		230,102	247,004
Total Free Reserves		1,030,102	1,047,004
		8,395,723	8,643,460
Total Charity Funds	19	11,333,508	11,672,131

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 44 were approved by the Board of Trustees on 25th January 2024 and signed on its behalf by:

Em Canning
Em Canning (Jan 29, 2024 18:48 GMT)

Elizabeth Canning – Chair

Richard Solomon
Richard Solomon (Jan 29, 2024 21:48 GMT)

Richard Solomon – Honorary Treasurer

The notes on pages 25 to 44 form an integral part of these financial statements

STATEMENT OF THE CASHFLOWS

For the year ended 31 March 2023

Statement of Cash Flows for the year ended 31 March 2023

	Notes	Total Funds 2023 £	Total Funds 2022 Restated £
a) Reconciliation of net expenditure to net cash flow from operating activities			
Net (expenditure) / income for the year (as per the statement of financial activities)		(338,623)	(76,504)
Adjustments for:			
Depreciation charges	3,7	142,797	139,076
Unrealised loss on investment property	8	305,000	270,000
Net loss/(gains) on other investments	9	34,576	(38,114)
Dividends, interest and rents from investments per the SOFA		(322,922)	(403,308)
Investment management costs per the SOFA		139,107	154,389
Decrease / (increase) in debtors (operating activities)		26,113	(9,685)
Increase in creditors (operating activities)		108,022	851,148
Net cash provided by operating activities		94,070	887,002
	Notes	Total Funds 2023 £	Total Funds 2022 £
b) Statement of Cash Flows			
Net cash provided by operating activities		94,070	887,002
Cash flows from investing activities:			
Dividends, interest and rents from investments per the SOFA		322,922	403,308
Investment management costs per the SOFA		(139,107)	(154,389)
Purchase of property, plant and equipment	7	(160,962)	(1,271)
Purchase of investments	9	(97,284)	(141,094)
Disposal of investments	9	95,001	145,033
Net cash provided by investing activities		20,570	251,587
Change in cash and cash equivalents in the year		114,640	1,138,589
Cash and cash equivalents at the beginning of the year		2,551,699	1,413,110
Cash and cash equivalents at the end of the year		2,666,339	2,551,699
	Notes	Total Funds 2023 £	Total Funds 2022 £
c) Analysis of Cash and Cash Equivalents			
Cash at bank and in hand		2,095,180	1,986,464
Investments: Notice deposits (3 months or less)	9	556,041	543,948
Investments: Cash held in endowment fund (capital)	9	15,118	21,287
Total cash and cash equivalents		2,666,339	2,551,699

Notes to the Financial Statements

For the year ended 31 March 2023

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.

Other trading activities

This category includes the costs of fundraising events (where income is raised for the charity in exchange for supplying goods and services), non-charitable trading activities and costs of property which is let or licensed to other users.

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.

Property let in furtherance of charitable purposes

This category covers expenditure incurred in relation to those parts of the Dellow Centre property let on short-term leases to (i) Providence Row Housing Association (PRHA) in respect of the Dellow Hostel and (ii) St Mungo's in respect of offices on the 2nd floor of the Dellow Centre. PRHA is a Housing Association. Under the terms of its lease, PRHA uses the premises as a hostel for those in housing need and by means of funding from the London Borough of Tower Hamlets (LBTH). Providence Row considers that the services and facilities provided by this tenant from the premises let to them are compatible with and complementary to its own charitable purposes and activities. Consequently, the rent received and other charges recovered from this tenant are included in the charity's 'Income from charitable activities' (see note 2b) and the expenditure

incurred by the charity in relation to these parts of our buildings is classified as 'expenditure on charitable activities' (see note 3).

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.

The investment property was valued by an independent firm of professional surveyors as at 31 March 2015 (the first year end following acquisition), again as at 31 March 2016, followed by evaluation as at 31 March 2018, November 2020 and as at 31st March 2022. The desktop evaluation is carried out at 31st March 2023. It is the policy of the charity henceforward to commission an independent professional valuation of the

investment property every five years for accounting purposes, subject to a review in the intervening years in case of significant changes to the occupancy of the property, the tenancies or market conditions.

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. Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Individuals	94,018	5,000	99,018	146,158
Corporate donors	150,162	87,500	237,662	126,651
Community	46,952	35,000	81,952	48,896
Gift Aid reclaimed	11,918	-	11,918	21,790
Donated goods, facilities and services *	6,270	-	6,270	17,855
Grants from trusts and foundations	102,322	-	102,322	131,880
Sub-total: Donations	411,642	127,500	539,142	493,230
Legacies	80,237	-	80,237	56,704
Total income from donations and legacies	491,879	127,500	619,379	549,934

* 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 £12,661, none of which was in restricted income (2022: £30,453).

'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):

	2023 £	2022 £
Donated furniture, electronic and computer equipment, catering equipment capitalised as tangible fixed assets	-	4,790
Food and kitchen equipment	-	2,025
Other goods donated for client use	6,270	11,040
Total donated goods, facilities and services	6,270	17,855

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. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
London Borough of Tower Hamlets (LBTH): Advice & Support - Rough Sleepers Services	301,753	-	301,753	481,832
LBTH Drug & Alcohol Action Team: Substance misuse Worker & Needle Exchange, Women's Service	358,647	-	358,647	272,474
City of London: Recovery & Progression Service	226,476	-	226,476	53,350
Hackney	104,986	-	104,986	93,730
Sub-total: Local Authority Contracts for Services	991,862	-	991,862	901,386
Performance-related grants - Public Sector	8,000	-	8,000	79,648
Performance-related grants - Trusts & Foundations	-	254,917	254,917	185,675
Rents and charges from non-investment properties let in furtherance of charitable purposes	354,891	-	354,891	347,656
Total income from charitable activities	1,354,753	254,917	1,609,670	1,514,365

Income from government sources is summarised in the table below:

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Local Authority Contracts for Services (see above)	991,862	-	991,862	901,386
London Borough of Tower Hamlets	8,000	-	8,000	79,648
Total income from government sources	999,862	-	999,862	981,034

c. Income from other trading activities

	2023 Total £	2022 Total £
Other trading activities	35	250
Income from letting and licensing of property held primarily for functional use but temporarily surplus to operational requirements (inc. room hire)	94	-
Total income from trading activities	129	250

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

d. Investment income

	2023 Total £	2022 Total £
Rent and charges from commercial tenants at investment property (Sherrington Mews)	283,705	385,066
Dividend and interest income from other investments	39,217	18,242
Total investment income	322,922	403,308

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

e. Other income

	2023 Total £	2022 Total £
Ground rents from non-investment freehold property let on long leases	25,000	25,000
Total other income	25,000	25,000

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

3 Expenditure

	Direct costs £	Support Costs £	2023 Total £	Direct costs £	Support Costs £	2022 Total - Restated £
Raising Funds						
Raising donations and legacies	349,805	53,272	403,077	324,976	181,646	506,622
Investment management	134,922	4,185	139,107	135,072	19,150	154,222
Sub-total: costs of raising funds	484,727	57,457	542,184	460,048	200,796	660,844
Charitable activities						
Advice and Support / Resource Centre	961,139	146,373	1,107,512	602,185	336,592	938,777
Recovery and Progression	386,494	58,859	445,353	239,021	133,601	372,622
Trainee Schemes, Food & Garden	417,514	63,584	481,098	233,293	130,399	363,692
Providence Row Bakery	-	-	-	545	305	850
Non-investment properties let in furtherance of charitable purposes	-	-	-	604	86	690
Sub-total: costs of charitable activities	1,765,147	268,816	2,033,963	1,075,648	600,983	1,676,631

Providence Row - Helping homeless and vulnerable people since 1860
Trustees' Annual Report and Financial Statements for the Year Ended 31 March 2023

Support Costs

Support costs can be analysed as follows:

	Governance	Finance	HR / Office Admin	IT / Telecoms	Property (Own Use)	Other Central	Depreciation	2023 Total	2022 Total - Restated
	£	£	£	£	£	£	£	£	£
Raising Funds									
Raising donations and legacies	2,171	1,231	9,609	7,449	17,041	(7,847)	23,618	53,272	181,646
Investment management	837	475	-	2,873	-	-	-	4,185	19,150
Sub-total: costs of raising funds	3,008	1,706	9,609	10,322	17,041	(7,847)	23,618	57,457	200,796
Charitable activities									
Advice and Support / Resource Centre	5,965	3,382	26,401	20,468	46,822	(21,559)	64,894	146,373	336,592
Recovery and Progression	2,399	1,360	10,616	8,231	18,829	(8,671)	26,095	58,859	133,601
Trainee Schemes, Food & Garden	2,591	1,469	11,468	8,891	20,340	(9,365)	28,190	63,584	130,399
Providence Row Bakery	-	-	-	-	-	-	-	-	305
Non-investment properties let in furtherance of charitable purposes	-	-	-	-	-	-	-	-	86
Sub-total: costs of charitable activities	10,955	6,211	48,485	37,590	85,991	(39,595)	119,179	268,816	600,983
Total expenditure	13,963	7,917	58,094	47,912	103,032	(47,442)	142,797	326,273	801,779

The charity refined the basis of its apportionment between direct costs and support costs during 2022/23; this is a significant factor behind the year-on-year reduction in the relative scale of support costs and direct 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

	2023	2022
	£	£
Wages and salaries (inc accrual for unpaid annual leave)	1,373,358	1,233,283
Employers National Insurance contributions (social security costs)	159,925	124,797
Employer's contribution to defined contribution pension schemes	59,288	55,071
Agency staff (including agency fees)	102,808	65,681
Insurance premiums: group life assurance and employee personal accident	6,897	4,275
Total	1,702,276	1,483,107

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 (2022: none). No Trustee received reimbursement of expenses incurred for services provided to the charity during the year (2022: 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 (2022: two). During the year there was one employee whose total employee benefits fell within the banding £70,000 to £79,999 (2022: none). During the year there was one employee whose total employee benefits fell within the banding £80,000 to £89,999 (2022: one). Employer payments in the year to a defined contribution pension scheme in respect of these employees totalled £6,462 (2022: £3,963).

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 £285,321 (2022: £271,812)

5 Staff Numbers

The average monthly head count (number of staff employed) in the twelve month period ending 31 March 2023, analysed between full-time and part-time staff, was:

	2023	2022
Full-time staff	33.0	29.7
Part-time staff	8.6	7.6
Total Average Head Count	41.6	37.3

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

Activity	2023	2022
Fundraising, communications, marketing	5.5	3.8
Charitable activities	27.2	23.1
Support, central, investment management	5.7	7.7
Total Average Head Count	38.4	34.6

6 Amounts Payable to the Auditors

	2023 £	2022 £
Audit fee:		
Current Year	16,854	13,500
Non-audit services	2,900	2,900
Total	19,754	16,400

No other services were provided by the auditors during the year (2022: 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 £
Cost or 'Fair Value' on incorporation						
Balance at 31 March 2022	5,564,766	300,000	146,772	117,955	300,298	6,429,791
Additions	-	-	10,110	2,519	148,333	160,962
Balance at 31 March 2023	5,564,766	300,000	156,882	120,474	448,631	6,590,753
Accumulated Depreciation						
Balance at 31 March 2022	778,591	23,572	88,624	92,284	146,264	1,129,335
Charge for the year	75,241	2,142	8,438	20,059	36,917	142,797
Balance at 31 March 2023	853,832	25,714	97,062	112,343	183,181	1,272,132
Net book value						
At 31 March 2023	4,710,934	274,286	59,820	8,131	265,450	5,318,621
At 31 March 2022	4,786,175	276,428	58,148	25,671	154,034	5,300,456

'Freehold land and buildings in use' at 31 March 2023 includes £2,000,000 of land that is not depreciated (2022: £2,000,000).

8 Investment Property

	2023 Cost £	2023 Fair Value £	2022 Cost £	2022 Fair Value £
Balance at beginning of the year	1,556,353	4,180,000	1,556,353	4,450,000
Unrealised (loss) on revaluation	-	(305,000)	-	(270,000)
Balance at end of the year	1,556,353	3,875,000	1,556,353	4,180,000

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.

9 Other investments

	2023 Cost £	2023 Market Value £	2022 Cost £	2022 Market Value £
Unitised investments held within Endowment fund				
Balance at beginning of the year	729,805	859,378	734,510	825,203
Less: Disposals	(85,671)	(95,001)	(145,799)	(145,033)
Add: Acquisitions	97,286	97,284	141,094	141,094
Net (losses) / gains on revaluation	-	(34,576)	-	38,114
Balance at end of the year	741,420	827,085	729,805	859,378
Cash deposits at end of the year				
Notice deposits (3 months or less)	556,041	556,041	543,948	543,948
Cash held in Endowment fund (capital account)	15,118	15,118	21,287	21,287
Total cash deposits at end of the year	571,159	571,159	565,235	565,235
Total other investments at end of the year	1,312,579	1,398,244	1,295,040	1,424,613

10 Debtors

	2023	2022
	£	£
Long term debtors (receivable after more than one year)		
Rent deposits held by agents	10,384	10,384
Short term debtors		
Trade debtors	156,008	116,959
Rent deposits held by agents	74,071	123,504
Service Charge deposits held by agents	82,835	106,309
Prepayments	33,555	32,163
Accrued income	7,253	-
Staff loans	1,037	1,937
Total Debtors	365,143	391,256

11 Creditors: Amounts Falling Due Within One Year

11 Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	Restated £
Trade creditors	59,164	22,110
Tax and social security	36,980	35,779
Rent deposits held from commercial tenants	10,399	11,097
Grant payments received on account	74,808	164,405
Holiday pay accrual	41,494	40,210
Other accruals	261,499	196,118
Deferred income	223,952	130,554
Total	708,296	600,273

12 Creditors: Amounts Falling Due After More Than One Year

	2023	2022
	£	£
Bank loan	1,000,000	1,000,000
Rent deposits held from commercial tenants	10,384	10,384
Total	1,010,384	1,010,384

13 **Loan**

	2023	2022
	£	£
Amounts falling due within 1 year	-	-
Amounts falling due within 1-2 years	-	-
Amounts falling due within 2-5 years	1,000,000	1,000,000
Total	1,000,000	1,000,000

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 4.5% on 31st March 2023. During the year the interest paid was £41,411 (2022: £14,877).

14 **Deferred Income**

	2023	2022
	£	£
Balance brought forward at 31 March 2022	130,554	358,298
Amounts deferred	497,204	431,433
Amounts released	(403,806)	(659,177)
Balance carried forward at 31 March 2023	223,952	130,554

15 **Operating Leases**

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

	2023	2022
	£	£
Office Equipment		
Within one year	24,029	13,086
In one to two years	13,186	21,427
	37,215	34,513

Lease payments made during the year amounted to £23,915 (2022: £27,555).

16 Endowment Fund

	Balance 1 April 2022 £	Investment managem't fees charged £	Unrealised losses on investments £	Balance 31 March 2023 £
Permanent Endowments				
Endowment fund	840,337	(6,628)	(34,576)	799,133

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 £16,258 (2022: £18,158) was received during the year.

17 Restricted Income Funds

	Balances 1 April 2022 £	Income £	Expenditure £	Balances 31 March 2023 £
Tangible fixed asset fund: Restricted	2,184,000	-	(56,000)	2,128,000
Advice & Support				
Marie Celeste Samaritan Society: Hospital Discharge Project	2,142	92,500	(87,805)	6,837
Other Activities				
The Horners' Company £5k	-	5,000	(5,000)	-
Society of the Holy Child Jesus	-	15,000	(15,000)	-
Katherine Lloyd	-	5,000	(5,000)	-
Morrison's Gardening	2,192	-	(1,377)	815
The Aldgate Business Partnership Ltd - Welcome Area	-	37,500	(37,500)	-
City of London Justice Rooms Charitable Trust - Employ & Progr	-	3,000	-	3,000
Sisters of the Holy Cross Charitable Trust - Welcome area	-	20,000	(20,000)	-
Vanguard Foundation - funding for Routes to Roots	-	30,000	(30,000)	-
The Forrester Family Trust	-	40,000	(40,000)	-
The Good Things Foundation	-	75,000	(75,000)	-
Charlotte Bonham Carter Charitable Trust	-	4,000	(4,000)	-
The Fuellers Charity	-	750	(750)	-
Food Service	-	20,000	(20,000)	-
The Rayne Foundation	-	16,667	(16,667)	-
Training & Employment				
The Charlotte Bonham-Carter Charitable Trust	-	3,000	(3,000)	-
TGF-Hospital Routes to Root prjt(Streets of London)	-	15,000	(15,000)	-
Total Restricted Income Funds	2,188,334	382,417	(432,099)	2,138,652

18 Unrestricted Funds

	Balances 1 April 2022 Restated £	Income £	Expenditure £	Net transfers between funds £	Revaluation Loss £	Balances 31 March 2023 £
Tangible fixed asset fund: Unrestricted	3,116,456	-	(86,797)	160,962	-	3,190,621
Fixed asset fund: Investment Property	1,556,597	-	-	-	-	1,556,597
Revaluation reserve: Investment Property	2,623,403	-	-	-	(305,000)	2,318,403
Cyclical maintenance and repairs fund	300,000	-	-	-	-	300,000
Free Reserves						
Contingency fund: Charity running costs	800,000	-	-	-	-	800,000
General funds - restated	247,004	2,194,683	(2,050,623)	(160,962)	-	230,102
Sub-total: Free Reserves	1,047,004	2,194,683	(2,050,623)	(160,962)	-	1,030,102
Total Unrestricted Funds	8,643,460	2,194,683	(2,137,420)	-	(305,000)	8,395,723

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.

The Board has maintained the Cyclical maintenance and repair fund at £300,000.

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;

The fund was increased to £800,000 in the year ending 31 March 2021 and remains at the same level in the year ending 31 March 2023.

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. The general reserve was £247,004 (restated) at the beginning of the year. The general fund has a balance at year end of £230,102.

19 Analysis of Net Assets Between Funds

	Tangible fixed assets	Investment property	Other investments	Current assets less total liabilities	Total 31 March 2023
	£	£	£	£	£
Endowment Fund	-	-	799,133	-	799,133
Restricted income funds					
Tangible fixed asset fund: Restricted	2,128,000	-	-	-	2,128,000
Other restricted funds	-	-	-	10,652	10,652
Unrestricted funds					
Tangible fixed asset fund: Unrestricted	3,190,621	-	-	-	3,190,621
Fixed asset fund: Investment Property	-	1,556,597	-	-	1,556,597
Revaluation fund: Investment Property	-	2,318,403	-	-	2,318,403
Cyclical maintenance and repairs	-	-	300,000	-	300,000
Other designated funds	-	-	-	-	-
Contingency fund	-	-	299,111	500,889	800,000
General funds	-	-	-	230,102	230,102
	5,318,621	3,875,000	1,398,244	741,643	11,333,508

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 £13,090 (2022: £14,225). 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 as advisors for the refurbishment of the Day Centre and the development of a buildings strategy. 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. The panel included a buildings specialist who is external to Providence Row. The project has been overseen by the CEO with progress reports regularly being presented to the full Board of Trustees. Total amount paid to Cluttons LPP during the year was £14,100 (2022: £28,260). There was no outstanding balance at the year end.

21 Trusts and Foundations' income breakdown

Funder name	Amount
Julia and Hans Rausing	16,000
CHK Foundation	10,000
The Worshipful Company of Fan Makers	10,000
Feltnakers' Charitable Foundation	3,000
Leathersellers' Company Charitable Fund	15,000
Salterns' Charitable Foundation	5,000
Horners' Charity Fund	5,000
29th May 1961 Charitable Trust	6,000
Marie Celeste Samaritan Society	87,330
The National Lottery Community Fund	57,575
Derwent London plc	2,000
Mitchell City of London Charity	2,500
Drapers' Charitable Fund	10,000
City of London Justice Rooms Charitable Trust	2,000
Wheelwrights Charity	491
City Bridge Trust, Oak Foundation and Homeless Link	25,000
Oliver Stanley Charitable Trust	2,000
Sir Harold Hood's Charitable Trust	5,000
The Court of Aldermen's Livery Cloth Grant	1,700
Forrester Family Trust	5,000
The Worshipful Company of Plumbers	1,050
William Arthur Rudd Memorial Trust	2,000
The Albert Hunt Trust	5,000
Enhurst Charitable Trust	600
Sir Halley Stewart Trust	500
Gowling WLG (UK) Charitable Trust	500
Cuckoo Hill Trust	1,000
East End Community Foundation	6,480

We would like to thank the numerous other smaller Charitable Trusts and Foundations that have very kindly supported our work over the 2022/23 financial year. Your support is also incredibly appreciated.

22 Prior year adjustment

The Trustees have adjusted the financial statements for the cumulative and appropriate treatment of historic underaccrued pension contributions. Comparative amounts have been restated accordingly. The effect of this adjustment is to increase creditors brought forward by £172,598 and reduce General Funds brought forward by the same amount.

The prior year adjustment has been summarised as follows:

	2022 £	2021 £
<u>Effect on Balance Sheet</u>		
Balance of creditors as previously stated	427,673	605,656
Prior year adjustment	172,600	143,472
Balance of creditors as restated	600,273	749,128
<u>Effect on SOFA</u>		
Opening balance of funds at 1 April 2021/2022 as previously stated	11,844,731	11,892,107
Prior year adjustment 2021/22	29,128	-
Prior year adjustment 2020/21	28,935	28,935
Prior year adjustment 2019/20	30,078	30,078
Prior year adjustment 2018/19	39,895	39,895
Prior year adjustment 2017/18	44,564	44,564
	172,600	143,472
Opening balance of funds at 1 April 2021/2022 as restated	11,672,131	11,748,635
<u>Movement in total expenditure</u>		
Total expenditure as previously stated	2,308,347	2,330,833
Prior year adjustment	29,128	28,935
Total expenditure as restated	2,337,475	2,359,768

23 2022 comparative SOFA

Statement of Financial Activities for the year ended 31 March 2022 (incorporating an income and expenditure account)

	Notes	Unrestricted Funds Restated £	Restricted Funds £	Endowment Fund £	Total Funds 2022 Restated £
Income and Expenditure					
Income from:					
Donations		422,176	71,054	-	493,230
Legacies		56,704	-	-	56,704
Sub-total: Donations and legacies	2a	478,880	71,054	-	549,934
Charitable activities	2b	1,328,690	185,675	-	1,514,365
Other trading activities	2c	250	-	-	250
Investments	2d	403,308	-	-	403,308
Other	2e	25,000	-	-	25,000
Total income		2,236,128	256,729	-	2,492,857
Expenditure on:					
Raising funds					
Raising donations and legacies		(476,428)	(30,194)	-	(506,622)
Investment management		(144,577)	(202)	(9,443)	(154,222)
Sub-total: Raising funds		(621,005)	(30,396)	(9,443)	(660,844)
Charitable activities					
Advice and Support / Resource Centre		(757,839)	(180,938)	-	(938,777)
Recovery and Progression		(361,183)	(11,439)	-	(372,622)
E&T: Trainee Schemes, Food & Garden		(234,101)	(129,591)	-	(363,692)
E&T: Providence Row Bakery		(826)	(24)	-	(850)
Property let for charitable purposes		(689)	(1)	-	(690)
Sub-total: Charitable activities		(1,354,638)	(321,993)	-	(1,676,631)
Total expenditure	3	(1,975,643)	(352,389)	(9,443)	(2,337,475)
Net income/(expenditure) before net (losses)/gains on investments		260,485	(95,660)	(9,443)	155,382
Net (losses)/gains on investments					
Unrealised (losses) on investment property	8	(270,000)	-	-	(270,000)
Net gains on other investments	9, 16	-	-	38,114	38,114
Net movement in funds		(9,515)	(95,660)	28,671	(76,504)
Reconciliation of funds					
Total funds brought forward - restated		8,652,975	2,283,994	811,666	11,748,635
Total funds carried forward		8,643,460	2,188,334	840,337	11,672,131