



HELPING HOMELESS AND VULNERABLE PEOPLE SINCE 1860

Trustees' Annual Report and Financial Statements for the year ended 31 March 2020

Providence Row

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Charity number 1140192

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@Providence_Row



/ProvidenceRow

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Elizabeth Canning (Chair)
Rita Chakraborty (resigned 10th October 2019)
Simon Cribbens (resigned 5th December 2019)
Bishop Nicholas Hudson
Sister Evelyn Gallagher (resigned 18th March 2020)
Linda McHugh
Gavin Mullen (resigned 10th October 2019)
Jonathan Rhodes
Richard Solomon (Honorary Treasurer)
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Chief Executive Officer & Company Secretary

Tom O'Connor

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Letter from our Chair

Welcome to the Annual Report for Providence Row 2019/2020.

Writing this letter at the end of a tumultuous year has given me a difficult task. It is hard to find words which have not been used to describe 2020; unprecedented, unexpected, challenging, despair. And yet, in the midst of all of the uncertainty and disruption, once again Providence Row has been a beacon of hope for those who are homeless. I can only reflect that when Providence Row started 160 years ago, the task of helping the homeless must have felt very similar; challenging, undertaking unprecedented work, uncertainty and sometimes despair.

We started 2020 with challenges, of course, but by March when we had to close the Dellow Centre, which is at the heart of our activities, those challenges turned into something much more dramatic. No one expected that we would be providing a service for rough sleepers from a hotel in the Docklands; no one anticipated having to create a food service where we deliver to those who need a warm meal. Yet we did those things, seamlessly and in collaboration with other agencies and remaining hotel staff. Our staff exceeded all of our expectations as they cared for those who are at the bottom of the rung. Our teams worked even more closely with their clients and provided practical help, support and really made a difference to very vulnerable lives at a time of fear and profound uncertainty.

In common with most charities, we wondered whether the pandemic would cause us to retrench significantly and curb our ambitions but thanks to the wonderful support given to us by our donors and the London Borough of Tower Hamlets, we are weathering this storm for now. We have been able to reach many rough sleepers and help them onto a path where they have been able to leave the scourge of homelessness during this period. Sadly, the numbers of homeless persons keeps rising and we are concerned that the impact of the pandemic on the economy will put more pressure on the services which Providence Row provides in the coming years. We remain committed to serving this community as we move into our 161st year as a charity.

In closing, I would like to thank all of our supporters; our Patron His Grace the Duke of Norfolk, all of the staff and volunteers at Providence Row and of course my fellow trustees, without whose expertise and commitment, I would surely fail in my role as Chair. In our 160th anniversary year, our debt to the Sisters of Mercy, who founded Providence Row with Monsignor Gilbert and who continue to support us every day, remains unextinguished.

Elizabeth Canning

Chair of Trustees – December 2020.

Message from our CEO

Dear Friends,

2020 has marked the 160th anniversary of Providence Row serving the most vulnerable homeless people in London. At 31st March our services were already being transformed in response to the Covid 19 outbreak and we have continued to provide essential support throughout the months that followed.

Even before the pandemic 2019/20 was a momentous year for Providence Row. Our ground-breaking outreach psychotherapy supported increasing numbers of rough sleepers. Routes to Roots supported those in danger of becoming homeless after discharge from hospital and ensured their safe transition to a new home. Learning, training and employability services enabled clients to look to the future with hope after they had addressed the immediate crisis of life on the streets. Our drug and alcohol referral and needle exchange services increased the safety of clients enabling them to begin their journey to recovery. On the coldest nights of the winter we provided shelter for rough sleepers with an individual support plan for each person.

I feel privileged to be the CEO of a charity that so obviously and concretely addresses the immediate and long term needs of those who do not have a secure home. A deeply held belief in the uniqueness and dignity of every individual is at the heart of all our work. This is as important today as it was in 1860 when Providence Row began by providing shelter and support for women who had nowhere else to turn, and went on to save many families from the indignity of the Victorian workhouse. Homelessness and the isolation it brings continue to be a scourge on our society that we cannot accept. As Providence Row builds communities of support for our clients I cannot forget the words of so many who have been part of Providence Row over the last year. Ian said to me:

'I was sleeping rough when I came to Providence Row. I stayed because I was made to feel welcome and part of the community. My life is now completely different. I have gained qualifications in IT, food hygiene and health and safety which led to work experience at a hotel. I am also a peer mentor and I am helping people who are experiencing what I went through. I never thought all this would be possible.'

It is inspiring to see that many people like Ian who have accessed our services at a time of great vulnerability in their lives now see a new and brighter future ahead.

The kindness and generosity of our donors, volunteers and supporters make this work possible. We rely on your support now more than ever. Thank you so much for all you do. As we confront the ongoing challenges of Covid 19 together we will support many more people to ensure they have a safe home and a community in which to belong.

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

On any given night in England 280,000 people were homeless in 2019, which is a rate of 1 in every 200 people*. There were 4,266 people estimated to be sleeping rough on a single night in autumn 2019. There were 1,136 people estimated to be sleeping rough in London on a single night in autumn 2019**.

This is caused by:

- Isolation
- Substance misuse
- Relationship breakdown
- Criminal record
- Mental and physical health issues
- Lack of affordable housing
- Welfare reform
- Literacy and numeracy challenges

*Homelessness in England. The numbers behind the story (Shelter, December 2019)

**Ministry of Housing, Communities & Local Government Rough Sleeping Statistics Autumn 2019, England (27 February 2020)

OUR PLANS FOR THE FUTURE – BUILDING A COMMUNITY OF SUPPORT

Providence Row wants to address the root causes of homelessness, and to achieve this, we believe it is essential to ensure that people are connected to and belong within communities.

Our Five Year Strategy (2019-2024) sets our key objective to build an inviting and welcoming community in which people experience acceptance and a sense of belonging. Ensuring this warm welcome will be core to all services we offer. People will be supported to move on from our services when they are ready and will always be welcomed back and offered ongoing support.

Our community of support will help people to address the isolation and loneliness that can prevent their sustained recovery. We shall support them to participate in their current communities, to connect with new communities and to build confidence in their own talent and skills.

Our priorities:

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

The scandal of homelessness continues in our communities and Providence Row is determined to reflect the deeply held belief that everyone should be treated with dignity and respect. We are now very well placed to accompany many more people on their path to recovery and a brighter future away from the streets.

Covid-19 pandemic

2020 has seen the world changing as a result of the Covid-19 pandemic. In London, Tower Hamlets was the 4th hardest hit borough for infection rates and Covid-19 related deaths.

In the immediate aftermath of the pandemic, we adapted our services and staff team to refocus all our resources to ensure that rough sleepers, who are particularly vulnerable to Covid-19, could be safely housed and could self-isolate. Since then, we have seen increasing needs and demand for our crisis response services. Over the next year, we will be working with our partners, supporters and the Local Authority to consolidate and grow our crisis response, adapting our services whilst taking account of social distancing restrictions. Our basic work is and will remain supporting the most vulnerable in our society.

Celebrating 160 years of tackling the root causes of homelessness

2020 has marked our 160th anniversary. Now more than ever we have been called upon to support the most vulnerable in society during the COVID -19 pandemic.

ACHIEVEMENTS AND HIGHLIGHTS FOR THE YEAR

During the year we had 5,250 attendances to our Resource Centre by over 700 individual clients, with an estimated 18,000 meals served.

460 individual clients were helped with advice and support while our Learning, Enterprise and Training Team continued to work with clients to support them access education, training, employment and volunteering opportunities. 452 engaged in learning activities, and 172 with our Training and

Employment Scheme. 157 individual clients benefited from employment related training, including our 'Job Club', 'IT Workshop' and 'Working on it' programmes. 48 individual clients benefited from one of our three trainee schemes in gardening, catering and Rise Bakery.

Our Routes to Roots programme works in partnership with the Royal London Hospital in Tower Hamlets to prevent patients at risk of homelessness being discharged onto the streets. This service supported 166 people.

513 clients were supported through our referral and outreach programme (RESET) commissioned by the London Borough of Tower Hamlets Drug and Alcohol Action Team with supported substance misuse interventions totalling 2,680 recorded actions. 66 referrals into treatment were made with 42 of these commencing structured treatment. Our needle exchange service was visited 611 times last year by 104 clients. Among clients referred to treatment, or joining recovery groups or programmes, 264 clients recorded over 868 harm reduction actions.

201 individual clients were supported with their mental health and wellbeing. This is an increase from the previous year.

Our Outreach Psychotherapist Service helps address the mental health challenges of rough sleepers and reaches out to those who have the most complex needs many of whom are excluded from accessing other services. Working with the Tower Hamlets Street Outreach Response Team (SORT) our psychotherapist meets people on the streets, in parks, in cafes and in churches supporting them to address issues affecting their recovery.

During the month of March 2020, we operated reduced services and, when lockdown was implemented, following guidance from PHE and the Local Authority, we closed the Dellow Centre to the public. At that point all our staff were repurposed to support rough sleepers who are particularly vulnerable to Covid-19, into accommodation where they could self-isolate.

Severe Weather Emergency Protocol (SWEP)

We ran a Winter Crash Pad during the coldest nights of the winter. This included bed spaces for people who were referred to us from Tower Hamlets Street Outreach Response Team.

The aim of the service was not only to get entrenched rough sleepers off the streets at a time when they are most vulnerable to death and physical harm from severe weather, but also to use that opportunity to move them into suitable accommodation as soon as possible.

This provision ran during the winter period and offered:

- 15 temporary bed spaces throughout the SWEP
- Food
- Homelessness assessments
- Access to a nurse and prescription service
- Immigration advice
- Support from a Psychologist
- Access to a vet
- Access to mental health support
- Access to outreach workers

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 36.2 staff (average monthly headcount), of whom 7.7 were part-time staff (2018/19: 34 average monthly headcount, of whom 7.4 were part-time).

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 appreciated.

Our Volunteers

Our volunteers are the backbone of what we do and help us shape our future. Our volunteering and peer mentoring project:

- 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.

During the financial year 2019-2020 Q1-Q3, we trained 9 peer mentors (people who have themselves experienced homelessness, substance misuse and mental health issues). We had to suspend training during Q4 due to COVID-19.

All of those who completed the training obtained a placement within Providence Row. 2 of the 9 trainees moved into paid employment, and 5 went to further training and volunteering opportunities in other organisations. Our peer mentors truly represent a positive recovery model for our clients.

We also recruited and trained over 40 community volunteers offering a wide range of people for our clients to interact with, helping them rebuild their confidence and sense of belonging in a community.

We signed an internship partnership with Coventry University in London and became their charity of the year 2019/20. We had 20 volunteers from the London campus staff joining our activities and group within the year, and we had 1 Intern who joined the Fundraising and Marketing team for 10 weeks over the winter period.

We signed up to a partnership with King's College University of London, which provided 3 interns who offered volunteering time across our services throughout the year.

We also welcomed 297 corporate volunteers from 22 organisations who supported us by assisting with cooking and serving lunch and maintaining our garden, as well as with sessions such as English and IT.

Our charity is governed by a committed board of trustees who generously give their time and expertise to ensure good governance.

Companies

We are incredibly grateful for the long-term support of our company partners who fundraised £157,728 for us last year through a range of events and activities.

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. They supported us with £361,108 of grants during the year.

Communities

Thanks to the continued support from a number of community groups we raised £41,843. Our supporters in the community include: The Sisters of Mercy, St. Mary Moorfields, as well as other religious and non-religious groups and schools.

Individuals

Our individual donors have once again made a crucial difference to the lives of the people we support. Thanks to the support of our individuals we raised £68,470.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure of the charity

Providence Row is a private company limited by guarantee and not having a share capital, and was incorporated on 26 November 2010 (company number 07452798). It 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 Roman 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 years.

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. Trustees review the skills and experience of the Board members annually and have adopted the NCVO Code of Good Governance. 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 2020 annual general meeting.

The Trustees are the only members of the charitable company. On appointment each Trustee completes an entry in the register of members (which Trustees must sign). They receive a copy of the charity's governing documents, a role description and a copy of the annual report and financial statements. New

Trustees meet with the Chair of the Trustees, and the Chief Executive arranges their induction to the organisation.

ORGANISATIONAL STRUCTURE, MANAGEMENT AND KEY RELATIONSHIPS

The Trustees meet as a full board every quarter (although a meeting of the Board of Trustees may be held at any time, subject to the Articles of Association). In addition, there are five subcommittees of the Board:

- Finance
- Fundraising
- Services
- Remuneration
- Property

The subcommittees have been established by the Board of Trustees with appropriate delegated authorities and they report regularly to the Board on their deliberations and decisions. The Remuneration Committee meets annually to consider the report and recommendations of the Chief Executive in relation to staff remuneration. The remuneration of the Chief Executive and of the other members of the Leadership Team (see below) 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 social care providers of a similar nature, geographical location and size run on a voluntary basis. The Remuneration Committee submits all of its recommendations to the Board for approval.

The composition of the subcommittees is entirely at the discretion of the Trustees and the Board of Trustees may from time to time invite suitable individuals with valuable expertise to sit on the subcommittees as co-opted members.

The Chief Executive attends meetings of the Board of Trustees (with other senior staff as appropriate) and submits for consideration and approval an annually updated strategy for the charity and a work programme to implement it. Following formal approval of the strategy by the Trustees, the Chief Executive reports regularly to the Trustees on its implementation. The Trustees formally review the organisational strategy and performance / outcomes against objectives at least once a year. The Chief Executive and Head of Finance further present an annual budget to the Trustees for their consideration and approval.

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, based on recommendations from the Finance Subcommittee.

The Chief Executive has formed a Leadership Team consisting of the Chief Executive, the Director of Services, the Director of Finance & Resources and the Director of Fundraising. 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 now 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 under the London Borough of Tower Hamlets Supporting People Framework.

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 we are 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 number of other charities and agencies.

FINANCIAL SUMMARY 2019/20

Overview of results

The charity recorded a deficit of £392,509 before net unrealised losses on investments of £103,411 and an unrealised loss on investment property revaluation £320,244. This compares to a deficit of £308,736 before net gains on investments of £30,031 in 2019.

Income

Total income for 2019/20 was £1,846,547 (2018/19: £1,886,983).

Income	2019/20		2018/19	
	£'000	% of total	£'000	% of total
Donations	355.3	19.2%	428.7	22.7%
Donated goods, facilities and services	1.8	0.1%	21.6	1.1%
Legacies	34.5	1.9%	8.8	0.5%
Charitable activities (see below)	1,032.9	55.9%	1,045.6	55.4%
Other trading activities	20.3	1.1%	44.6	2.4%
Investment income	376.7	20.4%	312.7	16.6%
Other income	25.0	1.4%	25.0	1.3%
Total	1,846.5	100.0%	1,887.0	100.0%

Income from charitable activities	2019/20		2018/19	
	£'000	% of total	£'000	% of total
Local authority contracts	510.6	49.4%	537.7	51.4%
Performance related grants	273.9	26.5%	284.2	27.3%
Bakery sales	20.4	2.0%	22.4	2.1%
Rents from the Dellow Centre leases	228.0	22.1%	191.6	18.3%
Other	-	-	9.7	0.9%
Total	1,032.9	100.0%	1,045.6	100.0%

Total income in the year decreased by £40,434 or 2.1% on the previous year (2018/19: £1,886,983), primarily as a result of lower donations.

Expenditure

Total expenditure for 2019/20 was £2,239,056 (2018/19: £2,195,718), an increase of £43,338 (2%).

Expenditure	2019/20		2018/19	
	£'000	% of total	£'000	% of total
Costs of raising donations and legacies	461.3	20.6%	456.9	20.8%
Costs of other trading activities	5.8	0.2%	14.5	0.6%
Costs of investment management	149.4	6.7%	181.6	8.3%
Charitable activities (see below)	1,622.5	72.5%	1,542.7	70.3%
Other costs	-	-	-	-
Total	2,239.0	100.0%	2,195.7	100.0%

Expenditure on charitable activities	2019/20		2018/19	
	£'000	% of total	£'000	% of total
Advice and Support / Resource Centre	828.2	51.0%	699.4	45.3%
Recovery and Progression	493.2	30.4%	513.3	33.3%
Trainee Schemes, Food & Garden	220.0	13.6%	220.2	14.3%
Providence Row Bakery	57.2	3.5%	64.4	4.2%
Non-investment properties let in furtherance of charitable purposes	23.9	1.5%	45.4	2.9%
Total	1,622.5	100.0%	1,542.7	100.0%

The main reasons for the increase in expenditure in Advice and Support are increased staff cost due to use of Agency staff and recruitment costs throughout the year.

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. Due to the prevailing market environment of recent years it has become 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 are also limited. The charity does not 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).

Investment performance against objectives

Over the 12-month period to 31 March 2020, the charity's Endowment fund generated an overall negative return of £90,472 (2018/19: positive return £47,920), incorporating investment income of £23,509, net unrealised loss of £103,411 and management fees of £10,570.

The charity's managed cash deposit portfolio generated interest income in the year of £341 (2018/19: £10,957). In view of the continuing low interest rate environment, the charity expects its interest income to remain at a similarly low level over the coming year.

The charity's investment property generated total income (rent and service charge) of £352,374 during the year, an increase of 27% over the comparative figure for 2018/19 of £277,747. Rental income was £265,386 (2018/19: £228,041). Direct costs of investment property management in 2019/20 (before allocated support costs) totalled £119,476 (2018/19: £140,447).

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 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 organisation and reports to the Board of Trustees on a quarterly basis the major risks to the organisation which have been identified, and on measures in place (or planned) in order 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 both staff 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.

In common with other charities the impact of Covid 19 on the economy and society is a significant risk to Providence Row which we are carefully monitoring. The economic recession represents a threat to income sources at a time when we anticipate the numbers of homeless people and therefore the need for our services will increase. Investment over the last two years in a new fundraising strategy to generate sustainable funds from a wider range of income streams is now starting to show expected returns. We have also quickly adapted our fundraising strategy since Covid 19 with a major move towards online engagement which is showing better than anticipated returns to date.

Public Health England has approved our risk assessment which enables the limited return of additional staff and further services to the Day Centre. The safety of staff and clients will continue to be our highest priority throughout the pandemic, and we shall regularly update our risk assessment as required. We shall also continue to monitor the rapidly changing external environment in which we are now working and will make any changes and adjustments needed to ensure that we continue to support our clients for the long term.

The charity's largest single source of recurring 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 and uncertain future levels of local authority contract and grant income still represent a key risk for the charity. In order to address this risk, we continue to increase our capacity and experience in public sector tendering, impact monitoring and reporting and generation of income from a wide variety of sources. As a result, the Trustees consider that the risk to the charity of a large reduction in local authority contract income has been significantly mitigated in the short to medium term, although they remain conscious that this risk to the charity's operations remains high beyond the periods covered by the contracts noted above.

Income from voluntary sources such as individuals, trusts (including performance-related grants) and companies typically makes up over a third of our annual income (excluding legacies). The Trustees recognise that the current fundraising climate is very challenging, with increased competition for funds, a negative media portrayal of the sector and a new generation of donors whose giving habits are changing. Hence our investment in a long-term fundraising strategy.

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

- The charity's main premises, the Dellow Centre complex, is a substantial purpose-built property on the Gunthorpe Street / Wentworth Street site owned by the charity, and the effective management of this and of the charity's Activity Centre on the same site represents a considerable operational and financial commitment. In particular, as it is now over 20 years since the Dellow Centre was originally constructed, we have plans to invest in improvements to the building.
- Providence Row's investment property, Sherrington Mews, is a commercial property containing twelve light industrial and office units immediately adjacent to the Dellow Centre. The property represents a source of income and in order to ensure that the investment holds its value Providence Row has appointed a professional letting agent to manage the property on its behalf. The Trustees closely monitor the management of Sherrington Mews.

The effects of Brexit remain unclear at this time and potentially represent an additional risk to Providence Row. This risk is also mitigated by our investment in fundraising to grow and diversify our income. It is also possible that the value of our property and investments could be adversely affected by Brexit and the current economic recession. We continue to monitor our financial position in order that we can react quickly if necessary.

The property was valued in January 2020. However, the coronavirus pandemic was declared in March 2020, shortly before the end of the charity's financial year. Consequently, the property was valued again in November 2020, resulting in a £320,244 decline in value compared to the opening carrying value, as detailed in Note 8 on page 37 and in Note 1b on page 24.

REVIEW OF RESERVES AND RESERVES POLICY

Providence Row reviews its reserves policy each year 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 and three year financial forecasts. The creation of a designated fund does not legally restrict the Trustees' discretion in how to apply the unrestricted funds which have been earmarked.

As at 31 March 2020 the charity held total funds of £11,386,587 (2019: £12,202,751), comprising the restricted endowment fund, restricted income funds and unrestricted funds.

The Trustees have determined that the previously agreed medium-term target level of free reserves of £1,000,000 should remain. At 31 March 2020, the actual level of free reserves was £346,588, (2019: £676,538). The free reserves balance has reduced in 2020 mainly due to the deficit in the year. The deficit largely results from an investment in the Fundraising Team and increased cost of Crisis & Support activities. We expect a significant increase of fundraising income over forthcoming years. The results of the fundraising strategy will be closely monitored to ensure success, but in the short term the reserves are likely to remain below the target.

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 is therefore expected to 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 15 to 18 to the financial statements.

Going concern

Given all the factors above the Trustees remain confident in Providence Row as a going concern. We shall continue closely to monitor financial performance during the extended period of uncertainty caused by the Covid 19 pandemic.

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 which disclose with reasonable accuracy the financial position of the charity and which 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.

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.

21/12/2020

Approved by the Trustees on 2020 and signed on their behalf by


emcanning (Dec 21, 2020 18:53 GMT)

Elizabeth Canning – Chair


Richard Solomon (Dec 21, 2020 19:00 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 2020 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 2020 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.

Emphasis of matter in relation to the carrying value of investment property assets

In forming our opinion on the financial statement, which is not modified, we have considered the adequacy of the disclosures on page 24 of the financial statements concerning the material valuation uncertainty to the valuation of the investment property.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

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' Annual 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' Annual 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' Annual 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 and proper 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the 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' Annual Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charity for the purposes of company law) 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 these financial statements.

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.

Signed: 
Stephen Mills (Dec 22, 2020 01:18 GMT)

Name: Stephen Mills (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 22/12/2020

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2020

Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Income and Expenditure					
Income from:					
Donations	289,363	67,767	0	357,130	450,240
Legacies	34,507	0	0	34,507	8,757
Sub-total: Donations and legacies	323,870	67,767	0	391,637	458,997
Charitable activities	248,427	784,451	0	1,032,878	1,045,646
Other trading activities	20,339	0	0	20,339	44,636
Investments	376,693	0	0	376,693	312,704
Other	25,000	0	0	25,000	25,000
Total income	994,329	852,218	0	1,846,547	1,886,983
Expenditure on:					
Raising funds					
Raising donations and legacies	-448,967	-12,320	0	-461,287	-456,887
Other trading activities	-5,659	-160	0	-5,819	-14,553
Investment management	-138,839	0	-10,570	-149,409	-181,596
Sub-total: Raising funds	-593,465	-12,480	-10,570	-616,515	-653,036
Charitable activities					
Advice and Support / Resource Centre	-361,620	-466,623	0	-828,243	-699,377
Recovery and Progression	-158,629	-334,563	0	-493,192	-513,345
E&T: Trainee Schemes, Food & Garden	-165,501	-54,528	0	-220,029	-220,245
E&T: Providence Row Bakery	-35,016	-22,142	0	-57,158	-64,373
Property let for charitable purposes	-23,915	-4	0	-23,919	-45,342
Sub-total: Charitable activities	-744,681	-877,860	0	-1,622,541	-1,542,682
Other	0	0	0	0	0
Total expenditure	-1,338,146	-890,340	-10,570	-2,239,056	-2,195,718
Net expenditure before net gains / (losses) on investments	-343,817	-38,122	-10,570	-392,509	-308,735
Net (losses) / gains on investments					
Unrealised losses on investment property	-320,244	0	0	-320,244	0
Net (losses) / gains on other investments	0	0	-103,411	-103,411	30,031
Net movement in funds	-664,061	-38,122	-113,981	-816,164	-278,704
Reconciliation of funds					
Total funds brought forward	8,781,252	2,651,197	770,302	12,202,751	12,481,456
Total funds carried forward	8,117,191	2,613,075	656,321	11,386,587	12,202,751

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 15 to 18 of the financial statements.

Registered company number: 07452798

Charity number: 1140192

BALANCE SHEET

As at 31 March 2020

	NOTES	Total funds 2020		Total funds 2019	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	7	5,534,487		5,589,055	
Investment property	8	4,450,000		4,770,244	
Other Investments	9	1,222,938		1,534,164	
Total Fixed Assets		11,207,425		11,893,463	
Current Assets					
Debtors	10	487,328		657,955	
Cash at bank and in hand		133,789		12,340	
Total Current Assets		621,117		670,295	
Liabilities					
Creditors: Amounts falling due within one year	11,13	(393,314)		(312,366)	
Net Current Assets		227,803		357,929	
Total Assets less Current Liabilities		11,435,228		12,251,392	
Creditors falling due after more than one year	12	(48,641)		(48,641)	
Total Net Assets	18	11,386,587		12,202,751	
The Funds of the Charity					
Endowment Fund	15	656,321		770,302	
Restricted Income Funds	16				
Tangible fixed asset fund: Restricted		2,296,000		2,352,000	
Other restricted income funds		317,075		299,197	
		2,613,075		2,651,197	
Unrestricted Funds	17				
Tangible fixed asset fund: Unrestricted		3,238,487		3,237,055	
Fixed asset fund: Investment Property		1,556,597		1,556,353	
Revaluation Reserve: Investment Property		2,893,403		3,213,891	
Cyclical Maintenance and repairs fund		19,049		34,348	
Other designated reserves		63,067		63,067	
Free Reserves					
Contingency fund: Charity running costs		346,588		676,538	
General Funds		0		0	
Total Free Reserves		346,588		676,538	
		8,117,191		8,781,252	
Total Charity Funds	18	11,386,587		12,202,751	

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 21 to 43 were approved by the Board of Trustees on 21/12/2020 and signed on its behalf by:


Elizabeth Canning, Dec 21, 2020 18:53 GMT

Elizabeth Canning – Chair


Richard Solomon (Dec 21, 2020 19:30 GMT)

Richard Solomon – Honorary Treasurer

The notes on pages 24 to 43 form an integral part of these financial statements

STATEMENT OF THE CASHFLOWS

For the year ended 31 March 2020

	Notes	Total Funds 2020 £	Total Funds 2019 £
a) Reconciliation of net expenditure to net cash flow from operating activities			
Net expenditure for the year (as per the statement of financial activities)		(816,164)	(278,705)
Adjustments for:			
Income relating to donated goods capitalised as tangible fixed assets	2a,7	-	(2,697)
Depreciation charges	3,7	127,238	123,049
Unrealised loss on investment property	8	320,244	-
Net losses / (gains) on other investments	9	103,411	(30,031)
Other non-cash Income		(2,176)	
Dividends, interest and rents from investments per the SOFA		(376,693)	(312,704)
Investment management costs per the SOFA		149,409	181,596
Decrease / (Increase) in debtors (operating activities)		170,627	(259,888)
Increase in creditors (operating activities)		80,948	124,929
Net cash used in operating activities		(243,156)	(454,451)
	Notes	Total Funds 2020 £	Total Funds 2019 £
b) Statement of Cash Flows			
Net cash used in operating activities		(243,156)	(454,450)
Cash flows from investing activities:			
Dividends, interest and rents from investments per the SOFA		376,693	312,704
Decrease in debtors (investing activities)		-	-
Investment management costs per the SOFA		(149,409)	(181,596)
(Decrease) in creditors (investing activities)		-	-
Purchase of property, plant and equipment	7	(72,670)	(170,313)
Disposal of property, plant and equipment	7	12,888	
Capital additions to investment property	8	-	(244)
Net cash provided by / (used in) investing activities		167,502	(39,450)
Change in cash and cash equivalents in the year		(75,654)	(493,900)
Cash and cash equivalents at the beginning of the year		763,408	1,257,308
Cash and cash equivalents at the end of the year		687,754	763,408
	Notes	Total Funds 2020 £	Total Funds 2019 £
c) Analysis of Cash and Cash Equivalents			
Cash at bank and in hand		133,789	12,340
Investments: Notice deposits (3 months or less)	9	543,806	742,666
Investments: Cash held in endowment fund (capital)	9	10,159	8,402
Total cash and cash equivalents		687,754	763,408

Notes to the Financial Statements For the year ended 31 March 2020

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 2015.

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. Judgement and estimation uncertainty

The valuation of the charity's investment property is included on the Balance Sheet in accordance with the Fixed Asset Investments accounting policy detailed on page 28 and the investment properties Note 8 on page 37. The property was valued on 7 January 2020, by an independent firm of professional surveyors. The outbreak of coronavirus (Covid-19) was declared by the World Health Organisation as a "Global Pandemic" in March 2020, shortly before the end of the charity's financial year. In normal circumstances the trustees would have considered the fair value of the investment properties to show little movement between 7 January 2020 and 31 March 2020, however the circumstances of the Covid-19 pandemic are unprecedented. The property was valued again on 9th November 2020 to assess the impact of pandemic to the value of the property. The Board's opinion is that the valuation of 9th November 2020 is a fair reflection of the property's value on 31st March 2020 because the Covid-19 pandemic was underway during March 2020 and was the key factor in determining a revised valuation. We have considered recent RICS guidance which suggests that there would almost certainly have been a material uncertainty opinion attaching to any such valuation as at 31 March 2020, given the unprecedented circumstances, on which to base a judgement. The trustees therefore consider that there is a material valuation uncertainty in relation to the carrying value of the investment properties.

c. 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.

d. 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 and the costs of general marketing and communications to raise the profile of the charity, 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 temporarily surplus to operational requirements 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) On Purpose in respect of offices on the 2nd floor of the Dellow Centre. PRHA is a Charitable Housing Association. Under the terms of its lease, PRHA uses the premises for charitable purposes 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).

e. 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 £500 or greater.

f. 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, due to significant changes to the tenancies and market conditions during the year (see note 8 for further details) and again as at 31 March 2018. In November 2020, the investment property was valued by an independent firm of professional surveyors. 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.

g. 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 Charity (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.

h. Pension costs

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

i. Operating leases

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

j. 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.

k. 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 £	2020 Total £	2019 Total £
Individuals	60,698	-	60,698	56,715
Corporate donors	121,118	36,610	157,728	213,757
Community	41,343	500	41,843	40,329
Gift Aid reclaimed	7,772	-	7,772	8,129
Donated goods, facilities and services *	1,852	-	1,852	21,575
Grants from trusts and foundations	56,580	30,657	87,237	109,735
Sub-total: Donations	289,363	67,767	357,130	450,240
Legacies	34,507	-	34,507	8,757
Total income from donations and legacies	323,870	67,767	391,637	458,997

* 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 £37,741, none of which was in restricted income (2019: £106,177).

'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):

	2020 £	2019 £
Donated furniture, electronic and computer equipment, catering equipment capitalised as tangible fixed assets	-	2,697
Food and kitchen equipment	504	7,297
Other goods donated for client use	1,348	6,361
Pro bono legal advice to the charity	-	4,700
Other donated services	-	520
Total donated goods, facilities and services	1,852	21,575

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 £	2020 Total £	2019 Total £
London Borough of Tower Hamlets (LBTH): Advice & Support - Rough Sleepers Services	-	310,424	310,424	294,127
LBTH Drug & Alcohol Action Team: Substance misuse Worker & Needle Exchange, Women's Service	-	151,656	151,656	163,786
City of London: Recovery & Progression Service	-	48,500	48,500	65,810
Sub-total: Local Authority Contracts for Services	-	510,580	510,580	523,723
Performance-related grants - Public Sector	-	-	-	13,966
Performance-related grants - Trusts & Foundations	-	273,871	273,871	284,268
Rise Bakery sales	20,419	-	20,419	22,387
Rents and charges from non-investment properties let in furtherance of charitable purposes	228,008	-	228,008	191,577
Income from other charitable activities	-	-	-	9,725
Total income from charitable activities	248,427	784,451	1,032,878	1,045,646

Income from government sources is summarised in the table below:

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Local Authority Contracts for Services (see above)	-	510,580	510,580	523,723
East London NHS Foundation Trust	-	-	-	10,498
London Homeless Charities Group	-	-	-	3,468
Total income from government sources	-	510,580	510,580	537,689

c. Income from other trading activities

	2020 Total £	2019 Total £
Other trading activities	968	5,304
Income from letting and licensing of property held primarily for functional use but temporarily surplus to operational requirements (inc. room hire)	19,371	39,332
Total income from trading activities	20,339	44,636

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

d. Investment income

	2019 Total £	2018 Total £
Rent and charges from commercial tenants at investment property (Sherrington Mews)	352,374	277,747
Dividend and interest income from other investments	24,319	34,957
Total investment income	376,693	312,704

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

e. Other income

	2019 Total £	2018 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 £	2020 Total £	2019 Total £
Raising Funds				
Raising donations and legacies	363,173	98,114	461,287	456,887
Other trading activities	4,581	1,238	5,819	14,554
Investment management	139,531	9,878	149,409	181,596
Sub-total: costs of raising funds	507,285	109,230	616,515	653,037
Charitable activities				
Advice and Support / Resource Centre	652,079	176,164	828,243	699,378
Recovery and Progression	388,292	104,900	493,192	513,345
Trainee Schemes, Food & Garden	173,230	46,799	220,029	220,245
Providence Row Bakery	45,000	12,158	57,158	64,372
Non-investment properties let in furtherance of charitable purposes	22,337	1,582	23,919	45,342
Sub-total: costs of charitable activities	1,280,938	341,603	1,622,541	1,542,682
Other expenditure				
Total expenditure	1,788,223	450,833	2,239,056	2,195,719

Providence Row - Helping homeless and vulnerable people since 1860
Trustees' Annual Report and Financial Statements for the Year Ended 31 March 2020

Support Costs

Support costs can be analysed as follows:

Support Costs

Support costs can be analysed as follows:

Raising Funds

Raising donations and legacies
Other trading activities
Investment management
Sub-total: costs of raising funds

Charitable activities

Advice and Support / Resource Centre
Recovery and Progression
Trainee Schemes, Food & Garden
Providence Row Bakery
Non-investment properties let in furtherance of charitable purposes
Sub-total: costs of charitable activities

Other expenditure

Total expenditure

	Governance	Finance	HR / Office Admin	IT / Telecoms	Property (Own Use)	Other Central	Depreciation	2020 Total	2019 Total
	£	£	£	£	£	£	£	£	£
Raising Funds									
Raising donations and legacies	9,512	8,191	4,694	8,007	19,203	20,094	28,413	98,114	148,937
Other trading activities	120	104	59	101	242	254	358	1,238	4,743
Investment management	3,655	3,147	-	3,076	-	-	-	9,878	19,564
Sub-total: costs of raising funds	13,287	11,442	4,753	11,184	19,445	20,348	28,771	109,230	173,245
Charitable activities									
Advice and Support / Resource Centre	17,079	14,707	8,428	14,377	34,478	36,080	51,015	176,164	227,984
Recovery and Progression	10,170	8,758	5,018	8,561	20,531	21,484	30,378	104,900	167,340
Trainee Schemes, Food & Garden	4,537	3,907	2,239	3,819	9,159	9,585	13,553	46,799	71,796
Providence Row Bakery	1,179	1,015	582	992	2,379	2,490	3,521	12,158	20,983
Non-investment properties let in furtherance of charitable purposes	585	504	-	492	1	-	-	1,582	4,886
Sub-total: costs of charitable activities	33,550	28,891	16,267	28,241	66,548	69,639	98,467	341,603	492,989
Other expenditure	-	-	-	-	-	-	-	-	-
Total expenditure	46,837	40,333	21,020	39,425	85,993	89,987	127,238	450,833	666,235

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

	2020	2019
	£	£
Wages and salaries (inc accrual for unpaid annual leave)	1,120,994	1,033,344
Employers National Insurance contributions (social security costs)	107,528	101,525
Employer's contribution to defined contribution pension schemes	24,828	20,043
Agency staff (including agency fees)	193,659	223,668
Insurance premiums: group life assurance and employee personal accident	4,434	3,830
Termination payments and related fees	-	14,270
Total	1,451,443	1,396,680

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 (2019: none). No Trustee received reimbursement of expenses incurred for services provided to the charity during the year (2019: none). Details of transactions with connected parties of trustees are disclosed in note 19.

During the year there was one employee whose total employee benefits (excluding employer pension costs) fell within the banding £70,000 to £79,999 (2019: one). Employer payments in the year to a defined contribution pension scheme in respect of this employee totalled £1,181 (2018: £806).

The key management personnel of the charity consists of the Trustees and the Leadership Team. Total employee benefits received by the charity's key management personnel (excluding trustees) during the year were £242,243 (2019: £264,101).

5 Staff Numbers

The average monthly head count (number of staff employed) in the twelve month period ending 31 March 2020, analysed between full-time and part-time staff, was:

	2020	2019
Full-time staff	28.5	26.6
Part-time staff	7.7	7.4
Total Average Head Count	36.2	34.0

The average monthly number of full-time equivalent employees in the twelve month period ending 31 March 2020, analysed by activity, was:

Activity	2020	2019
Fundraising, communications, marketing	7.7	6.3
Charitable activities	21.5	21.4
Support, central, investment management	4.3	3.6
Total Average Head Count	33.5	31.3

6 Amounts Payable to the Auditors

	2020 £	2019 £
Audit fee:		
Current Year	13,500	13,500
Prior Year (overprovision)	1,341	-
Total	14,841	13,500

No other services were provided by the auditors during the year (2019: 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 2019	5,562,138	300,000	129,532	48,961	287,870	6,328,501
Additions	2,628	-	21,295	36,319	12,428	72,670
Disposals	-	-	(12,888)	-	-	(12,888)
Balance at 31 March 2020	5,564,766	300,000	137,939	85,280	300,298	6,388,283
Accumulated Depreciation						
Balance at 31 March 2019	552,864	17,143	74,871	38,395	56,173	739,446
Charge for the year	75,240	2,143	10,932	8,894	30,030	127,238
Disposals	-	-	(12,888)	-	-	(12,888)
Balance at 31 March 2020	628,104	19,286	72,914	47,289	86,203	853,796
Net book value						
At 31 March 2019	5,009,274	282,857	54,661	10,566	231,697	5,589,055
At 31 March 2020	4,936,662	280,714	65,025	37,991	214,095	5,534,487

'Freehold land and buildings in use' at 31 March 2020 includes £2,000,000 of land that is not depreciated (2019: £2,000,000).

8 Investment Property

	2020 Cost £	2020 Fair Value £	2019 Cost £	2019 Fair Value £
Balance at beginning of the year	1,556,353	4,770,244	1,556,109	4,770,000
Add: Additions at cost	-	-	244	244
Unrealised loss on revaluation	-	(320,244)	-	-
Balance at end of the year	1,556,353	4,450,000	1,556,353	4,770,244

The charity's investment property was valued at 31 March 2018 at £4,770,000. The property was carried at a value of £4,770,244 as at 31 March 2019. In January 2020 the property has been 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. The independent valuer's report was prepared in accordance with the Royal Institute of Chartered Surveyors' 'RICS Valuation – Global Standards 2017 (the Red Book)'. The valuation was based primarily on the comparable method of valuation having regard to the capital value rates per square foot achieved for similar recent transactions in the area. Appropriate adjustments were made to reflect the strength of location, tenant covenant, prospects for alternative uses, specification and size of the property in relation to comparable evidence. The valuation was checked for reasonableness by capitalising rental income from existing tenants and prospective rental income in relation to vacant units at appropriate net equivalent yield rates. The resulting valuation per the independent valuer's January 2020 report is £4,790,000.

The outbreak of coronavirus (Covid-19) was declared by the World Health Organisation as a "Global Pandemic" in March 2020, shortly before the end of the charity's financial year. In normal circumstances the trustees would have considered the fair value of the investment properties to show little movement between 7 January 2020 and 31 March 2020, however the circumstances of the Covid-19 pandemic are unprecedented. In November 2020 the property has been revalued again by BNP Paribas Real Estate Advisory & Property Management UK Ltd. The resulting valuation per the independent valuer's report is £4,450,000. The Board's opinion is that the valuation of 9th November 2020 is a fair reflection of the property's value on 31st March 2020 because the Covid-19 pandemic was underway during March 2020 and was the key factor in determining a revised valuation. We have considered recent RICS guidance which suggests that there would almost certainly have been a material uncertainty opinion attaching to any such valuation as at 31 March 2020, given the unprecedented circumstances, on which to base a judgement. The trustees therefore consider that there is a material valuation uncertainty in relation to the carrying value of the investment properties.

9 Other Investments

	2020 Cost £	2020 Market Value £	2019 Cost £	2019 Market Value £
Unitised investments held within Endowment fund				
Balance at beginning of the year	520,119	783,096	520,119	753,065
Less: Disposals	(216,143)	(326,328)	-	-
Add: Acquisitions	315,616	315,616	-	-
Net (losses) / gains on revaluation	-	(103,411)	-	30,031
Balance at end of the year	619,592	668,973	520,119	783,096
Cash deposits at end of the year				
Notice deposits (3 months or less)	543,806	543,806	742,666	742,666
Cash held in Endowment fund (capital account)	10,159	10,159	8,402	8,402
Total cash deposits at end of the year	553,965	553,965	751,068	751,068
Total other investments at end of the year	1,173,557	1,222,938	1,271,187	1,534,164

10 Debtors

	2020 £	2019 £
Long term debtors (receivable after more than one year)		
Rent deposits held by agents	48,641	48,641
Short term debtors		
Trade debtors	88,125	274,357
Rent deposits held by agents	114,927	16,622
Service Charge deposits held by agents	42,027	-
Other debtors (legacies)	125,000	110,000
Prepayments	13,462	41,347
Accrued income	55,146	166,741
Staff loans	-	247
Total Debtors	487,328	657,955

11 Creditors: Amounts Falling Due Within One Year

	2020 £	2019 £
Trade creditors	26,228	49,721
Tax and social security	31,276	32,689
Rent deposits held from commercial tenants	19,830	5,974
Grant payments received on account	92,551	8,872
Holiday pay accrual	17,513	3,966
Other accruals	26,450	38,341
Deferred income	179,466	172,803
Total	393,314	312,366

12 Creditors: Amounts Falling Due After More Than One Year

	2020 £	2019 £
Rent deposits held from commercial tenants	48,641	48,641
Total	48,641	48,641

13 Deferred income

	2020 £	2019 £
Balance brought forward at 31 March 2019	172,803	74,049
Amounts deferred	444,147	787,125
Amounts released	(437,484)	(688,371)
Balance carried forward at 31 March 2020	<u>179,466</u>	<u>172,803</u>

14 Operating Leases

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

	2020 £	2019 £
Office Equipment		
Within one year	2,952	4,728
In one to two years	344	666
	<u>3,296</u>	<u>5,394</u>

15 Endowment Fund

	Balance 31 March 2019 £	Investment management fees charged £	Unrealised losses on investments £	Balance 31 March 2020 £
Permanent Endowments				
Endowment fund	770,302	(10,570)	(103,411)	<u>656,321</u>

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).

16 Restricted Income Funds

	Balances 31 March 2019 £	Income £	Expenditure £	Balances 31 March 2020 £
Tangible fixed asset fund: Restricted	2,352,000	-	(56,000)	2,296,000
Advice & Support				
LBTH: Rough Sleepers Services Contract / Safe Connections (NFNO)	78,161	305,356	(299,737)	83,780
Marie Celeste Samaritan Society: Hospital Discharge Project	2,213	85,483	(74,757)	12,939
St. Mungos	-	9,515	-	9,515
National Zatah Foundation	160	-	-	160
City of London (City Hub)	25,421	37,627	(44,789)	18,259
TGF-Welcome Area(Charlotte Bonham-Carter)	-	4,000	-	4,000
Learning Programme				
Big Lottery Fund	49,950	120,064	(140,847)	29,167
Sage	2,948	-	-	2,948
ELFT	21,486	(5,127)	(16,359)	-
TGF-R2R Hospital Liason Officer(The Nationwide Foundation	-	13,218	(9,358)	3,860
CRF-RPS (Google)	-	500	-	500
Other Activities				
LB Tower Hamlets DAAT: RESET, Woman's Service	42,417	151,656	(157,001)	37,072
City of London: RPS	16,000	16,000	(16,000)	16,000
Nelsons: homeopathy service	3,360	7,560	(5,756)	5,164
Oak Foundation	15,822	-	(15,822)	-
Santander UK Foundation	2,930	-	(2,930)	-
SGF LBTH - Emergency Response COVID 19	-	5,068	(3,832)	1,236
Training & Employment				
Streetsmart	10,443	20,000	(20,417)	10,026
City Bridge Trust	1,350	-	-	1,350
Young Philanthropists' Syndicate at PWC	84	-	-	84
Souter	4,000	-	-	4,000
XL Catlin	5,000	-	-	5,000
Leathersellers Company	1,250	18,750	-	20,000
The Christadelphian Samaritan Fund	400	400	(800)	-
Eleanor Hamilton Educational Trust	3,000	-	-	3,000
Oliver Stanley Charitable Trust	1,000	-	(301)	699
TGF-Gardening TS (Charlotte Marshall Charitable Trust)	-	1,038	(1,038)	-
CRF-E&T(Bank of America Merrill Lynch)	-	38,110	-	38,110
CRF-Breakfast(LMS)	-	4,000	(4,000)	-
TGF-E&T Employment (Horners Company)	-	5,000	-	5,000
Social Enterprise inc. Providence Row Bakery ('Rise Bakery')				
City Bridge Trust Stepping Stones grant	6,596	-	(6,596)	-
Individual donors and corporate gifts	5,206	-	-	5,206
TGF-Social Enterprise(Social Investment Business)	-	14,000	(14,000)	-
Total Restricted Income Funds	2,651,197	852,218	(890,340)	2,613,075

17 Unrestricted Funds

	Balances 31 March 2019 £	Income £	Expenditure £	Net transfers between funds £	Revaluation Loss £	Balances 31 March 2020 £
Tangible fixed asset fund: Unrestricted	3,237,055	-	(65,400)	66,832	-	3,238,487
Fixed asset fund: Investment Property	1,556,353	-	-	244	-	1,556,597
Revaluation reserve: Investment Property	3,213,891	-	-	(244)	(320,244)	2,893,403
Cyclical maintenance and repairs fund	34,348	-	-	(15,299)	-	19,049
Other designated funds	63,067	-	-	-	-	63,067
Free Reserves						
Contingency fund: Charity running costs	676,538	-	-	(329,950)	-	346,588
General funds	-	994,329	(1,272,746)	278,417	-	-
Sub-total: Free Reserves	676,538	994,329	(1,272,746)	(51,533)	-	346,588
Total Unrestricted Funds	8,781,252	994,329	(1,338,146)	-	(320,244)	8,117,191

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 net decrease in the Cyclical maintenance and repairs fund during the year of £15,300 represents a transfer to the 'Tangible fixed asset fund: Unrestricted' relating to the number of small improvements in the Dellow Centre.

Other designated funds

The opening balance of £63,067 represents the balances on several funds. An amount of £50,000 was set aside as at 31 March 2016 in respect of legacy income recognised as receivable during the year where payment has not yet been received from the estate as at the date on which these financial statements have been authorised for issue. Since the timing of receipt of this legacy is not yet certain, the Trustees decided to transfer this amount into a designated fund in order to separate it from the charity's free reserves which are required to be backed by cash. As at the balance sheet date payment has not been received but the commercial properties from which this legacy is derived have been sold.

During the financial year the fund was not utilised.

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 £676,538 as at 31 March 2019 and has been reduced by £329,950 in the year. This movement represents expenditure incurred which was unfunded by the other reserves.

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 £0 at the beginning of the year.

18 Analysis of Net Assets Between Funds

	Tangible fixed assets	Investment property	Other investments	Current assets less total liabilities	Total 31 March 2020
	£	£	£	£	£
Endowment Fund	-	-	656,321	-	656,321
Restricted income funds					
Tangible fixed asset fund: Restricted	2,296,000	-	-	-	2,296,000
Other restricted funds	-	-	-	317,075	317,075
Unrestricted funds					
Tangible fixed asset fund: Unrestricted	3,238,487	-	-	-	3,238,487
Fixed asset fund: Investment Property	-	1,556,597	-	-	1,556,597
Revaluation fund: Investment Property	-	2,893,403	-	-	2,893,403
Cyclical maintenance and repairs	-	-	19,049	-	19,049
Other designated funds	-	-	13,067	50,000	63,067
Contingency fund	-	-	346,588	-	346,588
General funds	-	-	187,913	(187,913)	-
	5,534,487	4,450,000	1,222,938	179,162	11,386,587

19 Related Party Transactions

During the year the charity received donations from Trustees and related parties (including the Sisters of Mercy of the Union of Great Britain and the Institute of Our Lady of Mercy) totalling £12,000 (2019: £12,000). 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.

