



HELPING HOMELESS AND VULNERABLE PEOPLE SINCE 1860

Trustees' Annual Report and Financial Statements for the year ended 31 March 2022

Providence Row

Registered and Principal Office:


The Dellow Centre
82 Wentworth Street
London
E1 7SA


Company number 07452798

Charity number 1140192

E-mail: info@providencerow.org.uk

www.providencerow.org.uk

 [@Providence_Row](https://twitter.com/Providence_Row)

 [/ProvidenceRow](https://www.facebook.com/ProvidenceRow)

Board of Trustees

Elizabeth Canning (Chair)
Bishop Nicholas Hudson
Linda McHugh
Jonathan Rhodes
Richard Solomon (Honorary Treasurer)
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Anthony Tama

Patron

His Grace the Duke of Norfolk

Honorary Vice Presidents

Fr. Peter Harris
Dr Daniel Regan MBE, OStJ, KSG
Mr Richard Sermon

Chief Executive Officer & Company Secretary

Tom O'Connor

Auditors

Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

Bankers

HSBC Bank plc
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

Handelsbanken
42 New Broad St
London
EC2M 1JD

Investment Advisors

Schroder & Co. Limited
t/a Cazenove Capital Management
12 Moorgate
London
EC2R 6DA

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Investment Property

Managing Agents

Savills
(incorporating GBR Phoenix Beard)
33 Margaret Street
London
W1G 0JD

Investment Property

Legal Advisors

Brecher Solicitors
4th Floor, 64 North Row
Mayfair
London
W1K 7DA

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Letter from our Chair

Welcome to the Annual report for Providence Row 2021/2022

As we move into more normal times I am happy to report that Providence Row had a successful year. The vaccines are significantly improving the health and welfare of our clients as well as the wider community and our programmes, which our CEO Tom O'Connor and this report details, have continued to adapt to meet the needs of the homeless in the Borough of Tower Hamlets and The City of London. Our staff continue to reach out to those whose lives are most challenged, despite the immediate respite from Covid. On behalf of all the trustees and I am sure all our donors I would like specifically to thank all of the staff who work in often difficult and sometimes dangerous situations. We are all in awe of the work that you do and the compassion with which you undertake that work. It is truly the spirit of Providence Row at work. As new challenges emerge; mpox, diphtheria, scarlet fever and other highly contagious diseases, we continue to modify our services and support our clients in addition to keeping close to other emerging risks

We have welcomed a new Trustee Anthony Tama in the past year. The Board is continuing to assess what skills we need on the board as we seek to ensure that we maintain the highest standards of governance. Providence Row continues to invest in Fundraising and of course our services. We can do nothing without the help and support of our donors and all of the Trustees and staff would like to thank you for all your support and encouragement. Our corporate donors have volunteering days and also provide goods to our organisation. These donations make a difference to our running costs ensuring that we can spend our money where it is most needed.

In closing, I would again like to thank all of our supporters and donors; our Patron The Duke of Norfolk, our President HE Cardinal Nichols, all of the staff and volunteers. My fellow Trustees provide expertise and time to the organisation, often unseen but without their contribution, Providence Row would not thrive. I cannot end this letter without acknowledging the role of the Sisters of Mercy, who continue to support us financially and through their prayers. Their spirit resides in the organisation and in our values. As we approach the end of 2022, may I wish you all a very merry Christmas.

elizabeth canning

elizabeth canning (Dec 12, 2022 19:03 GMT)

Elizabeth Canning

Chair of Trustees – December 2022

Message from our CEO

Dear Friends,

Providence Row goes from strength to strength at the service of our clients.

We have increased emergency food provision including a delivery service for those with no recourse to public funds. Our unique psychotherapy outreach service has reached more people than ever. The drug and alcohol recovery team has been working tirelessly to ensure people access the support they need. Our Day Centre in Tower Hamlets has been welcoming rough sleepers with breakfast, a shower and individually tailored plans so they can look ahead with renewed hope. Routes to Roots has enabled patients destined for life on the streets to find a safe home on discharge from hospital. We have established new health hubs offering vaccinations and a wide range of health care services.

No one has been turned away and we have gone into the community to seek out those most at risk.

Sadly, despite all the achievements of the last year we are now seeing significantly increased numbers of people who are homeless or in serious danger of homelessness for the first time. Current increases in the cost of living and economic uncertainty really do push already vulnerable people into destitution and despair. And whilst many now see the worst of the pandemic as behind us, a resurgence of Covid 19 during the winter ahead is a very real risk for those we support.

We continue to manage our finances closely during these extremely challenging times and are cautiously planning for the development of services in response to increasing demand.

The work must go on and with your help I am confident that we shall be here for our clients during the years ahead whatever they have to face.

Most importantly I would like to thank all those who make our work possible: our incredibly generous donors and supporters, our committed partners and volunteers, and of course the inspirational teams of staff who put our values into action every day, working with skill and dedication. Together we can end the scandal of homelessness.

I commend this Annual Report to you.


toconnor (Dec 12, 2022 11:03 GMT)

Tom O'Connor
CEO

ABOUT US

Vision

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

Mission

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

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

Our values

- Compassion
- Empowerment
- Inclusiveness
- Justice
- Respect

Why we are needed

On any given night in England 249,850 families and individuals experienced homelessness in 2021. This is a rate of 1 in 206 of us*. There were 2,949 people estimated to be sleeping rough on a single night in London in Autumn 2021**.

The ongoing homelessness crisis is caused by:

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

*Shelter 2021

**GLA Chain reports

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 our 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. As we move out of the pandemic we shall review our priorities to ensure we continue responding to the needs of those who are most vulnerable and support them on their journey to long term recovery.

ACHIEVEMENTS AND HIGHLIGHTS FOR THE YEAR

2020 saw the world change as a result of the Covid-19 pandemic. As we entered 2021, the UK remained one of the hardest hit countries in the world.

Throughout 2021 our work continued with our emergency food programme delivering food to local rough sleepers and people experiencing homelessness throughout Tower Hamlets. We also managed to keep our Day Centre open throughout lockdowns. For much of this time we opened on an outreach basis and handing food out at the gate to the centre. At the end of January 2022 we were able to welcome clients back fully to the Centre.

During the pandemic in 2020 we built up our homelessness health provision, aiming to provide easier access for people who are marginalised from traditional health services. Working in partnership with the London Borough of Tower Hamlets, we started hosting health hubs, initially these were focused on encouraging and providing easier access to the Covid vaccination. As 2021 and 2022 progressed we have extended the health hubs to include more services delivered by an increasing number of partners.

By March 2022 we had started making plans to host quarterly health fairs, these provide people experiencing homelessness with a whole day in which to focus on their health and to try different health and wellbeing experiences. We plan to build on these throughout 2022.

HOW WE MOVED ON FROM THE PANDEMIC

During the pandemic many of our services were put on hold as we focused on crisis response with emergency care and support, and with accommodation and food provision. When we started coming out of the pandemic, there was still a need for much of this work while we began reopening other services again.

Our Advice and Support (AST) Team supported 285 clients to access additional support including securing accommodation for 125 individuals as well as applying for benefits, ID documents and EU pre-settled and settled status, health referrals, and additional mental health and drug & alcohol support.

Our Reset Outreach and Referral Service and Reset Navigator Team helped 834 clients through harm reduction advice and support, and referral into Reset treatment and recovery services. The team have also supported service users to register with GP's and attend medical appointments.

Our Needle Exchange and Harm Reduction provision has seen an increase in new people from varying marginalised communities attending throughout the year, with a total of 185 individuals. We estimate that 13,672 new and sterile needles were distributed to service users.

Naloxone training and distribution has also increased, with 187 kits being sent out to service users and support workers. Naloxone is a vital resource which Providence Row frontline workers are trained to use and can be lifesaving in the event of an opiate overdose.

Our Outreach Psychotherapy Service supported 126 rough-sleepers in Tower Hamlets and the City of London, who have experienced repeated trauma. The psychotherapists have contributed towards supporting individuals to sustain their accommodation and to gain autonomy to make decisions in their best interest – accessing accommodation and drug and alcohol support, attending health appointments, exploring training opportunities and reconnecting with family members.

Our Progression and Training Team worked with the Local Authority to complete a project with 22 clients who have no recourse to public funds to explore their status and identify employability outcomes. Of the 22 referrals we received, we were able to support 4 of them to find employment and an additional client to find volunteering opportunities.

Food Programme

As part of our crisis response services we provided breakfast and lunch on site at our Day Centre to people rough sleeping. Throughout the year we served 1049 breakfasts and 1799 lunches to 451 unique individuals (a total of 3,256 meals). Many of the individuals supported were sleeping rough for the first time, and after meeting their immediate needs for food and hygiene we were able to refer them to our advice and support teams for further support. Providence Row's Day Centre worked in close collaboration with Public Health England to ensure continued service provision. For periods of time when there was considered to be a high risk to our clients of exposure to Covid 19 (e.g. when a staff outbreak occurred or when the Omicron variant was discovered) we had to close our canteen and serve takeaway meals, via a gated provision

SWEP

For many years Providence Row's Day Centre has been supporting a programme called the Severe Weather Emergency Protocol (SWEP) which actions the emergency provision of pop up night shelters for people who are known to be sleeping rough at the time there is a severe weather warning or temperatures fall below 0 degrees. Due to the pandemic this service was run in hotels this year rather than at Providence Row's Day Centre. Over the past year, Providence Row coordinated emergency lifesaving provision for 25 nights supporting 29 unique individuals. During SWEP we provided each person with 2 meals per day, totalling a delivery of 176 meals.

Food Poverty Programme

Throughout the year Providence Row worked in close partnership with the Tower Hamlets Food Poverty Lead to develop a new initiative supporting people rough sleeping and people who have experienced homelessness. The Tower Hamlets Food Poverty Team provided supermarket food vouchers to the value of £2,950 for Providence Row to distribute. £10 worth of supermarket vouchers could provide 3 meals per day. 100 people were given vouchers equating to 885 meals. Of these 100 people, 38 individuals were supported by Providence Row's Routes to Roots and Outreach Psychotherapy programmes. Both services are working to address health inequalities in the community and reach the most disadvantaged and vulnerable clients. Routes to Roots works with people facing homelessness after discharge from hospital. The Outreach Psychotherapy Service offers support for people who have suffered severe trauma or mental health challenges as a result of homelessness. Vouchers and donated precooked food items have been extremely beneficial for clients' wellbeing while setting up benefits claims, easing the challenges of the first few weeks of moving into accommodation and helping people to sustain their accommodation in the short term. This work was specifically designed to target a cohort of vulnerable adults with multiple complex needs, including substance misuse, mental health and educational requirements. The specialist services in this project are well equipped to engage and support clients to develop action plans that lead to sustainable improvements in their wellbeing.

In partnership with the Local Authority, Public Health England, NHS, GP care groups and the Tower Hamlets Street Outreach Team, Providence Row has developed a best practice for 'Health Provision' to support the most vulnerable clients to access health services onsite at our Day Centre (as indicated above). During the course of the year we ran 11 Health Hubs. Each Health Hub provides an opportunity for vulnerable clients to access vaccinations (including COVID-19 and Flu) and receive support with physical, mental and sexual health needs. 98 clients were given healthy nutritious meals and 100 food poverty vouchers were distributed (equating to 3 meals per voucher) as a way of engaging and supporting them to access health services.

In total 823 individuals were provided with 19,915 meals across the year

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 37.4 staff (average monthly headcount), of whom 9 were part-time staff (2021: 32.3 average monthly headcount, of whom 7.3 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 very much appreciated.

Our Volunteers

Volunteers are at the heart of our work and provide essential support for service provision. 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 2021-2022, 3 peer mentors from the cohort who had been trained in our programme during the pandemic, ensured a welcoming environment for service users. Our peer mentors visibly represent a positive long term recovery for our clients.

We also recruited and trained over 20 community volunteers helping multiple services including the food service project, Welcome Area, and Garden Training Scheme which has connected many who were experiencing isolation with a community of support.

6 of our volunteers continued to contribute to the development of our community gazette /newsletter project producing 9 further editions. This was distributed across Tower Hamlets to over 20 homeless centres, potentially reaching out over 100 readers.

We successfully continued our partnership with King's College University of London, which provided 2 interns who offered volunteering time across our fundraising and Resource Centre teams from February through to June.

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 support of our company partners who fundraised £126,651 (£221,552 in 2020/21) over the course of year through a range of events, activities and grants. In particular we would like to thank our long-standing strategic partners Natixis Investment Managers and Reed Smith. We would also like to thank Aldgate Connect BID, Vanguard Group Foundation, The Investment Association, UNUM and all our Garden Sponsors for their significant contributions.

Communities

Thanks to continued support from a number of community groups we raised £48,896 (£44,100 in 2020/21). Our supporters in the community include: The Sisters of Mercy, The Society of the Holy Child Jesus CIO, Sisters of the Holy Cross Charitable Trust, St. Mary Moorfields Catholic Church, Morrison's Foundation as well as other religious and non-religious groups and schools.

Trusts and Foundations

Our private and institutional grant makers are a vital source of committed multi-year funding that allows us to plan ahead for our programmes and services. We received an extraordinary £317,555 (£611,346 in 2020/21). Thanks to the generosity of the Trusts and Foundations that supported us this year we were able to be there for our clients in one of the most challenging years Providence Row has seen since it was founded in 1860. The list of Trust and Foundations that supported us is within Note 21.

Legacy

We received £56,704 (£140,765 in 2020/21) in legacy income. We are immensely grateful to those who have so generously supported us in their will.

Individuals

Our individual donors have once again made a crucial difference to the lives of the people we support. Thanks to the support of individual givers we raised £167,948 (£156,103 in 2020/21). This includes an extremely generous donation of £50,000 (£50,000 in 2020/21).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure of the charity

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

Governance

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

- up to four Nominated Trustees
- up to six Elected Trustees
- up to four Appointed Trustees

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

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

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

The Trustees may appoint one of their number to be the Chair of the Trustees for such a term of office as they determine and may at any time remove him or her from that office. The Chief Executive Officer has been appointed as the Secretary to the charity. The Trustees may at their discretion establish procedures and criteria for inviting individual donors to become 'Associate members' of the charity with the right to vote at the annual general meeting. There are currently no 'Associate members' qualified to vote at the 2022 annual general meeting.

ORGANISATIONAL STRUCTURE, MANAGEMENT AND KEY RELATIONSHIPS

Prior to the outbreak of Covid 19 the Board of Trustees met quarterly. During the pandemic and throughout the 2021/22 financial year the Board met monthly via Zoom to review risks, to hold oversight of our strategic response and to monitor financial performance. The Remuneration Committee meets annually to consider the recommendations of the Chief Executive in relation to staff remuneration. The remuneration of the Chief Executive is considered separately by the Remuneration Committee in the absence of the Chief Executive. External market benchmarks are taken into consideration in relation to all staff remuneration decisions, focussing on pay levels in other providers of a similar nature, and

geographical location. The Remuneration Committee submits its recommendations to the Board for approval.

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

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

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

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

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

FINANCIAL SUMMARY 2021/22

Overview of results

The charity recorded a surplus of £184,511 before net unrealised gain on investments of £38,114 and an unrealised loss on revaluation of the investment property of £270,000. This compares to a surplus of £342,102 before net unrealised gain on investments of £163,418 in 2020/21.

Income

Total income for 2021/22 was £2,492,857 (2020/21: £2,672,935).

Income	2021/22		2020/21	
	£'000	% of total	£'000	% of total
Donations	475.4	19.1%	565.8	21.2%
Donated goods, facilities and services	17.9	0.7%	8.3	0.3%
Legacies	56.7	2.3%	140.8	5.3%
Charitable activities (see below)	1,514.3	60.7%	1,577.8	59.0%
Other trading activities	0.3	0.0%	0.7	0.0%
Investment income	403.3	16.2%	354.5	13.3%
Other income	25.0	1.0%	25.0	0.9%
Total	2,492.9	100.0%	2,672.9	100.0%

Income from charitable activities	2021/22		2020/21	
	£'000	% of total	£'000	% of total

Local authority contracts	981.0	64.8%	739.4	46.9%
Performance related grants	185.7	12.2%	467.3	29.6%
Rents from the Dellow Centre leases	347.7	23.0%	371.1	23.5%
Total	1,514.4	100.0%	1,577.8	100.0%

Total income for the year was in line with the Budget. It decreased by £180,078 (6.7%) in relation to 2020/21 income. This decrease is mainly due to much lower Legacy income of £56,704 in 2021/22 (£140,765 in 2020/21). It also reflects a challenging fundraising environment in comparison with the previous year.

Expenditure

Total expenditure for 2021/22 was £2,308,346 (2020/21: £2,330,833), decrease of £22,487 (1%).

Expenditure	2021/22		2020/21	
	£'000	% of total	£'000	% of total
Costs of raising donations and legacies	502.8	21.8%	445.3	19.1%
Costs of other trading activities	-	(0.0)	0.9	(0.0)
Costs of investment management	154.4	6.7%	204.7	8.8%
Charitable activities (see below)	1,651.1	71.5%	1,679.9	72.1%
Total	2,308.3	100.0%	2,330.8	100.0%

Expenditure on charitable activities	2021/22		2020/21	
	£'000	% of total	£'000	% of total
Advice and Support / Resource Centre	925.2	56.0%	938.0	55.8%
Recovery and Progression	365.1	22.1%	372.7	22.2%
Trainee Schemes, Food & Garden	359.3	21.8%	313.2	18.6%
Providence Row Bakery	0.8	0.1%	2.3	0.1%
Non-investment properties let in furtherance of charitable purposes	0.7	0.0%	53.7	3.3%
Total	1,651.1	100.0%	1,679.9	100.0%

Improved cost management and close financial oversight ensured a marginal cost decrease on the previous 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 2022, the charity's Endowment Fund generated an overall positive return of £46,829 (2020/21: positive return of £178,167), incorporating investment income of £18,158, net unrealised gain of £38,114 and management fees of £9,443.

The charity's managed cash deposit portfolio generated interest income in the year of £84 (2020/21: £397). We anticipate an improved return over the year ahead due to increased rates of interest.

The charity's investment property generated total income (rent and service charge) of £373,976 during the year, an increase of 13% over the comparative figure for 2020/21 of £330,748. This increase is mainly due to the write-back of some provision for bad debts which was made in 2020/21. Rental income was £265,387 (2020/21: £246,994). Direct costs of investment property management in 2021/22 (before allocated support costs) totalled £135,072 (2020/21: £191,093).

Principal risks and risk management

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

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

We recognise that in our work we are exposed to significant risks relating to the safeguarding of vulnerable adults, and a failure to respond to changes in the external environment could endanger lives as well as our reputation. To manage this risk, procedures are in place in respect of 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.

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

The charity's largest single source of recurring (contractual) income is currently from the London Borough of Tower Hamlets. Local Authority budgets continue to be placed under considerable pressure by public sector financing constraints. As a consequence, uncertainty about future levels of Local Authority income and hostel funding represent a risk for the charity.

Trustees recognise that we are in the early stages of a period of economic turbulence which could become more challenging over the next year with increases in interest rates, a more challenging fundraising environment and additional pressure on our cost base.

We have begun mitigating these risks with multi-year funding now secured for all service delivery contracts commissioned by Local Authorities. We are also continuing to increase our capacity and experience in public sector tendering, impact monitoring and reporting, and the generation of income from a wide

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

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

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

- The charity's main premises, the Dellow Centre complex, is a substantial purpose-built property on the Gunthorpe Street / Wentworth Street site 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. We are now investing in improvements to our day centre and office facilities.
- 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 in order to ensure that the investment maximises its value. There is an inherent risk around void periods, and the rental level at which space can be re-let. Providence Row has appointed a professional letting agent to manage the property on its behalf. The Trustees closely monitor the management of Sherrington Mews.

REVIEW OF RESERVES AND RESERVES POLICY

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

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

As at 31 March 2022 the charity held total funds of £11,844,732 (2020/2021: £11,892,107), comprising the restricted endowment fund, restricted income funds and unrestricted funds.

The Trustees have determined that the previously agreed target level of £1,000,000 in free reserves should remain. At 31 March 2022, the actual level of free reserves (including the contingency fund) was £1,219,604, (2020/21: £1,148,184).

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

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

Going concern

Given all the factors above the Trustees remain confident in Providence Row as a going concern.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

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

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

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

Auditors

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

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

Dec 12, 2022

Approved by the Trustees on 2022 and signed on their behalf by

elizabeth canning
elizabeth canning (Dec 12, 2022 19:03 GMT)

.....
Elizabeth Canning – Chair

Richard Solomon
Richard Solomon (Dec 12, 2022 20:07 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 2022 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 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement on page 16, the trustees (who are also the directors of the charitable company for the purposes of company laws) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

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

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

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

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

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

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

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

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.


Nicola Wakefield (Dec 20, 2022 22:09 GMT)

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: Dec 20, 2022

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2022 £	Total Funds 2021 £
Income and Expenditure						
Income from:						
Donations		422,176	71,054	-	493,230	574,077
Legacies		56,704	-	-	56,704	140,765
Sub-total: Donations and legacies	2a	478,880	71,054	-	549,934	714,842
Charitable activities	2b	1,328,690	185,675	-	1,514,365	1,577,789
Other trading activities	2c	250	-	-	250	773
Investments	2d	403,308	-	-	403,308	354,531
Other	2e	25,000	-	-	25,000	25,000
Total income		2,236,128	256,729	-	2,492,857	2,672,935
Expenditure on:						
Raising funds						
Raising donations and legacies		(472,569)	(30,279)	-	(502,848)	(445,346)
Other trading activities		-	-	-	-	(922)
Investment management		(144,740)	(206)	(9,443)	(154,389)	(204,659)
Sub-total: Raising funds		(617,309)	(30,485)	(9,443)	(657,237)	(650,927)
Charitable activities						
Advice and Support / Resource Centre		(744,253)	(180,907)	-	(925,160)	(937,959)
Recovery and Progression		(353,734)	(11,367)	-	(365,101)	(372,723)
E&T: Trainee Schemes, Food & Garden		(229,701)	(129,604)	-	(359,305)	(313,167)
E&T: Providence Row Bakery		(829)	(24)	-	(853)	(2,327)
Property let for charitable purposes		(689)	(1)	-	(690)	(53,730)
Sub-total: Charitable activities		(1,329,206)	(321,903)	-	(1,651,109)	(1,679,906)
Total expenditure	3	(1,946,515)	(352,388)	(9,443)	(2,308,346)	(2,330,833)
Net income/(expenditure) before net (losses)/gains on investments		289,613	(95,659)	(9,443)	184,511	342,102
Net (losses)/gains on investments						
Unrealised (losses) on investment property	8	(270,000)	-	-	(270,000)	-
Net gains on other investments	9, 16	-	-	38,114	38,114	163,418
Net movement in funds		19,613	(95,659)	28,671	(47,375)	505,520
Reconciliation of funds						
Total funds brought forward		8,796,447	2,283,994	811,666	11,892,107	11,386,587
Total funds carried forward		8,816,060	2,188,335	840,337	11,844,732	11,892,107

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

The analysis of the Statement of Financial Activities for the year ended 31 March 2021 between unrestricted funds, restricted funds and the endowment fund is set out within Note 22 on page 42 of these financial statements.

BALANCE SHEET

As at 31 March 2022

	NOTES	Total funds 2022		Total funds 2021	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	7	5,300,456		5,438,261	
Investment property	8	4,180,000		4,450,000	
Other Investments	9	1,424,613		1,386,810	
Total Fixed Assets		10,905,069		11,275,071	
Current Assets					
Debtors	10	391,256		381,571	
Cash at bank and in hand		1,986,463		851,503	
Total Current Assets		2,377,719		1,233,074	
Liabilities					
Creditors: Amounts falling due within one year	11,13	(427,672)		(605,654)	
Net Current Assets		1,950,047		627,420	
Total Assets less Current Liabilities		12,855,116		11,902,491	
Creditors falling due after more than one year	12	(1,010,384)		(10,384)	
Total Net Assets	19	11,844,732		11,892,107	
<u>The Funds of the Charity</u>					
Endowment Fund	16	840,337		811,666	
Restricted Income Funds					
Tangible fixed asset fund: Restricted	17	2,184,000		2,240,000	
Other restricted income funds		4,335		43,994	
		2,188,335		2,283,994	
Unrestricted Funds					
Tangible fixed asset fund: Unrestricted	18	3,116,456		3,198,263	
Fixed asset fund: Investment Property		1,556,597		1,556,597	
Revaluation Reserve: Investment Property		2,623,403		2,893,403	
Cyclical Maintenance and repairs fund		300,000		-	
Free Reserves					
Contingency fund: Charity running costs		800,000		800,000	
General Funds		419,604		348,184	
Total Free Reserves		1,219,604		1,148,184	
		8,816,060		8,796,447	
Total Charity Funds	19	11,844,732		11,892,107	

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 42 were approved by the Board of Trustees on 9th December 2022 and signed on its behalf by:

elizabeth canning

elizabeth canning (Dec 12, 2022 19:03 GMT)

Elizabeth Canning – Chair

Richard Solomon

Richard Solomon (Dec 12, 2022 20:07 GMT)

Richard Solomon – Honorary Treasurer

The notes on pages 24 to 42 form an integral part of these financial statements

STATEMENT OF THE CASHFLOWS

For the year ended 31 March 2022

	Notes	Total Funds 2022 £	Total Funds 2021 £
<hr/>			
a) Reconciliation of net movement in funds to net cash flow from operating activities			
Net (expenditure)/income for the year (as per the statement of financial activities)		(47,375)	505,520
Adjustments for:			
Depreciation charges	3,7	139,076	136,461
Unrealised loss on investment property	8	270,000	-
Net (gains) on other investments	9	(38,114)	(163,418)
Other non-cash Income		-	-
Dividends, interest and rents from investments per the SOFA		(403,308)	(354,531)
Investment management costs per the SOFA		154,389	204,659
(Increase)/decrease in debtors (operating activities)		(9,685)	105,757
Increase in creditors (operating activities)		822,019	174,084
		<hr/>	<hr/>
Net cash provided by operating activities		887,002	608,532
<hr/>			
	Notes	Total Funds 2022 £	Total Funds 2021 £
<hr/>			
b) Statement of Cash Flows			
Net cash provided by operating activities		887,002	608,532
Cash flows from investing activities:			
Dividends, interest and rents from investments per the SOFA		403,308	354,531
Investment management costs per the SOFA		(154,389)	(204,659)
Purchase of property, plant and equipment	7	(1,271)	(40,236)
Purchase of investments	9	(141,094)	(389,811)
Disposal of investments	9	145,033	396,999
		<hr/>	<hr/>
Net cash provided by investing activities		251,587	116,824
Change in cash and cash equivalents in the year		1,138,589	725,356
Cash and cash equivalents at the beginning of the year		1,413,110	687,754
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		2,551,699	1,413,110
<hr/>			
	Notes	Total Funds 2022 £	Total Funds 2021 £
<hr/>			
c) Analysis of Cash and Cash Equivalents			
Cash at bank and in hand		1,986,464	851,503
Investments: Notice deposits (3 months or less)	9	543,948	544,258
Investments: Cash held in endowment fund (capital)	9	21,287	17,349
		<hr/>	<hr/>
Total cash and cash equivalents		2,551,699	1,413,110
<hr/>			

Notes to the Financial Statements

For the year ended 31 March 2022

1 Accounting Policies

a. Basis of accounting

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

The financial statements have been prepared in accordance with:

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

Incorporation and transfer of charitable undertaking at 31 March 2011

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

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

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

b. Income

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c. Expenditure

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

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

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

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

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

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

Costs of raising donations and legacies

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

Other trading activities

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

Investment management costs

Investment management costs include the costs of:

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

Property let in furtherance of charitable purposes

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

charitable purposes and activities. Consequently, the rent received and other charges recovered from this tenant are included in the charity's 'Income from charitable activities' (see note 2b) and the expenditure incurred by the charity in relation to these parts of our buildings is classified as 'expenditure on charitable activities' (see note 3).

d. Tangible fixed assets

(i) Freehold land and buildings

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

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

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

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

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

Freehold land is not depreciated.

ii) Other tangible fixed assets

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

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

Tangible fixed assets are capitalised if their initial cost (or, in the case of donated goods, the value to the charity – see note 1c above) is £500 or greater.

e. Fixed asset investments

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

The investment property was valued by an independent firm of professional surveyors as at 31 March 2015 (the first year end following acquisition), again as at 31 March 2016, followed by evaluation as at 31 March 2018, November 2020 and as at 31st March 2022. It is the policy of the charity henceforward to commission an independent professional valuation of the investment property every five years for accounting purposes, subject to a review in the intervening years in case of significant changes to the occupancy of the property, the tenancies or market conditions.

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

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

f. Fund accounting

i) Endowment fund

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

ii) Restricted income funds

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

iii) Designated funds - unrestricted

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

iv) General funds - unrestricted

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

g. Pension costs

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

h. Operating leases

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

i. Taxation

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

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

j. Subsidiaries

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

2 Income

a. Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Individuals	136,158	10,000	146,158	149,392
Corporate donors	86,097	40,554	126,651	221,552
Community	28,396	20,500	48,896	44,100
Gift Aid reclaimed	21,790	-	21,790	6,711
Donated goods, facilities and services *	17,855	-	17,855	8,294
Grants from trusts and foundations	131,880	-	131,880	144,028
Sub-total: Donations	422,176	71,054	493,230	574,077
Legacies	56,704	-	56,704	140,765
Total income from donations and legacies	478,880	71,054	549,934	714,842

* 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 £30,453, none of which was in restricted income (2021: £37,741).

'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):

	2022 £	2021 £
Donated furniture, electronic and computer equipment, catering equipment capitalised as tangible fixed assets	4,790	-
Food and kitchen equipment	2,025	8,294
Other goods donated for client use	11,040	-
Total donated goods, facilities and services	17,855	8,294

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 £	2022 Total £	2021 Total £
London Borough of Tower Hamlets (LBTH): Advice & Support - Rough Sleepers Services	481,832	-	481,832	481,636
LBTH Drug & Alcohol Action Team: Substance misuse Worker & Needle Exchange, Women's Service	272,474	-	272,474	208,951
City of London: Recovery & Progression Service	53,350	-	53,350	48,801
Hackney	93,730	-	93,730	-
Sub-total: Local Authority Contracts for Services	901,386	-	901,386	739,388
Performance-related grants - Public Sector	79,648		79,648	-
Performance-related grants - Trusts & Foundations	-	185,675	185,675	467,317
Rents and charges from non-investment properties let in furtherance of charitable purposes	347,656	-	347,656	371,084
Total income from charitable activities	1,328,690	185,675	1,514,365	1,577,789

Income from government sources is summarised in the table below:

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Local Authority Contracts for Services (see above)	901,386	-	901,386	739,388
London Borough of Tower Hamlets	79,648	-	79,648	-
Total income from government sources	981,034	-	981,034	739,388

c. Income from other trading activities

	2022 Total £	2021 Total £
Other trading activities	250	563
Income from letting and licensing of property held primarily for functional use but temporarily surplus to operational requirements (inc. room hire)	-	210
Total income from trading activities	250	773

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

d. Investment income

	2022 Total £	2021 Total £
Rent and charges from commercial tenants at investment property (Sherrington Mews)	385,066	330,748
Dividend and interest income from other investments	18,242	23,783
Total investment income	403,308	354,531

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

e. Other income

	2022 Total £	2021 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 £	2022 Total £	Direct costs £	Support Costs £	2021 Total £
Raising Funds						
Raising donations and legacies	321,176	181,672	502,848	307,827	137,519	445,346
Other trading activities	-	-	-	637	285	922
Investment management	135,071	19,318	154,389	191,093	13,566	204,659
Sub-total: costs of raising funds	456,247	200,990	657,237	499,557	151,370	650,927
Charitable activities						
Advice and Support / Resource Centre	590,914	334,246	925,160	648,326	289,633	937,959
Recovery and Progression	233,194	131,907	365,101	257,629	115,094	372,723
Trainee Schemes, Food & Garden	229,494	129,811	359,305	216,464	96,703	313,167
Providence Row Bakery	544	309	853	1,608	719	2,327
Non-investment properties let in furtherance of charitable purposes	605	85	690	48,364	5,366	53,730
Sub-total: costs of charitable activities	1,054,751	596,358	1,651,109	1,172,391	507,515	1,679,906
Total expenditure	1,510,998	797,348	2,308,346	1,671,948	658,885	2,330,833

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:

	Governance £	Finance £	HR / Office Admin £	IT / Telecoms £	Property (Own Use) £	Other Central £	Depreciation £	2022 Total £	2021 Total £
Raising Funds									
Raising donations and legacies	19,334	17,462	9,024	9,137	50,621	43,615	32,479	181,672	137,519
Other trading activities	-	-	-	-	-	-	-	-	285
Investment management	8,131	7,344	-	3,843	-	-	-	19,318	13,566
Sub-total: costs of raising funds	27,465	24,806	9,024	12,980	50,621	43,615	32,479	200,990	151,370
Charitable activities									
Advice and Support / Resource Centre	35,571	32,127	16,603	16,810	93,134	80,245	59,756	334,246	289,633
Recovery and Progression	14,038	12,679	6,552	6,634	36,754	31,668	23,582	131,907	115,094
Trainee Schemes, Food & Garden	13,815	12,477	6,448	6,529	36,170	31,168	23,204	129,811	96,703
Providence Row Bakery	33	30	15	16	86	74	55	309	719
Non-investment properties let in furtherance of charitable purposes	36	32	-	17	-	-	-	85	5,366
Sub-total: costs of charitable activities	63,493	57,345	29,618	30,006	166,144	143,155	106,597	596,358	507,515
Total expenditure	90,958	82,151	38,642	42,986	216,765	186,770	139,076	797,348	658,885

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

	2022	2021
	£	£
Wages and salaries (inc accrual for unpaid annual leave)	1,233,283	1,093,481
Employers National Insurance contributions (social security costs)	124,797	112,425
Employer's contribution to defined contribution pension schemes	25,942	25,246
Agency staff (including agency fees)	65,681	207,672
Insurance premiums: group life assurance and employee personal accident	4,275	4,369
Termination payments and related fees	-	11,134
Total	1,453,978	1,454,327

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 (2021: none). No Trustee received reimbursement of expenses incurred for services provided to the charity during the year (2021: none). Details of transactions with connected parties of trustees are disclosed in Note 20.

During the year there were two employees whose total employee benefits fell within the banding £60,000 to £69,999 (2021: one). During the year there was no employee whose total employee benefits fell within the banding £70,000 to £79,999 (2021: one). During the year there was one employee whose total employee benefits fell within the banding £80,000 to £89,999 (2021: none). Employer payments in the year to a defined contribution pension scheme in respect of these employees totalled £3,963 (2020: £1,751).

The key management personnel of the charity consists of the Trustees the Chief Executive and the Leadership Team. Total employee benefits received by the charity's key management personnel (excluding trustees) during the year were £271,812 (2021: £264,526).

5 Staff Numbers

The average monthly head count (number of staff employed) in the twelve month period ending 31 March 2022, analysed between full-time and part-time staff, was:

	2022	2021
Full-time staff	29.7	25.0
Part-time staff	7.6	7.3
Total Average Head Count	37.3	32.3

The average monthly number of full-time equivalent employees in the twelve month period ending 31 March 2022, analysed by activity, was:

	2022	2021
Activity		
Fundraising, communications, marketing	3.8	4.1
Charitable activities	23.1	19.6
Support, central, investment management	7.7	6.1
Total Average Head Count	34.6	29.8

6 Amounts Payable to the Auditors

	2022	2021
	£	£
Audit fee:		
Current Year	13,500	13,500
Prior Year (overprovision)	-	956
Non-audit services	2,900	-
Total	16,400	14,456

No other services were provided by the auditors during the year (2021: 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 2021	5,564,766	300,000	145,501	117,955	300,298	6,428,520
Additions	-	-	1,271	-	-	1,271
Balance at 31 March 2022	5,564,766	300,000	146,772	117,955	300,298	6,429,791
Accumulated Depreciation						
Balance at 31 March 2021	703,352	21,429	80,261	68,982	116,235	990,259
Charge for the year	75,239	2,143	8,363	23,302	30,029	139,076
Balance at 31 March 2022	778,591	23,572	88,624	92,284	146,264	1,129,335
Net book value						
At 31 March 2022	4,786,175	276,428	58,148	25,671	154,034	5,300,456
At 31 March 2021	4,861,414	278,571	65,240	48,973	184,063	5,438,261

'Freehold land and buildings in use' at 31 March 2022 includes £2,000,000 of land that is not depreciated (2021: £2,000,000).

8 Investment Property

	2022	2022	2021	2021
	Cost	Fair Value	Cost	Fair Value
	£	£	£	£
Balance at beginning of the year	1,556,353	4,450,000	1,556,353	4,450,000
Unrealised (loss) on revaluation	-	(270,000)	-	-
Balance at end of the year	1,556,353	4,180,000	1,556,353	4,450,000

The charity's investment property carried at a value of £4,450,000 as at 31 March 2021. In October 2022 the investment property was valued as at 31 March 2022 at £4,180,000. 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 2021, effective 31st January 2022, the International Valuation Standards and the UK National Supplement 2018, effective 14th January 2019. 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.

9 Other investments

	2022	2022	2021	2021
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Unitised investments held within Endowment fund				
Balance at beginning of the year	734,510	825,203	619,592	668,973
Less: Disposals	(145,799)	(145,033)	(274,893)	(396,999)
Add: Acquisitions	141,094	141,094	389,811	389,811
Net gains on revaluation	-	38,114	-	163,418
Balance at end of the year	729,805	859,378	734,510	825,203
Cash deposits at end of the year				
Notice deposits (3 months or less)	543,948	543,948	544,258	544,258
Cash held in Endowment fund (capital account)	21,287	21,287	17,349	17,349
Total cash deposits at end of the year	565,235	565,235	561,607	561,607
Total other investments at end of the year	1,295,040	1,424,613	1,296,117	1,386,810

10 Debtors

	2022	2021
	£	£
Long term debtors (receivable after more than one year)		
Rent deposits held by agents	10,384	10,384
Short term debtors		
Trade debtors	116,959	84,493
Rent deposits held by agents	123,504	63,800
Service Charge deposits held by agents	106,309	77,246
Other debtors (legacies)	-	105,000
Prepayments	32,163	23,230
Accrued income	-	17,351
Staff loans	1,937	67
Total Debtors	391,256	381,571

11 Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Trade creditors	22,108	101,723
Tax and social security	35,779	28,862
Rent deposits held from commercial tenants	11,097	14,354
Grant payments received on account	164,405	38,021
Holiday pay accrual	40,210	43,044
Other accruals	23,519	21,354
Deferred income	130,554	358,298
Total	427,672	605,656

12 Creditors: Amounts Falling Due After More Than One Year

	2022	2021
	£	£
Bank loan	1,000,000	-
Rent deposits held from commercial tenants	10,384	10,384
Total	1,010,384	10,384

13 Loan

	2022	2021
	£	£
Amounts falling due within 1 year	-	-
Amounts falling due within 1-2 years	-	-
Amounts falling due within 2-5 years	1,000,000	-
Total	1,000,000	-

The charity took a 5 year loan from Handelsbanken. The loan can be repaid at any time in full or instalments and it must be repaid before September 2026. The loan interest rate is 2% above the sterling base lending of the Bank. The base rate was 1%, increasing to 1.5% on 27th May 2022. During the year the interest paid was £14,877 (2021: £nil).

14 Deferred Income

	2022	2021
	£	£
Balance brought forward at 31 March 2021	358,298	179,466
Amounts deferred	431,433	1,300,446
Amounts released	(659,177)	(1,121,614)
Balance carried forward at 31 March 2022	130,554	358,298

15 Operating Leases

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

	2022	2021
	£	£
Office Equipment		
Within one year	13,086	6,547
In one to two years	21,427	18,832
	34,513	25,379

Lease payments made during the year amounted to £27,555 (2021: £13,547).

16 Endowment Fund

	Balance 1 April 2021	Investment managem't fees charged	Unrealised gains on investments	Balance 31 March 2022
	£	£	£	£
Permanent Endowments				
Endowment fund	811,666	(9,443)	38,114	840,337

The Endowment fund represents investments, the capital of which forms the permanent endowment of the charity; only the income from the investments is available to be used for general charitable purposes (as an addition to unrestricted funds). Income of £18,158 (2021: £22,822) was received during the year.

17 Restricted Income Funds

	Balances 1 April 2021	Income	Expenditure	Balances 31 March 2022
	£	£	£	£
Tangible fixed asset fund: Restricted	2,240,000	-	(56,000)	2,184,000
Advice & Support				
Marie Celeste Samaritan Society: Hospital Discharge Project	1,428	87,300	(86,586)	2,142
Learning Programme				
Big Lottery Fund	-	57,575	(57,575)	-
TGF-Catering TS (Worshipful Company of Fan Makers)	-	5,000	(5,000)	-
Other Activities				
CRF Other	-	1,000	(1,000)	-
The Horners' Company £5k	-	5,000	(5,000)	-
MCSS - R2R Hardship and Personalisation Fund	712	-	(712)	-
Society of the Holly Child Jesus	20,000	-	(20,000)	-
The Prison Opticians Trust	-	1,000	(1,000)	-
Psychotherapy Outreach Fund	-	10,000	(10,000)	-
Morrison's Gardening	-	7,216	(5,023)	2,193
Unum - Gardening	-	5,000	(5,000)	-
The Aldgate Business Partnership Ltd - Welcome Area	-	17,500	(17,500)	-
City of London Justice Rooms Charitable Trust - Employ & Progr	-	2,000	(2,000)	-
Sisters of the Holy Cross Charitable Trust - Welcome area	-	20,000	(20,000)	-
Groundworks Uk - Food programme	-	500	(500)	-
Julia and Hans Rausing - Core costs	-	16,000	(16,000)	-
Henhurst Charitable Trust- Catering	-	600	(600)	-
Vanguard Foundation - funding for Routes to Roots	-	9,838	(9,838)	-
Training & Employment				
Streetsmart	10,024	-	(10,024)	-
City Bridge Trust	1,350	-	(1,350)	-
Souter Charitable Trust	4,000	-	(4,000)	-
East End Community Foundation	6,480	-	(6,480)	-
TGF-Gardening TS (Charlotte Marshall Charitable Trust)	-	1,200	(1,200)	-
TGF-Employability & Progression (Worshipful Co of Drapers)	-	10,000	(10,000)	-
Total Restricted Income Funds	2,283,994	256,729	(352,388)	2,188,335

18 Unrestricted Funds

	Balances			Net transfers		Balances
	1 April 2021	Income	Expenditure	between funds	Revaluation Loss	
	£	£	£	£	£	£
Tangible fixed asset fund: Unrestricted	3,198,263	-	(83,078)	1,271	-	3,116,456
Fixed asset fund: Investment Property	1,556,597	-	-	-	-	1,556,597
Revaluation reserve: Investment Property	2,893,403	-	-	-	(270,000)	2,623,403
Cyclical maintenance and repairs fund	-	-	-	300,000	-	300,000
Free Reserves						
Contingency fund: Charity running costs	800,000	-	-	-	-	800,000
General funds	348,184	2,236,128	(1,863,437)	(301,271)	-	419,604
Sub-total: Free Reserves	1,148,184	2,236,128	(1,863,437)	(301,271)	-	1,219,604
Total Unrestricted Funds	8,796,447	2,236,128	(1,946,515)	-	(270,000)	8,816,060

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

Tangible fixed asset fund: Unrestricted

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

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

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

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

Cyclical maintenance and repairs fund

The Trustees have determined that there should be sufficient funds available in the future for major capital repairs to the charity's buildings and planned maintenance and replacement of associated plant and equipment, as well as to provide a contingency reserve for potential major risks such as mechanical breakdown or structural defects impacting on property, plant and equipment.

The Board increased Cyclical maintenance and repairs fund to £300,000.

Contingency fund: Charity running costs

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

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

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

The fund was increased to £800,000 in the year ending 31 March 2021 and remains at the same level in the year ending 31 March 2022.

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 £nil at the beginning of the year. Due to a surplus in the year, the general fund has a balance at year end of £419,604.

19 Analysis of Net Assets Between Funds

	Tangible fixed assets £	Investment property £	Other investments £	Current assets less total liabilities £	Total 31 March 2022 £
Endowment Fund	-	-	840,337		840,337
Restricted income funds					
Tangible fixed asset fund: Restricted	2,184,000	-	-	-	2,184,000
Other restricted funds	-	-	-	4,335	4,335
Unrestricted funds					
Tangible fixed asset fund: Unrestricted	3,116,456	-	-	-	3,116,456
Fixed asset fund: Investment Property	-	1,556,597	-	-	1,556,597
Revaluation fund: Investment Property	-	2,623,403	-	-	2,623,403
Cyclical maintenance and repairs	-	-	300,000	-	300,000
Contingency fund	-	-	284,276	515,724	800,000
General funds	-	-	-	419,604	419,604
	<u>5,300,456</u>	<u>4,180,000</u>	<u>1,424,613</u>	<u>939,663</u>	<u>11,844,732</u>

20 Related Party Transactions

During the year the charity received donations from Trustees and related parties (including the Institute of Our Lady of Mercy and Mercy Union Generalate) totalling £14,225 (2021: £7,000). 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.

Cluttons LLP have been appointed as advisors for the refurbishment of the Day Centre and the development of a buildings strategy. One of our Trustees is employed by Cluttons LLP. To ensure there was no conflict of interest an assessment panel was appointed to oversee the procurement process including interviews of all shortlisted contractors. The panel included a buildings specialist who is external to Providence Row. The project has been overseen by the CEO with progress reports regularly being presented to the full Board of Trustees.

21 Trusts and Foundations' income breakdown

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

We would like to thank the numerous other smaller Charitable Trusts and Foundations that have very kindly supported our work over the 2021/22 financial year. Your support is also incredibly appreciated.

22 2021 comparative SOFA

Statement of Financial Activities for the year ended 31 March 2021 (incorporating an income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds 2021
		£	£	£	£
Donations		537,133	36,944	-	574,077
Legacies		140,765	-	-	140,765
Sub-total: Donations and legacies	2a	677,898	36,944	-	714,842
Charitable activities	2b	1,195,472	382,317	-	1,577,789
Other trading activities	2c	773	-	-	773
Investments	2d	354,531	-	-	354,531
Other	2e	25,000	-	-	25,000
Total income		2,253,674	419,261	-	2,672,935
Expenditure on:					
Raising funds					
Raising donations and legacies		(409,899)	(35,447)	-	(445,346)
Other trading activities		(849)	(73)	-	(922)
Investment management		(192,454)	(4,132)	(8,073)	(204,659)
Sub-total: Raising funds		(603,202)	(39,652)	(8,073)	(650,927)
Charitable activities					
Advice and Support / Resource Centre		(670,609)	(267,350)	-	(937,959)
Recovery and Progression		(254,262)	(118,461)	-	(372,723)
E&T: Trainee Schemes, Food & Garden		(148,458)	(164,709)	-	(313,167)
E&T: Providence Row Bakery		(2,142)	(185)	-	(2,327)
Property let for charitable purposes		(52,096)	(1,634)	-	(53,730)
Sub-total: Charitable activities		(1,127,566)	(552,340)	-	(1,679,906)
Total expenditure	3	(1,730,768)	(591,992)	(8,073)	(2,330,833)
Net income (expenditure) before net gains / (losses) on investments		522,906	(172,731)	(8,073)	342,102
Net (losses) / gains on investments					
Unrealised losses on investment property	8	-	-	-	-
Net (losses) / gains on other investments	9, 15	-	-	163,418	163,418
Net income/(expenditure)		522,906	(172,731)	155,345	505,520
Net movement in funds		522,906	(172,731)	155,345	505,520
Reconciliation of funds					
Total funds brought forward (as previously stated)		8,117,191	2,613,075	656,321	11,386,587
Prior year adjustment	20	156,350	(156,350)	-	-
Total funds brought forward - restated		8,273,541	2,456,725	656,321	11,386,587
Total funds carried forward		8,796,447	2,283,994	811,666	11,892,107