



HELPING HOMELESS AND VULNERABLE PEOPLE SINCE 1860

Trustees' Annual Report and Accounts for the year ended 31 March 2017

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



/ProvidenceRow

Key Information about the Charity

Board of Trustees

Elizabeth Canning (Chair)
Rita Chakraborty
Simon Cribbens
Sister Evelyn Gallagher
Linda McHugh
Jonathan Rhodes
Sister Monica Sheehy
Revd Paschal Ryan (resigned 6 July 2016)
Richard Solomon (Honorary Treasurer)
Paul Strange
Gavin Mullen (appointed 13 October 2016)
Bishop Nicholas Hudson (appointed 1 June 2017)

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

Pam Orchard (to 21 March 2017)
Tom O'Connor (from 5 May 2017)

Auditors

Mazars LLP
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Bankers

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

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 Advisers

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

Trading Name: Since April 2016 Providence Row has used the trading name 'Rise Bakery' for purposes of the marketing and sale of baked goods, including through our website www.risebakery.london.

Introduction

This document comprises the Trustees' annual report and financial statements of Providence Row for the year ended 31 March 2017. The financial statements appear in the format required by the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Statement of Recommended Practice for Accounting and Reporting by Charities Preparing their Accounts in Accordance with FRS 102 ("Charities SORP (FRS 102)") (applicable to the accounts of relevant charities for reporting periods beginning on or after 1 January 2015).

The document is structured in three parts:

- Section A: Report of the Trustees (incorporating the Directors' Report as required by company law)
- Section B: Independent Auditor's Report
- Section C: Financial Statements

Section A: Report of the Trustees (incorporating the Directors' Report as required by Company Law)

As set out in our Articles of Association, the object of Providence Row is "the relief of persons who are in need, hardship or distress". In this report the Trustees explain the aims and objectives of the charity and the activities which it carries out to deliver its charitable objects for the public benefit. The Trustees confirm that they have complied with the duty set out in Section 17 (5) of the Charities Act 2011 to have regard to the public benefit guidance issued by the Charity Commission when exercising any powers or duties to which the guidance is relevant.

1 About Us

Vision

The charity has a vision of the East End of London as a thriving, vibrant area which is welcoming, friendly and culturally integrated. When people do experience major problems in their lives and have nowhere else to turn, Providence Row is a place they can go for safety, help and support to overcome what has gone wrong.

Mission

To achieve our vision, Providence Row will work with people, whatever their nationality, ethnicity or religion. We will help them to overcome severe and multiple disadvantage, fulfilling their potential as contributing members of the community. This means that we will address not only their immediate presenting issues, but also the underlying causes of their homelessness and exclusion.

The Core Values of Providence Row

(These are taken from our document "The Spirit of Providence Row")

Compassion:	Taking the time to understand difficulties without pre-judgement and with a view to helping to overcome them
Respect:	Exercising the same degree of consideration and care for all those who come to Providence Row, whatever the reason
Inclusiveness:	Welcoming and seeking to involve everybody, whatever their background, presenting issues, ethnicity, nationality or faith
Empowerment:	Working <i>with</i> people, not <i>for</i> people, to enable them to realise their gifts, abilities and talents
Justice:	Acting fairly and promoting justice within the organisation and in relation to the needs and rights of people who use our services

In order to deliver our services effectively, the charity has four strategic aims as follows:

- **Thriving:** Delivering high quality, values led, innovative services which empower people to overcome severe and multiple disadvantage, making the transition into a stable, secure life; realising their potential and feeling part of their local community.
- **Enterprising:** Developing as an "enterprising charity" by undertaking activities which achieve a high degree of independent income and financial sustainability.
- **Inspiring:** Securing financial and in-kind support to deliver existing services and develop new approaches which enable people to overcome severe and multiple disadvantage.
- **Effective:** Improving the lives of our clients and those around them by being the best charity we can possibly be; evidencing our impact and making best use of all the resources available to us.

Service Provision

During the course of 2016/17, Providence Row provided support to over 1,400 people. Our clients are either sleeping rough, or living in temporary or insecure accommodation. Most clients are unemployed. The majority also lack qualifications that would help them find work. Over half of homeless people experience mental ill health and substance misuse and two thirds have poor physical health¹.

Providence Row offers an integrated service of crisis support, advice, recovery, learning and training programmes as follows:

- **Advice and Support** for people who are homeless or at risk of homelessness, together with a specialist service for people in hospital who are to be discharged with no home to go to. This includes a **Resource Centre** for people who are rough sleeping, with breakfast, showers and access to IT.
- **Recovery and Progression** for people whose mental health and substance misuse issues are affecting their ability to find and stay in accommodation.
- **Enterprise and Training** to help people with complex needs to move into regular learning, volunteering or work.

2 Our Achievements, Results and Next Steps

2.1 Thriving

During the year **1,404** clients came to Providence Row for help. This is an increase on last year's comparable figure of just under 1,350, largely as a result of rising homelessness.

Our 3 year goals for services and our progress towards each of these are set out below.

Advice and Support Team

3 year goal: By 2018, we will signpost and help 700 people each year into housing.
Overall achievement: Overall caseload of **778** clients, compared to 893 in 2015/16.
Resources: c. £325k; 7.5 FTE staff.

Achievements and Results

We helped **127** Verified Rough Sleepers, compared to 208 in 2015/16. **136** Verified Rough Sleeper Action Plans were created jointly with the Tower Hamlets and City of London Street Outreach Teams. The team provided housing and benefits help to **778** people during the year. **56** people were housed as a result (excluding Routes to Roots – see below). This was just above target levels and a result we would like to see more improvement on in 2017/18.

524 people self-reported as rough sleepers – a decrease of 7% of compared to 2015/16. **277** individuals were provided with reconnection and signposting advice. **18** people were reconnected to areas beyond Tower Hamlets

In February 2016 we began delivery of a new service. “No First Night Out” (‘NFNO’) is an 18 month, tri-borough project between Tower Hamlets, Hackney and the City of London. It aims to prevent

¹ Source: Homeless Link, [Homelessness Mental Health and Wellbeing Guide](#) (2011); this report estimates that around 70 per cent of people accessing homelessness services have a mental health problem.

people with complex needs from becoming long term rough sleepers. Providence Row continues to be a referral partner for this project and a contributor to the implementation group.

Routes to Roots is a commissioned service to support out of borough hospital patients being treated at the Royal London Hospital who are at risk of rough sleeping on discharge from hospital. The project accepted **123** referrals which is a 48% increase on 2015/16. Our relationship with the Royal London Hospital Pathway Team continues to develop. We achieved **53** reconnections in 2016/17, exceeding the target of 48. We secured grant funding for a second year from the Marie Celeste Samaritan Society, providing us with more capacity for the project. Significant challenges persist in establishing if the accommodation solutions secured by the team are sustained. The 75% sustainment target at 3 months has not been met despite the team making every attempt.

Women's Casework Service. In October 2016 Providence Row was asked by the London Borough of Tower Hamlets ("LBTH") Drug and Alcohol Action Team to undertake the provision of a casework service to women engaged in street based sex work and prostitution. Outreach work was undertaken in partnership with Beyond The Streets. Between November 2016 and the end of the financial year the project worked with 33 women.

Next Steps for 2017/18

- i. Fully deliver the LBTH contract and NFNO initiative to meet targets.
- ii. Continue to improve quality and evidence impact.
- iii. Continue with the staff development programme.
- iv. Develop our links with private rented sector access schemes, to improve our housing outcomes with non-priority clients.
- v. Implement a marketing plan so that we help local people (target: 75% men, 25% women; 17% from local authority recognised minority groups).
- vi. Grow Routes to Roots, building a business case for sustainable funding.

Resource Centre

3 year goal: By 2018, we will engage 600 vulnerable rough sleepers in services to address the underlying causes of their homelessness.

Achievement: A total of **1,166** people used the Resource Centre compared to 1,183 in 2015/16.

Resources: c. £65k; 1 FTE staff.

Achievements and Results

A new volunteer led initial assessment "triage" system has led to changes in our volunteering roles and increased our casework capacity. We can assess more clients more efficiently and have more knowledgeable volunteers. **905** assessments were undertaken this year by Welcome Area volunteers, compared to 776 in 2015/16.

1,166 people used the Resource Centre. We have developed a clearer pathway between the Resource Centre and our other services, to encourage clients to engage and address the underlying causes of their homelessness. We made **223** referrals to Streetlink during the year. This is a reduction on the number made in 2015/16 (320). However, there has been a focus on improving the accuracy of referral information to help improve the efficiency of outreach services. This has led to Advice and Support Team staff and volunteers seeking more qualifying information before making referrals.

We served almost **9,400** hot meals: 6,089 breakfasts were served to 768 individual clients; 3,289 lunches were served which equates to an average of around 18 people per day.

Next Steps for 2017/18

- i. Reconfigure and fully fund volunteering in the Welcome Area.
- ii. Implement a client ambassador initiative to encourage engagement by new clients.
- iii. Make capital improvements to the ground floor to manage client access and flow, support the "enabling environment" and make better use of available space. Create a clear model to support engagement in other services, with minimal use (25 a year) by those who don't engage.
- iv. Invest in IT systems to improve client engagement and reduce inefficiencies.

Recovery and Progression Service

3 year goal: By 2018, we will help 360 clients (out of 450) a year to improve their mental health and decrease substance misuse.

Achievement: The service worked with **395** clients during the year.

Resources: c. £285k; 9.0 FTE staff.

Achievements and Results

328 people participated in the Learning Programme (compared to 213 people in 2015/16). This increase in numbers is the result of a more consistent marketing effort with a structured, quarterly programme disseminated widely in the Borough. There is also a requirement from London Borough of Tower Hamlets for hostels to refer residents into learning and wellbeing activities.

17% of clients engaging with Recovery and Progression in 2016/17 were women, up from 15% in 2015/16.

Our needle exchange and harm reduction advice helped **125** people as a first step to addressing substance misuse problems and moving into formal treatment. **357** individuals (out of all clients accessing Providence Row services in the year) were provided with support to address substance misuse issues.

At the end of October 2016 we launched our RESET programme; a referral and outreach service commissioned and funded by London Borough of Tower Hamlets Drug and Alcohol Action Team. A whole specialist team has been recruited with the remit of reaching treatment resistant, treatment naïve and hidden groups into substance misuse treatment. Since the start of the programme 224 adults have been referred into substance misuse treatment. 171 clients have been linked into NHS services including GP registration.

Next Steps for 2017/18

- i. Achieve full, sustainable funding for the Learning Programme alongside popular and well evidenced employer supported volunteering.
- ii. Put in place pathways into local community activities for 200 clients a year, supporting long term recovery.
- iii. Put in place a successful, independently evaluated peer mentoring element to all learning programme activities.
- iv. Fully fund our Mental Health work, implementing and evaluating the Royal College of Psychiatrists' "Enabling Environment" standards.
- v. Develop the role of mediation, restorative justice and conflict management with staff, volunteers, clients and partners.
- vi. Develop our operational and strategic relationship with the NHS in order to attract funding and make incremental improvements in client health.
- vii. Increase our help for people with substance misuse issues through tendering and trust funding.

Enterprise and Training

3 year goal: By 2018, we will help 350 people get closer to work, with 50% of participants moving into work, learning or training.

Achievement: 119 people helped through the service.

Resources: c. £285k; 4.3 FTE staff.

Achievements and Results

38 clients participated in the Catering Trainee Scheme. The charity now offers accredited learning in catering and food hygiene. In addition, Providence Row is now a centre for the Chartered Institute of Environmental Health ('CIEH') and now delivers Level 2 Awards. 11 clients completed the Scheme compared to 19 in 2015/16.

30 people accessed our 10 week programme "Working On It" in partnership with supporting companies. "Working On It" is our employability skills training programme designed to address misconceptions about working, enhance confidence and aspirations to find work, and to develop the skills and ability to stay in, and to succeed at work. 50 people attended Job Club and 64 came to our IT workshops. 23 clients achieved an accredited qualification; 8 went into employment and 20 went into further training / college.

We have made an effort to engage more female clients with the service this year with the following results between April 2016 and March 2017. 22 women accessed the service which is 19% of enterprise and training service users. 13 women have completed a trainee scheme. 30% of trainee scheme registrations are female and 10 women received accreditations this year. 1 moved into volunteering and 4 moved into further education or training.

We received over £10,500 worth of food donations and around £41,000 worth of kitchen equipment donations from a range of donors including private individuals, Pret-a-Manger, Andaz Hotel, Tower Hamlets Food Bank, Salesforce and JP Morgan.

The Gardening Trainee Scheme was given 'highly commended' status in the City Bridge Trust growing locality award. 16 gardening trainees were recruited onto the scheme of whom 3 achieved accreditation, 8 trainees completed job searches, and 2 became Peer Mentors. The Garden Group (with funding from City Bridge Trust) had 31 clients attending. 5 clients reported a reduced substance misuse, 6 were referred into treatment, and 3 clients reported improved social networks and relationships.

Clients and volunteers have helped to grow produce on the roof during the year. 154kg of fruit and vegetables were harvested, with an equivalent cost saving of c. £1,150.

Next Steps for 2017/18

- i. Acquire new IT to support all employability activity, with an ongoing schedule of refreshing and updating IT to meet client needs.
- ii. Design and embed a clearly articulated, externally evaluated employability model which demonstrates impact.
- iii. Achieve secure funding for existing Employment Support and increase capacity by at least 1 FTE.
- iv. Put in place a strong network of at least 12 local employers, with financial and volunteering support for programme delivery.
- v. Establish a partnership with a construction firm to fund and deliver an accredited construction training programme for clients.

- vi. Deliver the Food Development Programme, including the use of gardening on site and income generating catering.
- vii. Develop the bakery and room hire activities as a "next step" for clients, earning 10% of total income (excluding legacies) by 2018.

2.2 Enterprising

3 year goals

- Increase the level of income (target 40% of total excluding legacies) generated by enterprises, investments and properties through commercial lettings and creation of a long term property strategy.
- Develop the use of business skills including financial forecasting, marketing, business planning and project management across the charity.
- Develop our emerging portfolio of social enterprises in order to generate revenue for the charity whilst providing training and work experience for clients.
- Take opportunities to grow the charity, responding to tendering and other funding opportunities which will reflect the values, core objects, vision and mission of the charity.

Achievements and Results

During the year 2016/17 income generated by enterprises, investments and properties through commercial lettings comprised 33.7% of the total (excluding legacies and extraordinary items) which is a reduction on 2016 (34.8%). Income generated by enterprises, investments and properties through commercial lettings for the year grew by 15% whereas the total income for the year (excluding legacies and extraordinary items) grew by 19% which accounts for the drop in the percentage level of this income.

The charity continued to improve the property at Sherrington Mews. At the end of the financial year only 2 sets of units were unlet with one set having started the legal process to grant a lease.

Providence Row Bakery (Rise) saw the phasing out of an unprofitable wholesale brand and the development of a specialised luxury brownie business. Working with food industry experts we have developed 6 products and seen them through the process of design, feedback, and testing to fit for purpose sale. We have won a prestigious Great Taste Award from the Guild of Fine Foods for our brownies, which not only confirms our confidence in our products, but also means we can sell to high value customers with confidence.

Total sales for the year came to £19,287 up from £12,802 in 2015/16.

We have continued to develop our room hire activities, with total income of £23,570, compared to £15,288 in 2015/16. This is on target and was achieved by promoting our space to organisations with a similar outlook to Providence Row and who require repeat or recurring bookings. We did not explore the creation of a company volunteering product due to limits in staff capacity.

Next Steps for 2017/18

- i. Increase level of income (target 40% of total excluding legacies) generated by the charity's properties, investments and enterprises.
- ii. Develop the charity's strategic and operational expertise in property matters.
- iii. Fully implement the use of business skills including financial forecasting, marketing, business planning and project management across the charity including all services and core management functions.

- iv. Continue to grow the charity (recurring income and expenditure on service delivery) by 2018, responding to tendering and other commercial opportunities which will reflect the values and core objects of the charity.

2.3 Inspiring

3 Year Goals

- To create and implement an annually updated marketing strategy which raises the charity's profile and shows our position as highly respected and worthy of financial and in kind support.
- To secure income for our work from fundraising to enable us to deliver existing services.
- To develop new approaches to tackling severe and multiple disadvantage through sustainable, strategic funding sources.
- To put ourselves at the forefront of work to address severe and multiple disadvantage by increasing our engagement in debates, discussion and research, asserting our point of view constructively and thoughtfully based on evidence.

Communications and Marketing

Achievements and Results

During the year we refreshed our marketing strategy with an emphasis on implementing marketing principles in service delivery. Service staff were supported to think through their target client groups, what the benefits were of the services on offer and how best to promote this. Therefore each service now has a marketing plan which will be updated regularly.

Fundraising

Income from donations in the year was over £381,000, an increase from around £366,000 in 2015/16. Much of this increase was driven by the strong growth in income from corporate donors, which rose from £103,569 in 2015/16 to £218,254 in 2016/17 (excluding donated goods, facilities and services). This reflects our successful strategy to increase income from companies.

Company volunteering was also very successful with over 420 volunteers supporting our work. Alongside providing vital support, this is a fantastic way to introduce our clients to a much broader network of people. It also helps volunteers to understand more about the causes of homelessness and how to tackle it. Company/client volunteering projects during the year have included working in the roof garden and supporting elements of our 10 week employability programme 'Working On It'.

Our relationship with the Sisters of Mercy continues.

The Fundraising Team raised £376,426 compared to a challenging income target for the year of £390,840. This figure excludes legacies, donated goods, facilities and services and certain restricted donations and grants received in the year. In addition, the target figure includes certain performance related grants classified as income from charitable activities in the accounts. The table below sets out performance against fundraising targets reconciled to total income from donations as stated above:

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Total income from donations	373,249	8,519	381,768	366,088
Deduct: donated goods, facilities and services	(51,627)	-	(51,627)	(24,760)
Income from donation excl. donated goods, facilities and services	321,622	8,519	330,141	341,328
Deduct: donations and grants for purposes considered "out of target" for fundraising	-	-	-	(1,929)
Add: Elements of performance related grants considered "in target" for fundraising	-	46,285	46,285	16,036
Income counted against in-year fundraising target	321,622	54,804	376,426	355,435
In-year fundraising target			390,840	360,000

Over the past five years, all types of fundraising for the charity have increased (with the exception of events). This is due to a more strategic approach taken to developing supporter relationships and a greater emphasis on team working between fundraising and service staff. All service teams have a 3 year funding plan, which is reviewed quarterly, taking into account progress and forthcoming potential opportunities.

As noted in section 2.1 'Thriving – Enterprise and Training' above, we received donations of food and kitchen equipment with a total value of £51,627 from range of donors during the year. This included a regular monthly donation of food from Salesforce. (See note 2a to the financial statements for further information on donated goods, facilities and services.)

Next Steps for 2017/18

- i. Review and refresh our marketing strategy.
- ii. Promote the charity's reputation, utilising and refreshing our new brand guidelines.
- iii. Apply for awards and feed into larger campaigns about homelessness.
- iv. Put in place a system to gather and use market intelligence to ensure we are up to date and identify development opportunities.
- v. Put in place a local community relations plan which ensures we are a welcomed, well respected member of our local community.
- vi. Challenge perceptions of homelessness and those who experience it, with 95% of all feedback from supporters indicating that they feel more positive about homelessness.
- vii. Continue to develop our ability to maximise the potential within company relationships including cash donations.
- viii. Increase multi year funding from trusts and foundations.
- ix. Increase community based fundraising by raising our profile in the area.
- x. Change perceptions of homelessness and those who experience it through events and activities that highlight what people can do.
- xi. Continue to ensure that all of our fundraising activity is consistent with our values and the requirements of the Fundraising Regulator.

2.4 Effective

3 Year Goals:

- Produce an annually updated Human Resources strategy which guides our investment in an excellent staff team and provides stimulating and rewarding volunteering opportunities.
- Develop our ability to plan, monitor and evaluate our work and demonstrate impact.
- Provide welcoming, calm, comfortable and efficient facilities which support an enabling environment for staff, volunteers and clients alike.
- Ensure excellent financial management of our resources, using them efficiently, promoting financial stability and managing growth proactively without developing a dependency on public sector funding.
- Ensure excellent governance and management systems, reflecting the National Council for Voluntary Organisations ('NCVO') Principles of Good Governance.

Human Resources

Achievements and Results

During the year we reviewed the staff terms and conditions with the help of PivotalHR, our advisers on human resources matters. Policies on induction, staff training, discipline and grievance were reviewed and updated as well.

Next Steps for 2017/18

- i. Review our HR strategy, with a view to reducing staff turnover.
- ii. Continue to review our policies and procedures, to ensure they remain robust, legally compliant and up to date.
- iii. Attract and retain more excellent volunteers, achieving a quality standard.
- iv. Improve our recruitment processes to bring a motivated, skilled workforce.
- v. Retain and develop excellent talented people who grow with the organisation through high quality training and development.
- vi. Make good use of the Patron, President and Honorary Vice President roles to promote the position of the charity and generate greater support.

Organisational Governance and Management

Achievements and Results

Planning and monitoring

Our three year strategy was reviewed with the help of Natixis, who provided invaluable objective input, to give the strategy a longer term perspective. Skeleton business plans for all three services were produced and have been useful in shaping our progress in marketing, fundraising and monitoring.

The success of our monitoring work has already been described. We continue to implement our planning process, which links our three year strategy with the day to day work of each staff member.

Facilities

During the year, partly as a result of the charity's growth, we made the decision to increase the capacity in the Finance and Resources Team. Our investment property, Sherrington Mews, demanded more time and attention than we had anticipated. We now have a Buildings Manager who is taking forward our plans for a long term capital maintenance plan and investment in the mechanical and electrical installations in the Dellow Centre.

We have made progress with our health and safety systems, and with IT. During the year we upgraded our hardware and our broadband service to enhance working efficiency. We also made some changes to the office layout to accommodate our growing staff team.

Next Steps for 2017/18

- i. Develop our ability to demonstrate impact and the difference our work makes.
- ii. Develop a well evidenced model of working with people, meeting the "Enabling Environment" standards.
- iii. Manage the buildings on our main Gunthorpe Street / Wentworth Street site to be more financially efficient and to reflect the "Enabling Environment".

Financial management

Achievements and Results

The key principle of our financial strategy in recent years has been to ensure that the charity becomes financially sustainable, with reduced dependency on reserves for its ongoing delivery of services to beneficiaries. In order to achieve this, we aim to eradicate our "underlying" year on year operational deficit, which we define and track as the charity's annual net income / (expenditure) adjusted to exclude the following items:

- Legacy income over £10,000 in any year;
- Income and operating expenditure relating to donated goods, facilities and services;
- Depreciation charges; and
- Gains and losses on investments.
- Extraordinary items of income

Using this measure, the "underlying net deficit" for 2016/17 was £141,317 compared to an "underlying net deficit" of £63,016 recorded in 2015/16.

Next Steps for 2017/18

- i. Continue plans to eradicate our "underlying" year on year operational deficit.
- ii. Invest in our ability to increase our earned income to 40% of total income excluding legacies (including if we grow), through our properties, investments and enterprises.
- iii. Invest in our fundraising function, to increase income and attract more predictable, multi-year support.
- iv. Grow our service delivery up to 30% by 2018 whilst maintaining our free reserves at the target level determined by the Trustees.
- v. Whilst continuing to attract public sector funding, keep it at around 20% of our total income (excluding legacies), spreading risk away from one contract in one borough.

3 Structure, Governance and Management

3.1 Legal structure of the charity

Providence Row is a private company limited by guarantee and not having a share capital, and was incorporated on 26 November 2010 (company number 07452798). It was registered as a charity on 2 February 2011 (charity number 1140192). Providence Row is the corporate successor to the unincorporated charity known as Providence Row Charity ('PRC') (charity number 207454), which

was originally established in 1860². 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.

3.2 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; and
- up to four Appointed Trustees.

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

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

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

The Trustees may appoint one of their number to be the Chair of the Trustees for such a term of office as they determine and may at any time remove him or her from that office. The Chief Executive Officer has been appointed as the Secretary to the charity. Trustees review the skills and experience of the Board members annually and have adopted the NCVO Code of Good Governance. The Trustees may at their discretion establish procedures and criteria for inviting individual donors to become "Associate members" of the charity with the right to vote at the annual general meeting. There are currently no "Associate members" qualified to vote at the 2017 annual general meeting.

The Trustees are the only members of the charitable company. On appointment each Trustee completes an entry in the register of members (which Trustees must sign). They receive a copy of the charity's governing documents, a role description and a copy of the annual report and accounts. New Trustees meet with the Chair of the Trustees, and the Chief Executive arranges their induction to the organisation.

3.3 Organisational structure, management and key relationships

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

- Finance
- Fundraising
- Services

² Providence Row Charity was known as "Providence Row Night Refuge and Home" until it changed its name on 21 January 2003.

- Remuneration
- Property

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

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

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

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

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

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

The charity's other key relationships include the Sisters of Mercy (the Union of the Sisters of Mercy of Great Britain and the Institute of Our Lady of Mercy), the London Borough of Tower Hamlets and the Corporation of the City of London. The relationship with the Sisters of Mercy is a formal arrangement with powers to nominate Trustees to the Board (see section 3.2 above). The charity is very grateful for the continued support of the Sisters of Mercy and we are committed to ensuring that the legacy of the Sisters is reflected in the ongoing work of the charity for the long term. In addition, the charity works with a number of other charities and agencies including Thames Reach, Crisis, St Mungo's, Tower Hamlets Drug and Alcohol Action Team (DAAT), Barts Health NHS Trust and the East London NHS Foundation Trust.

4 Staff and Volunteers

During the year the charity employed an average of 31.2 staff (average monthly headcount), of whom 10.3 were part-time staff (2016: 26.6 average monthly headcount, of whom 8.8 were part-time). Since the year end the staff team has grown and the charity currently employs 37 staff, of whom 6 are part-time.

Our volunteers during the year to March 2017 included:

- 391 corporate volunteers from local businesses and the City working alongside our clients and supporting the work of the organisation
- 17 regular Welcome Area volunteers contributing an average of 81 volunteer hours per week over the year; 6 volunteers within the Advice and Support Team; 7 regular volunteers within Recovery and Progression; 5 regular volunteers within Enterprise and Training, including kitchen volunteers; and 2 volunteers within Finance and Fundraising

5 Financial Review

5.1 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 and are invested in a range of deposits with a view to balancing the desire for yield on the investments with the ability to access liquid resources as needed. However, it should be noted that in 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. As at 31 March 2017 the charity no longer held any cash deposits with maturities in excess of three months. The charity 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 2017, the charity's Endowment fund generated an overall positive return of £155,024 (equating to a total return of 20.2%), incorporating investment income of £20,625, unrealised gains of £139,645 and management fees of £5,446 (2016: total negative return of £14,928 or -2.1%). For reference, 12 month total returns to 31 March 2017 for the following benchmark indices were:

- FTSE All Share (UK Equity): 18.1%
- MSCI World index (Global Equity): +28.9%

During the year to 31 March 2017, the charity's managed cash deposit portfolio generated interest income of £5,564 (2016: £10,334), equivalent to a return on average balances over the year of c. 0.4% (2016: c. 0.9%). In view of the continuing low interest rate environment, the charity expects its interest income to remain at a similarly low level or to fall further over the coming year.

The charity's investment property generated income of £190,863 during the year, an increase of c. 20% over the comparative figure for 2015/16 of £158,516. Direct costs of investment property management in 2016/17 (before allocated support costs) totalled £155,137 (2016: £134,596).

5.2 Overview of results for the year

The charity's total income for the year of £1,825,855 (2016: £1,816,010) can be analysed as follows:

	2016/17	% of total	2015/16	% of total
	£'000	income	£'000	income
Donations, excl. donated goods, facilities and services *	330.1	18.1%	341.3	18.8%
Donated goods, facilities and services	51.6	2.8%	24.8	1.4%
Legacies	21.7	1.2%	549.3	30.2%
Charitable activities: local authority contracts	349.3	19.1%	251.9	13.9%
Charitable activities: performance-related grants	266.0	14.6%	208.4	11.5%
Charitable activities: Bakery sales	19.3	1.0%	12.8	0.7%
Charitable activities: rents from Dellow Centre leases	175.4	9.6%	179.4	9.9%
Charitable activities: other	11.1	0.6%	1.9	0.1%
Other trading (incl. room hire)	49.0	2.7%	32.6	1.8%
Investment income: property	199.8	10.9%	158.5	8.7%
Investment income: other	26.5	1.5%	30.1	1.7%
Other income	25.0	1.4%	25.0	1.4%
Rights of Light settlement	301.0	16.5%	-	-
Total income	1,825.8	100.0%	1,816.0	100.0%

* Income from 'Donations' in the table above is made up of: donations and gifts from individuals, corporate supporters and community groups (including Gift Aid, but excluding donated goods, facilities and services) and general grants from trusts and foundations. (See note 2 to the financial statements.)

The charity's total expenditure in the year of £1,688,845 (2016: £1,422,026) breaks down as follows:

	2016/17 £'000	% of total expend- iture	2015/16 £'000	% of total expend- iture
Costs of raising donations and legacies	183.7	10.9%	183.3	12.9%
Costs of 'other trading activities'	27.2	1.6%	16.6	1.2%
Costs of investment property management	184.9	10.9%	153.7	10.8%
Other investment management costs	8.5	0.5%	7.9	0.6%
Charitable activities: Advice and Support / Resource Centre	462.0	27.4%	375.3	26.4%
Charitable activities: Recovery and Progression	401.4	23.8%	251.6	17.7%
Charitable activities: E&T – Trainee Schemes, Food & Garden	192.5	11.4%	215.1	15.1%
Charitable activities: E&T – Providence Row Bakery	65.4	3.9%	68.8	4.8%
Charitable activities: property let for charitable purposes	66.6	3.9%	55.5	3.9%
Other costs	0.6	-	0.7	-
Depreciation charges	96.1	5.7%	93.5	6.6%
Total expenditure	1,688.9	100.0%	1,422.0	100.0%

Note: The costs shown in each line in the table above are the direct costs plus the support costs for each activity area, with the exception of allocated depreciation charges, which are split out from the relevant activities and shown in a separate line for the purposes of this analysis.

The charity recorded a net surplus (total income less total expenditure) before net gains on investments of £137,010 (2016: 393,984). The recorded net surplus includes an extraordinary item of £301,000 from a Rights of Light settlement.

After unrealised gains on investment assets of £139,645 (2016: net losses of £28,784), the net income of the charity for the year was £276,655 (2016: £1,100,768). This figure can be reconciled to the "underlying deficit" measure described in section 2.4 above as follows:

	Total Funds 2017 £	Total Funds 2016 £
Net income	276,655	1,100,768
Less: legacy income in excess of £10,000	(21,737)	(539,253)
Less: income from donated goods, facilities and services	(51,627)	(24,760)
Add: operating expenditure from donated goods, facilities and services	-	13,510
Add back: depreciation charges	96,087	93,503
Less: unrealised gains on investment property	-	(735,568)
Less: Rights of Light settlement – extraordinary item.	(301,000)	-
Reverse net (gains) / losses on other investments	(139,645)	28,784
"Underlying deficit"	(141,317)	(63,016)

Income from performance-related grants for the year totalled £266,018, compared to £208,427 in the previous year. The table below summarises the performance-related grants received:

	2017	2016
	Total	Total
	£	£
<i>Income from grants notified prior to start of the year</i>		
Big Lottery Fund re Learning Programme	54,077	75,230
Esmée Fairbairn Foundation re "Grow, Cook, Eat"	18,946	35,600
Marie Celeste Samaritan Society re Routes to Roots	23,233	23,016
City Bridge Trust Investing in Londoners grant (Garden project)	18,000	18,000
City Bridge Trust Stepping Stones grant	12,050	36,150
Oak Foundation	79,376	-
London Housing Foundation	15,356	12,435
Other	2,500	2,496
<i>Subtotal: Income from grants notified prior to start of the year</i>	223,538	202,927
<i>Income from grants secured during the year</i>		
Street Smart	20,000	-
Comic Relief	10,000	-
Nelsons	12,480	-
Other	-	5,500
<i>Subtotal: Income from grants secured during the year</i>	42,480	5,500
Total income from performance-related grants	266,018	208,427

Income from donations (excluding donated goods, facilities and services) and performance-related grants taken together totalled £596,158 (2016: £549,755). This was equivalent to c. 35% of our total income excluding legacies (2016: c. 43%).

Our legacy income during the year was £21,737 (2016: £549,253).

Overall our total income from public sector sources in 2016/17 (including local authority contracts and grants) amounted to £349,262 (2016: £256,920), equivalent to c. 19% of total income excluding legacies (2016: c. 20%). This increased amount reflects the two new commissioned services from London Borough of Tower Hamlets of the Referral and Outreach Service and the Women's Casework Service

The charity's independently generated income from investments (including investment property) and all other property interests increased once again from £420,427 in 2015/16 to £475,695 in 2016/17. These figures include income from the Endowment fund and cash deposits, rents and charges from Sherrington Mews, Dellow Centre leases, room hire and our freehold properties let on long term leases and the increase reflects the increasing net income from the property at Sherrington mews.

On the expenditure side, the following point can be highlighted:

- Costs attributable to core services (Advice and Support / Resource Centre; Recovery and Progression; Enterprise and Training including Bakery) totalled £1,187,890 (excluding allocated depreciation charges) in 2016/17, compared to £910,907 in 2015/16. This increase of just over 30% is a combination of introducing new services and growth in existing services.

5.3 Principal risks and risk management

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

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

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

Income from voluntary sources such as individuals, trusts (including performance-related grants) and companies typically makes up over a third of our annual income (excluding legacies). The Trustees recognise that the current fundraising climate is very challenging, with increased competition for funds, a negative media portrayal of the sector and a new generation of donors whose giving habits are hard to predict. To mitigate this risk the charity has invested in developing the Fundraising team's ability to attract a variety of funding, in particular long-term relationships with companies, high net worth individuals and larger trusts and foundations. We have also initiated monthly summary reporting to the Board on fundraising performance.

The charity owns a number of property assets, the income from which accounted for approximately 29% of our total income (excluding legacies) in 2015/16 (2014/15: 31%). The ownership and management of these properties involve a number of significant risks:

- The charity's main premises, the Dellow Centre complex, is a substantial purpose-built property on the Gunthorpe Street / Wentworth Street site owned by the charity, and the effective management of this and of the charity's Activity Centre on the same site represents a considerable operational and financial commitment. In particular, as it is now over 20 years since the Dellow Centre was originally constructed, the charity anticipates that it will need to make significant investments to improve or replace key elements of the mechanical and electrical installations in the buildings as well as to refurbish certain parts of the property over the coming 2-4 year period, representing a potentially significant cash outflow over the medium term.
- 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 charity is aware that as the property owner and immediate landlord to the commercial tenants of the property, it is exposed to a significant level of financial and property-related risk, and that it must actively manage these risks with the aid of professional property agents, its legal advisers and insurance professionals. In order to generate a good financial return on its investment it is very important that all the units are let on commercial terms and that the property is managed to a high professional standard. To this end, Providence Row has appointed professional letting agents to market vacant units as they arise and to

advise on commercial strategy, and professional managing agents to manage the property on its behalf. A programme of essential improvements, refurbishments and repairs has been undertaken over the last two years in order to ensure that the property remains attractive, secure and properly maintained. In addition, a major refurbishment of vacant units was undertaken during the course of 2016/17. There has been significant interest in these units and the Property Subcommittee are confident that the remaining vacant units will be let during the course of 2017/18. The Property Subcommittee will also closely monitor the management of Sherrington Mews and report thereon to the Board and, where appropriate, to the Finance Subcommittee.

A review of the major risks relating to the charity's properties is included in the Trustees' assessment of risk. The charity's reserves policy also addresses its obligations and commitments in respect of the properties which it owns (see section 5.4 below).

We recognise that in our work we are exposed to significant risks relating to the safeguarding of vulnerable adults. Risk management 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.

5.4 Review of reserves and reserves policy

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

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

As at 31 March 2017 the charity held total funds of £12,404,100 (2016: £12,127,445), comprising the restricted endowment fund, restricted income funds and unrestricted funds.

Restricted Endowment fund

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 charitable purposes (as an addition to unrestricted funds). The permanent Endowment fund incorporates the Dr Gilbert Trust and the Manning Memorial Fund. At 31 March 2017, the Endowment Fund amounted to £767,027 (2016: £632,828).

Restricted income funds

Restricted income funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the charity. In accordance with trust law, a restricted fund may only be expended for the specific charitable purpose for which it has been given. Restricted funding received and

expended during the period under review is summarised in note 16 to the financial statements. As at 31 March 2017 the charity held total restricted income funds of £2,547,154 (2016: £2,571,176).

Included within the figure above is the fund 'Tangible fixed asset fund: Restricted'. This reflects the net book value of fixed assets whose original acquisition or costs of construction were funded by restricted income (unless the Trustees are satisfied that no continuing restrictions remain in force on the assets or the funds employed, when the Trustees may transfer the relevant balances to the designated fund 'Tangible fixed asset fund: Unrestricted'). The amounts held in this fund could only be realised by disposing of tangible fixed assets. At 31 March 2017 this fund stood at £2,464,000 (2016: £2,520,000).

Unrestricted funds

As at 31 March 2017, the Trustees have established the following designated funds:

Tangible fixed asset fund: Unrestricted

The net book value of fixed assets whose original acquisition or costs of construction were funded 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) is reflected in the designated fund 'Tangible fixed asset fund: Unrestricted'. The amounts held in this fund could only be realised by disposing of tangible fixed assets. As at 31 March 2017, this fund stood at £2,976,500 (2016: £2,919,906).

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

On 30 May 2014 Providence Row completed the purchase, for investment purposes, of the leasehold interest held by Toynbee Hall in the commercial property known as the Gunthorpe Street Workshops, situated adjacent to the charity's main Gunthorpe Street / Wentworth Street site and forming part of the same freehold. On completion of the acquisition, Providence Row's ownership of the Gunthorpe Street Workshops (since renamed 'Sherrington Mews') was reclassified as investment property.

As an investment property, the charity's interest in Sherrington Mews is held on the balance sheet at its fair value as at the year end. In accordance with regulations made under the Companies Act 2006 and the requirements of Charities SORP (FRS 102), the element of the fair value of the property representing revaluation gains is disclosed in a separate revaluation reserve.

During the year under review, capital additions relating to refurbishment works to the property and additional professional fees totalling £103,278 were made.

Sherrington Mews was revalued in 2015/16 resulting in an unrealised gain on investment. As at 31 March 2017 the total of the Fixed asset fund: Investment Property and the Revaluation Reserve: Investment Property stood at £4,550,000 (2016: £4,446,752).

Cyclical maintenance and repairs fund

It is vital for the work of the charity and for the sustainability of its income that we maintain the functionality, condition and safety of our buildings to a high standard. In particular, as the Dellow Centre is now more than 20 years old, we recognise that the costs of maintaining and renewing its fabric and installations will increase over the coming years. The 'Cyclical maintenance and repairs fund' is intended to provide adequate funds to cover requirements for major capital repairs to the buildings owned by the charity and planned maintenance and replacement of associated plant and equipment over a planning horizon of approximately five years, 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. This fund is not intended to be used for costs of regular ongoing

annual maintenance contracts for equipment etc., which we would normally expect to charge as operating expenditure to General funds.

During the year under review £100,782 was committed to the refurbishment of Sherrington Mews and £100,000 was transferred from the General Fund reducing the balance on the fund to £449,218 as at 31 March 2017 (2016: £450,000).

Other designated funds

The opening balance on 'other designated funds' as at 1 April 2016 of £91,258 represents a residual sum a legacy received to bring forward the establishment of a Senior Personal Advisor role, the residual sum from a generous donation from the sisters of Mercy, and an amount of £50,000 legacy income recognised as receivable during the previous year. Payments of £28,191 were made from this fund to cover salaries in Health and Wellbeing projects leaving a balance of £63,067 on the fund.

Contingency fund: Charity running costs

The charity provides a number of core services directly to beneficiaries. 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 charity holds a 'Contingency fund: Charity running costs', which forms part of its free reserves. The Trustees have reviewed the level of this fund as at 31 March 2017 as part of their review of the minimum level of free reserves required to support the charity's operations, and with reference to the following key 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

As a result of this review, the Trustees have decided to maintain the level of this fund at £850,000.

General funds

In reviewing the structure of Providence Row's reserves, the Trustees have considered the minimum level of free reserves required to support the charity's operations. Providence Row's free reserves are made up of the 'Contingency fund: Charity running costs' described above and the General Funds, and are backed by cash (including investment cash deposits).

As a result of this review and taking into account the need for sufficient general funds to cover normal working capital requirements and expected operating cash flow variability through the year, the Trustees have determined that **the medium-term target level of free reserves should remain at £1,000,000**. This compares to the actual level of free reserves at 31 March 2017 of **£1,051,134** (£850,000 in the 'Contingency fund: Charity running costs' and £201,134 in General funds) (2016: 1,014,525, of which £850,000 in the 'Contingency fund').

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

Movements on the funds held by the charity during the period under review and an analysis of the charity's net assets between the funds held are summarised in notes 15 to 18 to the financial statements.

6 Trustees' Responsibilities Statement

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

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

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

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

7 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.

Approved by the Trustees on 2017 and signed on their behalf by

.....
Elizabeth Canning – Chair

.....
Richard Solomon – Honorary Treasurer

Section B: Independent Auditor's Report to the Members of Providence Row

We have audited the financial statements of Providence Row for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102, "The Financial Reporting Standard in the UK and Republic of Ireland".

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Trustees' Annual Report have 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 Trustees' Annual Report.

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

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

Nicola Wakefield (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Times House, Throwley Way, Sutton, Surrey, SM1 4JQ
Date

Section C: Financial Statements

Statement of Financial Activities for the year ended 31 March 2017 (incorporating an income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2017 £	Total 2016 £
Income and Expenditure						
Income from:						
Donations		373,250	8,518	-	381,768	366,088
Legacies		21,737	-	-	21,737	549,253
<i>Sub-total: Donations and legacies</i>	2a	394,987	8,518	-	403,505	915,341
Charitable activities	2b	195,590	615,279	-	810,869	654,397
Other trading activities	2c	59,184	-	-	59,184	32,606
Investments	2d	226,297	-	-	226,297	188,666
Other	2e	326,000	-	-	326,000	25,000
Total income		1,202,058	623,797	-	1,825,855	1,816,010
Expenditure on:						
<i>Raising funds</i>						
Raising donations and legacies		(186,134)	(5,360)	-	(191,494)	(192,153)
Other trading activities		(12,684)	(16,144)	-	(28,828)	(17,858)
Investment management		(187,909)	-	(5,446)	(193,355)	(161,599)
<i>Sub-total: Raising funds</i>		(386,727)	(21,504)	(5,446)	(413,677)	(371,610)
<i>Charitable activities</i>						
Advice and Support / Resource Centre		(233,300)	(248,178)	-	(481,478)	(393,459)
Recovery and Progression		(147,604)	(270,784)	-	(418,388)	(263,825)
E&T: Trainee Schemes, Food & Garden		(128,509)	(72,112)	-	(200,621)	(225,553)
E&T: Providence Row Bakery		(66,649)	(1,521)	-	(68,170)	(72,151)
Property let for charitable purposes		(69,013)	(34,720)	-	(103,733)	(92,592)
<i>Sub-total: Charitable activities</i>		(645,075)	(627,315)	-	(1,272,390)	(1,047,580)
Other		(2,778)	-	-	(2,778)	(2,836)
Total expenditure	3	(1,034,580)	(648,819)	(5,446)	(1,688,845)	(1,422,026)
Net gains / (losses) on investments						
Unrealised gains on investment property	8	-	-	-	-	735,568
Net gains/(losses) on other investments	9,15	-	-	139,645	139,645	(28,784)
Net income / (expenditure)		167,478	(25,022)	134,199	276,655	1,100,768
Net movement in funds		167,478	(25,022)	134,199	276,655	1,100,768
Reconciliation of funds						
Total funds brought forward		8,922,441	2,572,176	632,828	12,127,445	11,026,677
Total funds carried forward		9,089,919	2,547,154	767,027	12,404,100	12,127,445

All of the above results relate to continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities above. Movements in funds are disclosed in Notes 15 – 18 of the financial statements.

Balance Sheet as at 31 March 2017

	Notes	Total Funds 2017		Total Funds 2016	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	7		5,440,500		5,439,907
Investment property	8		4,550,000		4,446,752
Other investments	9		2,119,579		1,923,409
<i>Total Fixed Assets</i>			12,110,079		11,810,068
Current Assets					
Debtors	10	266,742		266,594	
Cash at bank and in hand		267,111		340,289	
<i>Total Current Assets</i>		533,853		606,883	
Liabilities					
Creditors falling due within one year	11	(221,661)		(271,335)	
<i>Net Current Assets</i>			312,192		335,548
<i>Total Assets Less Current Liabilities</i>			12,422,271		12,145,616
Creditors falling due after more than one year	12		(18,171)		(18,171)
Total Net Assets	18		<u>12,404,100</u>		<u>12,127,445</u>
The Funds of the Charity					
Endowment Fund	15		767,027		632,828
Restricted Income Funds					
Tangible fixed asset fund: Restricted	16	2,464,000		2,520,000	
Other restricted income funds		83,154		52,176	
			2,547,154		2,572,176
Unrestricted Funds					
Tangible fixed asset fund: Unrestricted	17	2,976,500		2,919,906	
Fixed asset fund: Investment Property		1,500,629		1,397,381	
Revaluation reserve: Investment Property		3,049,371		3,049,371	
Cyclical maintenance and repairs fund		449,218		450,000	
Other designated funds		63,067		91,258	
Free Reserves					
Contingency fund: Charity running costs		850,000		850,000	
General funds		201,134		164,525	
Total Free Reserves		1,051,134		1,014,525	
			<u>9,089,919</u>		<u>8,922,441</u>
Total Charity Funds	18		<u>12,404,100</u>		<u>12,127,445</u>

The financial statements on pages 27 to 49 were approved by the Board of Trustees

onand signed on its behalf by:

.....
Elizabeth Canning – Chair

.....
Richard Solomon – Honorary Treasurer

The notes on pages 30 to 49 form an integral part of these financial statements.

Information on Cash Flows for the year ended 31 March 2017

	Notes	Total Funds 2017 £	Total Funds 2016 £
a) Reconciliation of net income to net cash flow from operating activities			
Net income for the year (as per the statement of financial activities)		276,655	1,100,768
Adjustments for:			
Income relating to donated goods capitalised as tangible fixed assets	2a	(41,040)	(11,250)
Depreciation charges	3,7	96,087	93,503
Unrealised gains on investment property		-	(735,568)
Net (gains) / losses on other investments	9	(139,645)	28,784
Dividends, interest and rents from investments per the SOFA		(226,297)	(188,666)
Investment management costs per the SOFA		193,354	161,599
Loss on the sale of fixed assets		-	302
Decrease in debtors (operating activities)		45,275	(69,586)
Decrease in creditors (operating activities)		(31,652)	109,149
Net cash provided by / (used in) operating activities		172,737	489,035
b) Statement of Cash Flows			
Net cash provided by operating activities		172,737	489,035
Cash flows from investing activities:			
Dividends, interest and rents from investments per the SOFA		226,297	188,666
Increase / (decrease) in debtors (investing activities)		(57,836)	54,592
Investment management costs per the SOFA		(193,354)	(161,599)
(Decrease) in creditors (investing activities)		(5,609)	(26,203)
Proceeds from the sale of property, plant and equipment		-	370
Purchase of property, plant and equipment	2a	(55,641)	(11,760)
Proceeds from maturing cash deposits (notice > 3 months)	9	-	325,050
Purchase of endowment investments*	9	-	218
Capital additions to investment property	8	(103,248)	(57,508)
Net cash (used in)/ provided by investing activities		(189,391)	311,826
Change in cash and cash equivalents in the year		(16,654)	800,861
Cash and cash equivalents at the beginning of the year		1,633,028	832,167
Cash and cash equivalents at the end of the year		1,616,374	1,633,028
* Positive flow indicates an equalisation payment received			
		31 March 2017 £	31 March 2016 £
c) Analysis of Cash and Cash Equivalents			
Cash at Bank and in Hand		267,111	340,289
Investments: Notice deposits (3 months or less)	9	1,349,263	1,289,331
Investments: Cash held in endowment fund (capital)	9	-	3,407
Total Cash and Cash Equivalents		1,616,374	1,633,028

Notes to the Financial Statements For the year ended 31 March 2017

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 accounts 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 accounts of relevant charities for reporting periods beginning on or after 1 January 2015.

Incorporation and transfer of charitable undertaking at 31 March 2011

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

Also on 1 April 2011 a Charity Commission Scheme appointed Providence Row as the sole trustee of PRC. PRC continues in existence to hold the charity's permanent endowment and to receive any legacies bequeathed to PRC after 31 March 2011. Although PRC continues to hold legal title to the endowment fund assets, from an accounting perspective PRC is considered to hold these assets only as custodian for its corporate successor, due to the corporate trusteeship established by the Charity Commission Scheme. As a consequence of the constitutional arrangements (corporate trusteeship of Providence Row in relation to PRC), the financial statements of Providence Row have been prepared on the basis that they aggregate its own assets, results and activities with those of PRC. For this reason the endowment fund appears on the statutory balance sheet of Providence Row, and legacy income of PRC and investment income arising from the endowment fund are shown within Providence Row's Statement of Financial Activities ('SOFA').

b. 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 accounts 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 accounts. Governance costs include any costs associated with the strategic as opposed to day-to-day management of the charity's activities and the cost of charity employees in respect of their time when involved in and preparing for meetings with trustees.

Costs of raising donations and legacies

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

Other trading activities

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

Investment management costs

Investment management costs include the costs of:

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

Property let in furtherance of charitable purposes

This category covers expenditure incurred in relation to those parts of the Dellow Centre property let on short-term leases to (i) Providence Row Housing Association ('PRHA') in respect of the Dellow Hostel and (ii) Thames Reach in respect of offices for the Towers Hamlets Street Outreach Response Team ('TH SORT'). PRHA is a Charitable Housing Association. Under the terms of its lease, PRHA uses the premises for charitable purposes as a hostel for those in housing need in co-ordination with the Housing Options Service of the London Borough of Tower Hamlets ('LBTH') and by means of funding from LBTH. TH SORT is LBTH's commissioned rough sleeper outreach team managed by Thames Reach. Providence Row considers that the services and facilities provided by these two tenants 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 these tenants 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

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) and again as at 31 March 2016, due to significant changes to the tenancies and market conditions during the year (see note 8 for further details). 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 Charity (see note 1a for further information on the basis of accounting for the endowment fund assets). The investments of the endowment fund are included within 'Fixed Assets: Other Investments' (see note 9, 'Other Investments').

ii) Restricted income funds

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

iii) Designated funds - unrestricted

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

iv) General funds - unrestricted

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

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 £	2017 Total £	2016 Total £
Individuals	50,199	34	50,233	57,100
Corporate donors	216,738	1,516	218,254	103,569
Community	10,827	-	10,827	62,061
Gift Aid reclaimed	9,984	9	9,993	10,050
Donated goods, facilities and services	51,627	-	51,627	24,760
Grants from trusts and foundations	33,875	6,959	40,834	108,548
<i>Sub-total: Donations</i>	373,250	8,518	381,768	366,088
Legacies	21,737	-	21,737	549,253
Total income from donations and legacies	394,987	8,518	403,505	915,342

NB: The individual income categories above exclude donated goods, facilities and services, which are shown separately in the table 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 £40,410 (none of which was in restricted income) (2016: £20,571 of which £1,487 in restricted income).

'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):

	2017 £	2016 £
Donated furniture, electronic and computer equipment, catering equipment capitalised as tangible fixed assets	41,040	11,250
Food and kitchen equipment	8,156	6,175
Seeds, soil and equipment for garden	1,100	750
Other goods donated for client use	700	-
Meeting rooms provided for staff training	-	1,500
Pro bono legal advice to the charity	100	-
Pro bono professional services	-	5,000
Other donated services	531	85
Total donated goods, facilities and services	51,627	24,760

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, "speed 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 £	2017 Total £	2016 Total £
London Borough of Tower Hamlets ("LBTH"): Advice & Support - Rough Sleepers Services / Safe Connections (NFNO)	-	205,104	205,104	195,926
LBTH Drug & Alcohol Action Team: Substance Misuse Worker and Needle Exchange, Women's Service	-	128,158	128,158	40,000
City of London: Recovery & Progression Service	-	16,000	16,000	16,000
<i>Sub-total: Local Authority Contracts for Services</i>	-	349,262	349,262	251,926
Performance-related grants	-	266,017	266,017	208,427
Rise Bakery sales	19,286	-	19,286	12,802
Rents and charges from non-investment properties let in furtherance of charitable purposes	175,406	-	175,406	179,382
Income from other charitable activities	898	-	898	1,861
Total income from charitable activities	195,590	615,279	810,869	654,398

Income from Government sources:

Performance-related grants in 2016/17 included grant income of £2,500 (2015: £4,995) from Team London, part of the Greater London Authority with a remit to encourage employer supported volunteering across the capital, in connection with its "Speed Volunteering" initiative.

The contract with LBTH Drug & Alcohol Action Team expired during the year 2016/17 and a new contract for a referral and outreach service commenced on 31 October 2016 for 3 years. In addition, an 11 month contract for a specialist women's service commenced on 31 October 2016. These two contracts account for the significant increase in funding from LBTH Drug & Alcohol Action Team.

Income from government sources is summarised in the table below:

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Local Authority Contracts for Services (see above)	-	349,262	349,262	251,926
Team London (GLA)	-	2,500	2,500	4,995
Total income from government sources	-	351,762	351,762	256,921

c. Income from other trading activities

	2017 Total £	2016 Total £
Fundraising events	4,950	-
Other trading activities	5,242	5,227
Income from letting and licensing of property held primarily for functional use but temporarily surplus to operational requirements (incl. room hire)	48,992	27,379
Total income from other trading activities	59,184	32,606

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

d. Investment income

	2017 Total £	2016 Total £
Rents and charges from commercial tenants at investment property (Sherrington Mews)	199,752	158,516
Dividend and interest income from other investments	26,545	30,150
Total investment income	226,297	188,666

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

e. Other income

	2017 Total £	2016 Total £
Ground rents from non-investment freehold property let on long leases	25,000	25,000
Total other income	25,000	25,000

The income in the table above was included in unrestricted funds. In addition, £301,000 was received as a settlement agreement of rights of light from London Square Development in respect of the properties at 28 Commercial Street

3 Expenditure

	Direct costs £	Support costs £	2017 Total £	2016 Total £
Raising funds				
Raising donations and legacies	130,006	61,488	191,494	192,153
Other trading activities	19,391	9,437	28,828	17,858
Investment management	174,612	18,743	193,355	161,599
<i>Sub-total: costs of raising funds</i>	324,009	89,668	413,677	371,610
Charitable activities				
Advice and Support / Resource Centre ¹	326,878	154,600	481,478	393,459
Recovery and Progression	284,045	134,343	418,388	263,825
Trainee Schemes, Food & Garden ¹	136,202	64,419	200,621	225,553
Providence Row Bakery	46,281	21,889	68,170	72,151
Non-investment properties let in furtherance of charitable purposes	60,170	43,563	103,733	92,592
<i>Sub-total: costs of charitable activities</i>	853,576	418,814	1,272,390	1,047,580
Other expenditure	-	2,778	2,778	2,836
Total expenditure	1,177,585	511,260	1,688,845	1,422,026

¹ Costs of providing the breakfast service are included within 'Trainee Schemes, Food & Garden' rather than 'Resource Centre'. The former category also includes our Employability programmes.

Support Costs

Support costs can be analysed as follows:

	Governance £	Finance £	HR/Office Admin £	IT/ Telecoms £	Property (Own Use) £	Other Central £	Depreciation £	2017 Total £	2016 Total £
Raising funds									
Raising donations and legacies	5,267	5,444	5,580	3,244	13,704	20,483	7,766	61,488	63,079
Other trading activities	786	812	797	484	1,957	2,923	1,678	9,437	5,970
Investment management	7,074	7,312	-	4,357	-	-	-	18,743	20,070
<i>Sub-total: costs of raising funds</i>	13,127	13,568	6,377	8,085	15,661	23,406	9,444	89,668	89,119
Charitable activities									
Advice and Support / Resource Centre	13,242	13,688	14,029	8,157	34,456	51,501	19,527	154,600	129,164
Recovery and Progression	11,507	11,895	12,191	7,088	29,941	44,753	16,968	134,343	86,608
E&T: Trainee Schemes, Food & Garden	5,517	5,704	5,845	3,399	14,357	21,461	8,136	64,419	74,044
E&T: Providence Row Bakery	1,875	1,938	1,986	1,155	4,878	7,292	2,765	21,889	23,686
Non-investment properties let in furtherance of charitable purposes	2,438	2,520	-	1,501	-	-	37,104	43,563	43,995
<i>Sub-total: costs of charitable activities</i>	34,579	35,745	34,051	21,300	83,632	125,007	84,500	418,814	357,497
Other expenditure	240	248	-	147	-	-	2,143	2,778	2,836
Total expenditure	47,946	49,561	40,428	29,532	99,293	148,413	96,087	511,260	449,452

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 Costs and Employee Benefits

	2017	2016
	£	£
Wages and salaries (incl. accrual for paid annual leave)	874,429	743,861
Employer's National Insurance contributions (social security costs)	79,630	69,770
Employer's contribution to defined contribution pension schemes	10,668	6,806
Agency staff (including agency fees)	43,999	5,650
Insurance premiums: group life assurance and employee personal accident	2,015	2,643
Contribution to staff Christmas meal (net)	878	713
Termination payments and related fees	2,417	12,670
Total	1,014,036	842,113

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 (2016: none). No Trustee received reimbursement of expenses incurred for services provided to the charity during the year (2016: none). Details of transactions with connected parties of trustees are disclosed in note 19.

During the year there was one employee whose total employee benefits (excluding employer pension costs) fell within the banding £60,000 to £69,999 (2016: one). Employer payments in the year to a defined contribution pension scheme in respect of this employee totalled £3,409 (2016: £3,375).

The key management personnel of the charity consists of the Trustees and the Leadership Team. Total employee benefits received by the charity's key management personnel (excluding trustees) during the year were £202,038 (2016: £168,616).

5 Staff Numbers

The average monthly head count (number of staff employed) in the twelve month period ending 31 March 2017, analysed between full-time and part-time staff, was:

	2017	2016
Full-time staff	20.9	17.8
Part-time staff	10.3	8.8
Total Average Head Count	31.2	26.6

The average monthly number of full-time equivalent employees in the twelve month period ending 31 March 2017, analysed by activity, was:

	2017	2016
Activity		
Fundraising, communications, marketing	3.4	3.6
Charitable activities	20.4	16.9
Support, central, investment management	4.6	3.1
Total Full-Time Equivalent Employees	28.4	23.6

6 Amounts Payable to the Auditors

	2017 £	2016 £
Audit fee:		
Current year	12,728	12,728
Prior year (overprovision)	(1,108)	(438)
Total	11,620	12,290

No other services were provided by the auditors during the year (2016: 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 incorporation¹						
Balance at 31 March 2016	5,458,168	300,000	61,058	28,832	-	5,848,058
Additions	-	-	61,018	2,850	32,812	96,680
Balance at 31 March 2017	5,458,168	300,000	122,076	31,682	32,812	5,944,738
Accumulated depreciation						
Balance at 31 March 2016	335,464	10,715	40,740	21,232	-	408,151
Charge for the year	71,080	2,143	12,944	6,099	3,821	96,087
Balance at 31 March 2017	406,544	12,858	53,684	27,331	3,821	504,238
Net book value						
At 31 March 2016	5,122,703	289,286	20,318	7,600	-	5,439,907
At 31 March 2017	5,051,624	287,142	68,392	4,351	28,991	5,440,500

'Freehold land and buildings in use' at 31 March 2017 includes £2,000,000 of land that is not depreciated (2016: £2,000,000).

8 Investment Property

	2017 Cost £	2017 Fair value £	2016 Cost £	2016 Fair value £
Balance at beginning of the year	1,397,381	4,446,752	1,339,873	3,653,676
Add: Additions at cost	103,248	103,248	57,508	57,508
Unrealised gain on revaluation	-	-	-	735,568
Balance at end of the year	1,500,629	4,550,000	1,397,381	4,446,752

In late March 2016 the charity entered into a 'Minor Works Building Contract' with Crestel Projects Ltd ('the Contractor') to carry out refurbishment works on five ground floor units and two first floor units at Sherrington Mews, the charity's investment property. Under this agreement the charity committed to pay the Contractor a contract sum of £82,230 ex. VAT (£98,676 incl. VAT). The work under the contract took place substantially in April/May 2016 and no costs incurred under the contract were recognised as at 31 March 2016. In addition, the charity was committed to pay related professional fees of £4,620 incl. VAT which were incurred after the year end, giving a total capital commitment as at 31 March 2016 of £103,296 in relation to the refurbishment. Following minor contract adjustments during the course of the work, the total amount incurred for the project after the year end was £100,782. This capital expenditure has been funded from the designated 'Cyclical maintenance and repairs fund' during the first quarter of 2016/17.

The charity's investment property was valued as at 31 March 2016 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 – Professional Standards' ("the Red Book"). The valuation was based primarily on the comparable method of valuation having regard to the capital value rates per square foot achieved for similar recent transactions in the area. Appropriate adjustments were made to reflect the strength of location, tenant covenant, prospects for alternative uses, specification and size of the property in relation to comparable evidence. The valuation was checked for reasonableness by capitalising rental income from existing tenants and prospective rental income in relation to vacant units at appropriate net equivalent yield rates. The resulting valuation per the independent valuer's report of £4,550,000 was adjusted for the capital expenditure incurred post year end in relation to the refurbishment project carried out in April/May 2016 of £103,248, since this refurbishment was in progress as at the date of the valuer's site inspection and the valuation assumptions, in particular with regard to prospective rents, include the assumption that the refurbishment has been completed. The property is carried at the same valuation as at 31 March 2017. There have been no significant changes to commercial rents in the area to indicate that this is no longer a fair valuation.

9 Other Investments

	2017 Cost £	2017 Market value £	2016 Cost £	2016 Market value £
Unitised investments held within Endowment fund				
Balance at beginning of the year	515,436	630,670	515,654	659,672
Less: Equalisation payments	-	-	(218)	(218)
Unrealised gains/(losses) on revaluation	-	139,645	-	(28,784)
Balance at end of the year	515,436	770,315	515,436	630,670
Cash deposits at end of the year				
Notice deposits (3 months or less)	1,349,264	1,349,264	1,289,331	1,289,331
Cash held in Endowment fund (capital account)	-	-	3,407	3,407
Total cash deposits at end of the year	1,349,264	1,349,264	1,292,738	1,292,738
Total other investments at end of the year	1,864,700	2,119,579	1,808,174	1,923,408

10 Debtors

	2017 £	2016 £
Long term debtors (receivable after more than one year)		
Rent deposits held by agents	18,171	18,171
Short term debtors		
Trade debtors	37,126	158,245
Rent deposits held by agents	11,767	12,535
Other debtors (legacies)	67,500	50,000
Prepayments	23,164	11,150
Accrued income	109,014	16,493
Total Debtors	266,742	266,594

11 Creditors: Amounts Falling Due Within One Year

	2017 £	2016 £
Trade creditors	61,373	51,015
Tax and social security	21,943	21,339
Rent deposits held from commercial tenants	11,767	12,535
Grant payments received on account	37,097	102,609
Holiday pay accrual	10,787	11,902
Other accruals	44,293	33,288
Deferred income	34,401	38,647
Total	221,661	271,335

12 Creditors: Amounts Falling Due After More Than One Year

	2017 £	2016 £
Rent deposits held from commercial tenants	18,171	18,171
Total	18,171	18,171

13 Operating Leases

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

	2017 £	2016 £
<i>Office Equipment:</i>		
Within one year	2,064	1,952
In one to two years	4,128	-
In two to five years	1,892	-
	8,084	1,952
 <i>Other Machinery and Equipment</i>		
Within one year	-	1,751

14 Capital Commitments

As at 31 March 2017 the charity had no capital commitments (2016: £103,296).

15 Endowment Fund

	Balance 31 March 2016 £	Investment managem't fees charged £	Unrealised gains on investments £	Balance 31 March 2017 £
Permanent Endowments				
Endowment fund	632,828	(5,446)	139,645	767,027

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). The permanent Endowment fund incorporates the Dr Gilbert Trust and the Manning Memorial Fund.

16 Restricted Income Funds

	Balances 31 March 2016 £	Income £	Expenditure £	Balances 31 March 2017 £
Tangible fixed asset fund: Restricted	2,520,000	-	(56,000)	2,464,000
GLA Team London: Speed Volunteering	1,000	2,500	(3,500)	-
Advice & Support				
LBTH: Rough Sleepers Services Contract / Safe Connections (NFNO)	-	194,968	(195,065)	(97)
LBTH Safe Connections	-	10,136	(10,136)	-
Marie Celeste Samaritan Society: Hospital Discharge Project	-	23,233	(20,071)	3,162
LHF: EU10 Collaboration in Romania Project	4,085	12,435	(16,520)	-
St Martin-in-the-Fields: grant for client	250	-	(250)	-
Recovery & Progression				
Learning Programme				
Big Lottery Fund	10,895	49,904	(56,411)	4,388
Sage	-	4,000	-	4,000
Other Activities				
LB Tower Hamlets DAAT: Substance Misuse Worker and Needle Exchange	-	23,334	(23,334)	-
LB Tower Hamlets DAAT: RESET, Women's Service	-	103,770	(87,336)	16,434
City of London: RPS	-	16,000	(16,000)	-
Merchant Taylors' Company: Mental Health	-	6,000	-	6,000
Worshipful Company of Cutlers	-	500	-	500
Nelsons: homeopathy service	(720)	8,480	(5,040)	2,720
Oak Foundation	-	79,376	(74,361)	5,015
Rhododendron Trust	-	1,000	-	1,000
Training & Employment				
Streetsmart	-	20,000	-	20,000
City Bridge Trust: Investing in Londoners grant	-	18,000	(13,210)	4,790
Sodexo: Grow, Cook, Eat	10,417	-	(10,417)	-
Esmée Fairbairn Foundation: Grow, Cook, Eat	8,524	18,946	(28,908)	(1,438)
Fund 5 Futures appeal fund	-	9,081	(9,081)	-
Streets of London	7,500	-	(7,500)	-
Young Philanthropists' Syndicate at PWC	-	84	-	84
Social Enterprise incl. Providence Row Bakery ("Rise Bakery")				
City Bridge Trust Stepping Stones grant	9,722	12,050	(15,176)	6,596
Individual donor	503	-	(503)	-
Comic Relief	-	10,000	-	10,000
Total Restricted Income Funds	2,572,176	623,797	(648,819)	2,547,154

17 Unrestricted Funds

	Balances 31 March 2016 £	Income £	Expenditure £	Net transfers between funds £	Balances 31 March 2017 £
Tangible fixed asset fund: Unrestricted	2,919,906	-		56,594	2,976,500
Fixed asset fund: Investment Property	1,397,381	-	-	103,248	1,500,629
Revaluation reserve: Investment Property	3,049,371	-	-	-	3,049,371
Cyclical maintenance and repairs fund	450,000	-	-	(782)	449,218
Other designated funds	91,258	-	(28,191)	-	63,067
Free Reserves					
Contingency fund: Charity running costs	850,000	-	-	-	850,000
General funds	164,525	1,202,058	(1,006,389)	(159,060)	201,134
Sub-total: Free Reserves	1,014,525	1,202,058	(1,006,339)	(159,060)	1,051,134
Total Unrestricted Funds	8,922,441	1,202,058	(1,034,580)	-	9,089,919
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.

Income of £301,000 was received in relation to the settlement of the rights of light (see note 2e).

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). Total transfers into the 'Fixed asset fund: Investment Property' of £100,782 represent the refurbishment works carried out in April/May 2016 which were capitalised.

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

Cyclical maintenance and repairs fund

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

The net decrease in the Cyclical maintenance and repairs fund during the year of £782 breaks down as follows:

- Transfer out to the 'Fixed asset fund: Investment Property' of £100,782 relating to capitalised refurbishment works at Sherrington Mews as noted above;
- Transfer of £100,000 from the General Fund.

Other designated funds

The opening balance of £91,258 represents the balances on several funds. An amount of £50,000 was set aside as at 31 March 2016 in respect of legacy income recognised as receivable during the year where payment has not yet been received from the estate as at the date on which these accounts have been authorised for issue. Since the timing of receipt of this legacy is not yet certain, the Trustees decided to transfer this amount into a designated fund in order to separate it from the charity's free reserves which are required to be backed by cash. As at the balance sheet date payment has not been received but the commercial properties from which this legacy is derived have been sold. In addition, there is the residue of the legacy which was set aside to cover the costs of a new Senior Personal Adviser role and the residue of a generous donation made by the Sisters of Mercy.

During the financial year the following amounts were utilised from the fund:

- Expenditure of £5,658 costs for the Senior Personal Adviser role.
- £23,078 staff costs in relation to the health and wellbeing programme.

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

Providence Row: Trustees' Annual Report and Accounts for the Year Ended 31 March 2017

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

The level of this fund stood at £850,000 as at 31 March 2017.

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.

18 Analysis of Net Assets Between Funds

	Tangible fixed assets £	Investment property £	Other investm'ts £	Current assets less total liabilities £	Total 31 March 2017 £
Endowment fund	-	-	768,477	(1,450)	767,027
Restricted income funds					
Tangible fixed asset fund: Restricted	2,464,000	-	-	-	2,464,000
Other restricted funds	-	-	-	83,154	83,154
Unrestricted funds					
Tangible fixed asset fund: Unrestricted	2,976,500	-	-	-	2,976,500
Fixed asset fund: Investment property	-	1,500,629	-	-	1,500,629
Reval'n reserve: Investment property	-	3,049,371	-	-	3,049,371
Cyclical maintenance and repairs	-	-	449,218	-	449,218
Other designated funds	-	-	51,884	11,183	63,067
Contingency fund	-	-	850,000	-	850,000
General funds	-	-	-	201,134	201,134
	5,440,500	4,550,000	2,119,579	294,021	12,404,100

19 Related Party Transactions

During the year the charity received donations from Trustees and related parties (including the Sisters of Mercy of the Union of Great Britain and the Institute of Our Lady of Mercy) totalling £2,000 (2016: £55,584).