



HELPING HOMELESS AND VULNERABLE PEOPLE SINCE 1860

Trustees' Annual Report and Accounts for the year ended 31 March 2015

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

Key Information about the Charity

Patron

His Grace The Duke of Norfolk

Honorary Vice Presidents

Fr. Peter Harris

Mr Daniel Regan

Mr Richard Sermon

Board of Trustees

Simon Bartley (Chairman) (resigned 10 December 2014)

Elizabeth Canning (Chair from 10 December 2014)

Rita Chakraborty

Simon Cribbens

Sister Evelyn Gallagher

Sister Roisin Kelly

Linda McHugh

Jonathan Mumford (resigned 7 September 2015)

Jonathan Rhodes

Revd. Paschal Ryan

Richard Solomon (Honorary Treasurer)

Paul Strange

Prof. John Walton (resigned 19 November 2014)

Chief Executive Officer & Company Secretary

Pam Orchard

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

2 – 6 Cannon Street

London

EC4M 6YH

Introduction

This document comprises the Trustees' annual report and financial statements of Providence Row for the year ended 31 March 2015. The financial statements appear in the format required by the Companies Act 2006 and the Statement of Recommended Practice (SORP) for Accounting and Reporting by Charities (revised March 2005).

The document is structured in three parts:

Section A: Report of the Trustees
Section B: Independent Auditor's Report
Section C: Financial Statements

Letter from the Chair of Trustees

In December 2014, I took up the role of Chair of Providence Row, having been a long standing Trustee of the charity. We have had a great year and the organisation has, through the hard work of everyone involved, evolved and grown.

The most significant event of 2014/15 was the realisation of a major strategic goal for the charity. This was the purchase of the workshops on Gunthorpe Street, using the proceeds from the sale of our property on Spelman Street in 2013/14. This transaction represents a long term investment in the charity's ability to generate independent income. We have renamed the Gunthorpe Street property Sherrington Mews in memory of Mother Mary Ignatius Sherrington, the Superior of the Convent of Mercy in Crispin Street who led the work of the Providence Row Night Refuge and Home from 1871 almost until her death in 1912.

Alongside our property assets, the charity has seen growth in fundraising and service delivery. We have also piloted our first social enterprise – Providence Row Bakery. Our work is more focused, effective and better evidenced. We are also working more collaboratively with our clients and with partner agencies to do the best job we can for some of London's most vulnerable people.

The work of the charity would not have been possible without the commitment of our long standing Chairman, Simon Bartley. Simon stood down during the year after more than 20 years of dedicated service and we are extremely grateful to him for all that he has done for Providence Row. We were delighted to see him being recognised for his contribution to charity work with an OBE in the Queen's Birthday Honours.


Elizabeth Canning
Chair of the Board of Trustees

Chief Executive's Statement

I've now worked at Providence Row for four years, and during that time there has been a well kempt face in the centre. Susan has an alcohol problem, she is a sex worker, she has the capacity for spiteful tirades of abuse. She always tries to get lunch even if she hasn't been involved in a learning or training activity and the other day I saw her begging outside Aldgate East tube station.

Until recently, Susan lived in the hostel above Providence Row's Dellow Centre. When we started to develop the Learning Programme on site, I really wanted to get her involved. I asked the staff to work hard to tempt Susan to get engaged in some kind of constructive activity for at least 30 minutes. At the time, it seemed like a significant challenge. Nevertheless, over the following six months, the staff achieved this goal and it was brilliant to see Susan getting involved.

Whilst Susan has moved into a different hostel and both her mental health and substance misuse issues remain significant, we know a lot more about her now. She likes a film and, perhaps surprisingly, she really enjoys reading and has a huge interest in literature. A long history of abuse and poor relationships have spiralled out of control and become a way of life. However, she is a person with problems, not a problem person.

Although we will see Susan for a long time to come, there are hundreds of people who we won't see again. They have been helped by the charity to move away from crisis and into a stable, secure life and our annual report provides more information about the achievements of the year.

Making a difference with our clients requires a strong infrastructure, excellent staff and volunteers, money, resources and committed Trustees. Our thanks go to our many supporters and friends, staff and volunteers for their contribution to the success of the charity. Our new three year strategy has a focus on innovation, excellence, growth and enterprise. We look forward to sharing our progress and impact with you next year.



Pam Orchard
Chief Executive Officer

Section A: Report of the Trustees

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 activities which the charity 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 sees the East End of London as a thriving, vibrant area which is a welcoming, friendly and culturally diverse place for people to live, work and visit. When people do experience very significant problems in their lives and have nowhere else to turn, Providence Row is a place they can go for safety, help and support to address what has gone wrong.

Mission

This vision can only truly be achieved if the persistent exclusion and poverty in the area are addressed. Providence Row will work with people, whatever their nationality, ethnicity or religion to help them to an independent and fulfilled life away from homelessness and exclusion, in which they are contributing members of the community. This means that we will address not only their immediate presenting issues, but also the underlying issues and 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 |

Service Provision

During the course of 2014/15, Providence Row provided support to almost 1,000 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.

In 2014/15 we have consolidated our new service configuration and now provide four distinct services. These are:

- **Advice and Support** for people who are homeless or at risk of homelessness (this includes a specialist service for people in hospital who are to be discharged with no home to go to). We also provide a **Resource Centre** for people who are rough sleeping, with breakfast, showers and access to IT.

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.

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- **Recovery and Progression** for people whose mental health and substance misuse issues are affecting their ability to find and stay in accommodation.
- **Training** to help people with complex needs to move into regular learning, volunteering or work.

2 Our Strategy

Strategic Aim 1 (Thriving) Providing a safe, welcoming and high quality environment for vulnerable people; supporting them into a stable, secure and positive way of life.

During the year our new service structure settled into place. This has enabled us to focus on the quality of service delivery. We have a higher proportion of service users from the local area and more women. It has also been possible to develop a more preventative approach. We have made strides with our systems to demonstrate impact, which is providing us with more accurate, robust data from which to continuously improve.

Achievements

The Advice and Support Team

The team provided housing and benefits help to 520 people during the year. Our work with verified rough sleepers continues to develop, working closely with the Outreach Teams in the City of London and Tower Hamlets.

During the year funding arrangements for the service moved from a grant to a tendered contract with a formal service level agreement. This meant that the staff team had to undertake a formal procurement process for the first time.

Our hospital discharge project, "Routes to Roots", which was short-listed for the Andy Ludlow Award, helped 74 people to reconnect to boroughs and communities where they were able to access housing and other help. The project was funded by Tower Hamlets and the Marie Celeste Samaritan Society based at the Royal London Hospital.

The Resource Centre

912 people used the Resource Centre during the year. We have begun work to reduce the number of clients accessing only the Resource Centre, encouraging them to engage in as much of our help as possible.

The Recovery and Progression Service

The Learning Programme was fully rolled out during 2014/15. It engaged 281 people, including 58 in mindfulness, 55 in gardening and 86 in our art workshop. 15 peer mentors, recruited from our clients, helped in the delivery of the programme. A further 73 people improved their English language skills at our centre.

The Tower Hamlets Drug & Alcohol Action Team ('DAAT') delayed their plans to tender out all drug and alcohol services in the borough. Therefore, we continued to deliver our successful needle exchange, harm reduction advice and access to treatment. Alongside this, we provided specialist mental health support, to help people access treatment. 121 clients went on to access the substance misuse and mental health services they needed to overcome the underlying causes of their homelessness. We also began to develop plans to implement "an enabling environment" on site, so that we deliver our services in a way which reflects our values.

Employment and Training

The Catering Trainee Scheme continues to go from strength to strength. 37 people completed the scheme during the year and 11 went on to get jobs, including one person who won "Employee of the Month". The Scheme received an award for Social Inclusion from the Department for Work and Pensions in November 2014.

A new employability programme "Working On It" was also developed to support both trainees and other clients looking for work. This had 191 participants. This programme is supported through volunteers from local companies, who worked alongside over 100 of the Working On It attendees.

Strategic Aim 2 (Dynamic) A leading frontline agency, working in a thoughtful and strategic way with other organisations across all sectors to prevent homelessness.

Achievements

2014/15 saw Providence Row leading a number of important developments in the homelessness sector. Earlier in the year, we led a partnership with Thames Reach and the London Borough of Tower Hamlets to improve our understanding of Polish and Romanian homelessness in London. This involved an innovative exchange programme funded by the London Housing Foundation. It led to us making strong partnership links in both countries. The exchange was the subject of a well-attended dissemination event in January 2015.

In May 2014, The Esmée Fairbairn Foundation awarded the charity just over £100,000 over three years to develop our "Grow, Cook, Eat" programme. This is intended to modernise our approach to food at Providence Row. It builds on the Trainee Scheme and creates opportunities to use food for learning, training, building community, fundraising and generating income.

The Providence Row Bakery continued to grow during the year, delivering to up to six customers, providing training for 20 clients and taking around £4,000 in cake sales. The Bakery has been awarded funding from the City Bridge Trust Stepping Stones initiative to develop and scale up the approach. We will also be developing our room hire on site with this funding.

Alongside the Bakery, 2014/15 saw preparations for the creation of a roof top fruit and vegetable growing garden. This represents "Phase 2" of our gardening initiative and links gardening, training and cooking. After works to resurface our roof, planters were made by clients and placed there ready for soil and planting. The roof garden will produce its first crops for our daily lunch service in 2015/16. The City Bridge Trust also awarded funding for us to extend the Trainee Scheme to gardening.

The charity invested in a Marketing Co-ordinator role to help us to develop our promotion of services. This has included undertaking network analysis, production of service literature and updated web content. This has helped increase Trainee Scheme and Learning Programme participants and the proportion of clients who are from the local area.

The charity had a good year for awards. GL Hearn won the Lord Mayor's Dragon Award for Charity Sustainability in October as a result of their work with us on our property strategy. The Trainee Scheme won the Department for Work and Pensions Social Inclusion award in November, and our Routes to Roots project was shortlisted for the Andy Ludlow Award.

Strategic Aim 3 (Sustainable) Financially robust, independent and sustainable

Achievements

Having sold our Spelman Street property in January 2014, we used the proceeds and an additional £200,000 of funding from reserves to complete the purchase of the Gunthorpe Street Workshops from Toynbee Hall in May 2014. The property is being managed commercially to generate additional independent income for the charity. We invested in buildings improvements to attract new tenants and achieve higher market rents. We have also successfully let out the office space on the third floor of the Dellow Centre. This has generated additional earned income which supports our delivery of frontline services for homeless people, independent from public sector constraints.

Although our operating deficit for the year ('total incoming resources less total resources expended') has increased from £218,115 in 2013/14 to £225,036 in 2014/15², approximately £55,000 of the latter figure was attributable to the operating deficit on the first ten months of ownership of Sherrington Mews, including non-capitalised costs classified as development expenditure. Fundraising income in the year has increased to just over £460,000, only marginally short of its target. The increase in our fundraising income not only helps us towards achieving our aim of reducing our deficit but also enables us to provide more help to our clients. Partnerships with companies have increased significantly and although this has not led to higher income from corporate supporters in 2014/15 it is creating a strong pipeline for future support. One such supporter is Natixis, a City based asset management firm, who have committed to developing a long term relationship with Providence Row. This includes both financial and in-kind/pro bono support. The charity has also extended its relationships within the Catholic Church. During the year we have developed two signature events – "Hand Made" and "Dellow Nights".

During the year, senior and middle managers met each month to discuss how we can work in a more "enterprising" way together. This included starting to plan our services based on a three year horizon, considering marketing, knowledge management and business planning. This process enables us to ensure we are utilising our resources as effectively and flexibly as possible to address homelessness.

² These figures are stated after depreciation charges on tangible fixed assets of £94,886 and £89,456 respectively. The figure given for 2013/14 is stated before the realised gain on disposal of tangible fixed assets (Peter Rigby House in Spelman Street) of £79,859.

Strategic Aim 4 (Effective) Focused, efficient and making a difference

Achievements

A new Human Resources strategy was produced in the year, which provides a structure for developing our staff. Our annual staff survey indicated improved employee satisfaction across the charity and provided guidance as to how we direct resources to ensure we are a great employer and attractive volunteering option.

Volunteering has increased across the charity. This has been as a result of staff identifying additional opportunities to engage volunteers, alongside greater advertising of roles. Team London, part of the GLA with a remit to encourage employer supported volunteering across the capital, launched an initiative called "Speed Volunteering". We have provided a wide range of bite sized supervised volunteering opportunities on site, from litter picking to help with IT, which has led to the recruitment of a number of longer term, regular volunteers. Company team volunteering has also increased again. Volunteers have provided meals, helped out at events, made planters and provided job search advice.

Frontline staff received training in benefits and housing law in 2014, to help develop their skills and knowledge in providing high quality advice to homeless people. With our new service structure it has been possible to create a more robust monitoring framework. This has included a redesign of our database and the development of new key performance indicators. Whilst there is still work to do, we have a firm foundation from which to build in the coming year.

We continue to improve the management of our facilities. During the year we reviewed and updated all of our health and safety policies and procedures and provided briefings for staff. We also invested in our IT for staff, having awarded a new IT support contract to Fluid IT in early 2014.

Our long-standing Chairman, Simon Bartley, stood down after over 20 years of dedicated service as a Trustee of Providence Row. He has overseen the charity developing hugely during that time and his good humour, ambassadorial skills and eye for strategic opportunities will be greatly missed. Elizabeth Canning, a Trustee since 2002 and a senior leader at Pershing, took over as Chair in December 2014. Elizabeth is very committed to the charity and provides pragmatic leadership. We are delighted to have her in this critical role.

Our New Strategy 2015 - 2018

From April 2015 we have been working towards a new three year strategy. The aims and priorities are as follows:

Strategic Aim 1 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.

Advice and Support signposts 200 people each year and helps 700 people each year into housing (250 of whom are Verified Rough Sleepers). We will increase focus on local people; develop systems and staff training; encompass work in Hackney; improve UK and international reconnections; increase emphasis on homelessness prevention and client access to the private rented sector; work more closely with the NHS.

The Resource Centre keeps 600 clients a year in touch with and engaged in services. We will reconfigure and fully fund volunteering in the Welcome Area, including a client ambassador initiative; make capital and IT improvements to support the “enabling environment” and make better use of available space.

Recovery and Progression engages 450 clients with substance misuse and mental health problems, helps 360 clients to improve their health and 200 into community activities to support recovery. We will secure multi-year funding to increase our help for people with substance misuse issues, physical and mental health problems; developing the role of mediation, restorative justice and conflict management with staff, volunteers, clients and partners.

Employment and Training helps 350 people get closer to work, with 50% of participants moving into work, learning or training. We will deliver the food programme “Grow, Cook, Eat”, including the use of gardening on site, room hire and the bakery to generate independent income; acquire new IT to support all employability activity; achieve secure funding for existing employment support, increasing capacity by at least 1 FTE.

Strategic Aim 2 Enterprising: Developing as an “enterprising charity” by undertaking activities which achieve a high degree of independent income and financial sustainability.

We will aim to generate a high level of independent income through the charity’s properties, investments and enterprises.

We will fully implement the use of business skills including financial forecasting, marketing, property management, business planning and project management across the charity including all services and core management functions.

We will continue to grow the charity, responding to tendering and other commercial opportunities which will reflect the values and core objects of the charity.

Strategic Aim 3 Inspiring: Securing financial and in-kind support to deliver existing services and develop new approaches which enable people to overcome severe and multiple disadvantage.

We will increase our community and church fundraising, events funding, major individual giving and company donations. We will also increase multi-year funding to enable us to grow and develop our services for homeless people, based on an additional investment of in the region of £40,000 per annum.

We will create a marketing strategy which raises our profile, demonstrates us as a values led, professional charity, building confidence with key target markets. This will include development of our use of social media, with a direct reach of 5,000, translating into regular financial support.

Strategic Aim 4 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.

We will produce an annually updated HR strategy which guides our investment in an excellent staff team; ensure Providence Row is a great place to work, develops talent and provides stimulating and rewarding volunteering opportunities.

We will ensure excellent organisational governance and management, including our ability to demonstrate impact; use of a well evidenced model of working with people, and efficient management of our Wentworth Street buildings.

We will 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.

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 1860³. 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 the Sisters of Mercy (one Trustee) and their appointment is approved 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 2015 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 Providence Row Charity was known as "Providence Row Night Refuge and Home" until it changed its name on 21 January 2003.

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 three subcommittees:

- Finance
- Fundraising
- Services

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 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 Trustees (with other senior staff as appropriate) and submits for consideration and approval a proposed organisational 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 against objectives at least once a year. The Chief Executive further submits an annual budget to the Trustees for their consideration and approval.

The Chief Executive has formed a Leadership Team consisting of the Chief Executive, the Deputy CEO, the Head of Finance and (until March 2015) the Social Enterprise Development Manager. 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 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 will be exploring how we can ensure 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 Broadway, Tower Hamlets Drug and Alcohol Action Team (DAAT) and Barts Health NHS Trust.

3.4 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 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 are continuing to increase our capacity and experience in public sector tendering, impact monitoring and reporting and generation of income from a wide variety of sources.

Income from voluntary sources such as individuals, trusts 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 high net worth individuals and larger trusts and foundations.

The charity owns a number of property assets, the income from which accounted for approximately 27% of our total income in 2014/15. 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 3-5 year period, representing a potentially significant cash outflow over the medium term. As part of its review of subcommittees, the charity intends to set up a formal Property and Enterprise Working Group made up of trustees, senior management and (where appropriate) external advisors, which will monitor these capital expenditure plans and report regularly to the Finance Subcommittee on their progress and implementation.
- In May 2014 Providence Row acquired the leasehold interest held by Toynbee Hall in the Gunthorpe Street Workshops, a commercial property containing ten light industrial and office units immediately adjacent to the Dellow Centre and in which Providence Row has owned the freehold interest since 1991. Following the purchase, the property has been renamed Sherrington Mews. The charity is aware that in buying out the leasehold interest in this property and so becoming the immediate landlord to the commercial tenants, it is exposed to a greater level of financial and property-related risk than previously, and that it must actively manage these risks with the aid of professional property agents and its legal advisers. 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 and repairs has been undertaken in the first year since acquisition in order to ensure that the property remains attractive, secure and properly maintained. The Property and Enterprise Working Group mentioned above will also closely monitor the management of Sherrington Mews and report thereon 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.

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; Personal Safety, and Lone Working.

4 Staff and Volunteers

The charity currently employs 26 staff.

The charity currently has 17 regular volunteers contributing hours equivalent to 6 full time equivalent roles. Our volunteers during the year to March 2015 have included:

- 26 regular community volunteers (2014: 22)
- 215 employee volunteers from local businesses and the City working alongside our clients and supporting the work of the organisation (2014: approximately 200)
- 13 other "speed volunteers" under the Speed Volunteering Service launched in late 2014 by Team London, the Mayor's volunteering programme for London

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 greater part of the charity's investible cash resources, which are outside the Endowment fund, are managed by its investment advisors and are invested across a range of maturities which balances 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', and the financial rewards for doing so are also limited. 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 2015, the charity's Endowment fund generated an overall return of £66,845 (equating to a total return of +11%), incorporating investment income of £17,690, unrealised gains of £55,304 less a realised loss of £181 and net management fees of £5,968 (2014: total return of £58,254 or +10%). The "gross of fee" return for comparison was c. 12% (2014: +11%). For reference, 12 month total returns to 31 March 2015 for the following benchmark indices were:

- FTSE All Share (UK Equity): +6.6%

- MSCI World index (Global Equity): +19.1%
- WM Charities Index: +12.6%

During the year to 31 March 2015, the charity's managed cash deposit portfolio generated interest income of £21,306 (2014: c. £28,862), equivalent to a return on average balances over the year of c. 1.5% (2014: c. 1.7%). In view of the continuing low interest rate environment, the charity expects its interest income to remain flat or decline somewhat over the coming year.

5.2 Overview of results for the year

The charity's total income for the year of £1,166,374 (2014: £1,051,513) can be analysed as follows:

| | 2014/15 £'000 | % of total income | 2013/14 £'000 | % of total income |
|--|------------------|----------------------|------------------|----------------------|
| Fundraising income * | 460.2 | 39.4% | 398.6 | 37.9% |
| Gifts in kind and donated services | 17.8 | 1.5% | 9.2 | 0.9% |
| Legacies | 25.5 | 2.2% | 69.9 | 6.6% |
| Homelessness Transition Fund | 33.6 | 2.9% | 61.6 | 5.9% |
| Income from investment property | 100.9 | 8.6% | - | - |
| Other investment income | 39.4 | 3.4% | 42.4 | 4.0% |
| Rental income from charitable use property | 214.4 | 18.4% | 207.2 | 19.7% |
| Income from charitable activities (local authority grants) | 251.4 | 21.6% | 251.0 | 23.9% |
| Trading income / room hire income | 14.6 | 1.3% | 5.6 | 0.5% |
| Other income | 8.6 | 0.7% | 5.9 | 0.6% |
| Total income | 1,166.4 | 100.0% | 1,051.5 | 100.0% |

* 'Fundraising income' is made up of: donations and gifts from individuals, corporate supporters and community groups (including Gift Aid, but excluding gifts in kind and donated services), grant income from trusts and foundations, income from fundraising events and 'other public sector grants and awards'. (See note 2 to the financial statements.)

The charity's total expenditure in the year of £1,391,410 (2014: £1,269,628) breaks down as follows:

| | 2014/15 £'000 | % of total expend- iture | 2013/14 £'000 | % of total expend- iture |
|---|------------------|--------------------------------|------------------|--------------------------------|
| Costs of fundraising and communications | 163.4 | 11.7% | 153.5 | 12.1% |
| Costs of investment property management | 126.8 | 9.1% | - | - |
| Other investment management costs | 7.6 | 0.6% | 3.0 | 0.2% |
| Costs of core services, excl. depreciation charges | 752.7 | 54.1% | 718.7 | 56.6% |
| Costs of social enterprise activities, excl. depreciation | 18.5 | 1.3% | - | - |
| Costs of development activities | 172.4 | 12.4% | 242.0 | 19.1% |
| Governance costs | 60.5 | 4.4% | 57.5 | 4.5% |
| Depreciation charges | 89.5 | 6.4% | 94.9 | 7.5% |
| Total expenditure | 1,391.4 | 100.0% | 1,269.6 | 100.0% |

The charity recorded a net deficit (total income less total expenditure before gains and losses on investments) of £225,036 (2014: net deficit of £218,115 before the gain of £79,859 on disposal of Peter Rigby House; net deficit after gain on disposal of Peter Rigby House of £138,256).

After the unrealised gain on revaluation of investment property of £2,313,803 and net gains on other investment assets of £55,123 (2014: £47,972), the net movement in funds of the

Providence Row: Trustees' Annual Report and Accounts for the Year Ended 31 March 2015

charity during the year was a positive movement of £2,143,890 (2014: negative movement of £90,284).

During the year we achieved our highest level of fundraising income (excluding legacies) in recent years, with further growth of c. 42% in income from trusts and foundations (from £195,059 to £277,804) and an increase of almost 45% in net donations from individuals (from £47,237 to £68,300). Partly as a result of focusing efforts on the development of a new high-end fundraising event, we saw a decrease in the level of financial support from corporate donors.

Income from trusts and foundations during the year included the following amounts from major multi-year grants:

- £106,293 from the Big Lottery Fund in support of our Learning Programme (2014: £84,759). This forms part of a four-year grant award totalling £332,878 for the period from August 2013 to July 2017.
- £39,966 from the Esmée Fairbairn Foundation in support of our food programme "Grow, Cook, Eat" and our first social enterprise, Providence Row Bakery. This is the first annual tranche of a three-year grant award totalling £103,985.

During the year we received £33,559 of funding from the Government's Homelessness Transition Fund, the final tranche of a three year award totalling £208,643. This final part of the grant funding enabled us:

- To continue to fund the post of Social Enterprise Development Manager, completing the project to acquire the Gunthorpe Street Workshops and working to establish Providence Row Bakery; and
- To fund part of the feasibility and due diligence work in relation to the Gunthorpe Street Workshops.

Overall our total income from public sector sources in 2014/15 (including local authority contracts and grants, the Homelessness Transition Fund and other grants and awards) amounted to £294,477 (2014: £312,614), equivalent to 25.2% of total income (2014: 29.7%).

The charity's independently generated investment and rental income increased significantly from £249,628 in 2013/14 to £354,744 in 2014/15 and from 23.7% to 30.4% as a proportion of total income. The change is predominantly attributable to the acquisition of the Gunthorpe Street Workshops (now 'Sherrington Mews') as an investment property in May 2014.

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

- In our first ten months of ownership the costs of management of the Sherrington Mews property of £126,827 exceeded investment property income of £100,949. This was partly as a result of several units remaining vacant for part of the period. The property is currently fully occupied and the charity expects to generate a net operating surplus from this investment in future periods.
- The increase in costs attributable to core services of almost 5% is primarily attributable to an increase in total office and premises support costs from £171,913 in 2013/14 to £203,705 in 2014/15 and an increase from 61.3% to 64.7% in the allocation of these costs to core services as the share of development activities in total direct costs has declined.

- This year our expenditure on development activities is c. 29% lower than in 2013/14 (£172,438 compared to £241,974). The principal items of direct development costs in 2014/15 were:
 - Costs of staff involved in generating new external sources of income and related development activity of £44,968;
 - Non-capitalised expenditure associated with the development and improvement of the Sherrington Mews property, including decoration and repair costs and legal fees, totalling £31,752; and
 - Staff costs for the development of social enterprise activities of £51,257.

5.3 Reserves policy

Providence Row has reviewed its reserves policy 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.

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 2015, the Endowment Fund amounted to £666,661.

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 15 to the financial statements.

The net book value of fixed assets whose original acquisition or costs of construction were funded by restricted income is reflected in the fund 'Tangible fixed asset fund: Restricted' (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'). At 31 March 2015 this fund stood at £2,576,000.

Designated funds

As at 31 March 2015, 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'. As at 31 March 2015, this fund stood at £2,935,072.

Fixed asset fund: 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') has been reclassified as investment property and the carrying value of the previously encumbered freehold interest in the property of £143,665 has been transferred from the 'Tangible fixed asset fund: Unrestricted' to the new 'Fixed asset fund: Investment Property' as at 30 May 2014. Also at that date an amount of £1,150,000 was transferred from the Development reserve to the 'Fixed asset fund: Investment Property', representing the consideration paid to acquire Toynbee Hall's leasehold interest in the property. In addition, amounts totalling £46,208 have been transferred to this fund in the year from the Development reserve and from General funds, representing the capitalised costs of transaction fees and improvements to the property.

As an investment property, the charity's interest in Sherrington Mews has been revalued to market value as at the year end, with an unrealised gain on investment of £2,313,803 credited to the 'Fixed asset fund: Investment Property'. Consequently, as at 31 March 2015 the fund stood at £3,653,676.

Development reserve

A designated 'Development reserve' is held to ensure that the charity is able to take advantage of development opportunities which will help to ensure the sustainability of the charity in the longer term.

Of the brought forward balance on this fund at 1 April 2014 of £1,293,264, an amount of £1,150,000 was utilised to purchase the leasehold interest held by Toynbee Hall in the Gunthorpe Street Workshops and transferred to the 'Fixed asset fund: Investment Property' (see note above).

Of the remaining balance of £143,264, the following amounts have been expended or transferred in the year:

- Expenditure of £44,968 to cover the key staff costs incurred in continuing to develop new sources of external income, especially in developing relationships with larger trusts and foundations;
- Expenditure of £29,952 on certain non-capitalised costs associated with the development and improvement of the Sherrington Mews property, including decoration and repair costs and legal fees; and
- Transfers to the 'Fixed asset fund: Investment Property' of £19,928 representing the capitalised costs of transaction fees and certain improvements made to the Sherrington Mews property.

As at 31 March 2015 the balance on this fund stood at £48,416. It is intended to utilise this amount for further required improvements to the Sherrington Mews property during 2015/16.

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, an amount of £95,856 was utilised to fund the capital costs of a complete replacement and resurfacing of the roof of the Dellow Centre, so that the balance on the fund has fallen to £204,144 at 31 March 2015.

Based on initial advice from surveyors, the Trustees believe that the Cyclical maintenance and repairs fund will need to be increased to a higher level from future income in order to be adequate to meet the costs of necessary capital maintenance and equipment replacement required over the coming 3-5 years due to the age and nature of our buildings.

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'. The Trustees have reviewed the level of this fund as at 31 March 2015, 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
- A contingency for redundancy costs

As a result of this review, the Trustees have decided to hold the level of this fund at £800,000 as at 31 March 2015, equating to between eight and nine months of planned prospective cash operating expenditure for the charity excluding the Sherrington Mews property.

Other designated funds

The opening balance as at 1 April 2014 on 'Other designated funds' of £30,551 represents funds set aside in earlier periods from two legacies to contribute to the funding of key aspects of our Learning Programme, essential staff training and the development of the Providence Row Bakery social enterprise. Of this amount, £18,275 was expended during the year and £1,195 was invested in a delivery bicycle for the bakery. A further sum of £849 has been set aside to spend in 2015/16. The Trustees have decided to transfer the remaining balances on these designated funds amounting to £10,232 back to General funds as at the year end.

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 liquid cash deposits).

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 £950,000.

Providence Row: Trustees' Annual Report and Accounts for the Year Ended 31 March 2015

This compares to the actual level of free reserves at 31 March 2015 of £910,977 (2014: £988,514). Based on anticipated outturn for 2015/16, the charity expects that its level of free reserves will increase above the target level during the current financial year.

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 14 to 18 to the financial statements.

6 Statement of Trustees' Responsibilities

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:

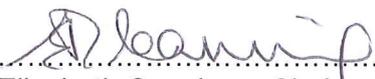
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 8th October 2015 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 2015 which comprise the Statement of Financial Activities, the Balance Sheet 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).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its incoming resources and application of resources, including 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 the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

.....
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: 14th October 2015

Section C: Financial Statements

Statement of Financial Activities for the year ended 31 March 2015 (incorporating an income and expenditure account)

| Income and Expenditure | Notes | General Funds £ | Designated Funds £ | Restricted Funds £ | Endow-ment Fund £ | Total 2015 £ | Total 2014 £ |
|--|----------|--------------------|-----------------------|-----------------------|----------------------|--------------------|--------------------|
| Incoming Resources | | | | | | | |
| <i>Incoming resources from generated funds</i> | 2 | | | | | | |
| Voluntary income: donations and gifts | | 153,304 | 2,000 | 30,187 | - | 185,491 | 199,954 |
| Legacies | | 25,489 | - | - | - | 25,489 | 69,949 |
| Grant income from trusts and foundations | | 47,208 | - | 230,596 | - | 277,804 | 195,059 |
| Homelessness Transition Fund grant | | - | - | 33,559 | - | 33,559 | 61,614 |
| Other public sector grants and awards | | 2,000 | - | 7,487 | - | 9,487 | - |
| Fundraising events | | 5,126 | - | - | - | 5,126 | 12,816 |
| Investment income | | 140,354 | - | - | - | 140,354 | 42,404 |
| Rental income (charitable use properties) | | 214,390 | - | - | - | 214,390 | 207,224 |
| <i>Incoming resources from charitable activities</i> | 2 | | | | | | |
| Activities funded by local authority grants / contracts | | - | - | 251,431 | - | 251,431 | 251,000 |
| <i>Other incoming resources</i> | | 23,243 | - | - | - | 23,243 | 11,493 |
| Total incoming resources | | 611,114 | 2,000 | 553,260 | - | 1,166,374 | 1,051,513 |
| Resources Expended | | | | | | | |
| <i>Costs of generating funds</i> | | | | | | | |
| Fundraising and communications | | (162,327) | - | (1,051) | - | (163,378) | (153,536) |
| Investment management costs | | (127,996) | - | (480) | (5,968) | (134,444) | (2,984) |
| <i>Costs of charitable activities</i> | | | | | | | |
| Advice and support for homeless people | | (114,134) | (17,339) | (278,063) | - | (409,536) | (430,474) |
| Learning, training, and specialised services for homeless people | | (146,020) | (20,216) | (264,633) | - | (430,869) | (383,121) |
| Social enterprise activities | | (10,924) | (1,278) | (8,017) | - | (20,219) | - |
| Development activities | | (44,781) | (87,818) | (39,839) | - | (172,438) | (241,974) |
| <i>Governance costs</i> | | (53,254) | - | (7,272) | - | (60,526) | (57,539) |
| Total resources expended | 3 | (659,436) | (126,651) | (599,355) | (5,968) | (1,391,410) | (1,269,628) |
| Total incoming resources less total resources expended | | (48,322) | (124,651) | (46,095) | (5,968) | (225,036) | (218,115) |
| Net gains on tangible fixed assets | | | | | | | |
| Realised gains on disposal | | - | - | - | - | - | 79,859 |
| Net outgoing resources before transfers between funds | | (48,322) | (124,651) | (46,095) | (5,968) | (225,036) | (138,256) |
| Transfers between funds | 15,16,17 | (29,215) | 35,306 | (6,091) | - | - | - |
| Net outgoing resources before other recognised gains and losses | | (77,537) | (89,345) | (52,186) | (5,968) | (225,036) | (138,256) |
| Unrealised gains on investment property | 7 | - | 2,313,803 | - | - | 2,313,803 | - |
| Net gains (losses) on other investments | | | | | | | |
| Realised | 14 | - | - | - | (181) | (181) | 12,748 |
| Unrealised | 8,14 | - | - | - | 55,304 | 55,304 | 35,224 |
| Net movement in funds | | (77,537) | 2,224,458 | (52,186) | 49,155 | 2,143,890 | (90,284) |
| Fund balances at beginning of period | | 188,514 | 5,417,699 | 2,667,996 | 617,506 | 8,891,715 | 8,981,999 |
| Fund balances at 31 March | | 110,977 | 7,642,157 | 2,615,810 | 666,661 | 11,035,605 | 8,891,715 |

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 14 – 17 of the financial statements.

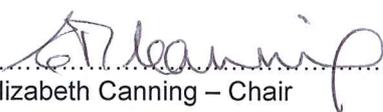
Providence Row: Trustees' Annual Report and Accounts for the Year Ended 31 March 2015

Registered company number: 07452798
Charity number: 1140192

**Balance Sheet
as at 31 March 2015**

| | Notes | 2015 £ | 2014 £ |
|--|-------|-------------------|------------------|
| Fixed Assets | | | |
| Tangible fixed assets | 6 | 5,511,072 | 5,625,884 |
| Investment property | 7 | 3,653,676 | - |
| Other investments | 8 | 1,777,179 | 1,831,367 |
| Current Assets | | | |
| Debtors | 9 | 251,600 | 126,206 |
| Cash at bank and in hand | 10 | 39,710 | 1,396,804 |
| | | 291,310 | 1,523,010 |
| Current Liabilities | | | |
| Amounts falling due within one year | 11 | (167,087) | (88,546) |
| Net Current Assets | | <u>124,223</u> | <u>1,434,464</u> |
| Total Assets Less Current Liabilities | | 11,066,150 | 8,891,715 |
| Long Term Creditors | | | |
| Amounts due after more than one year | 12 | (30,545) | - |
| Net Assets | | <u>11,035,605</u> | <u>8,891,715</u> |
| Funds | | | |
| Endowment Fund | 14 | 666,661 | 617,506 |
| Restricted Income Funds | | | |
| Tangible fixed asset fund: Restricted | 15 | 2,576,000 | 2,632,000 |
| Other restricted income funds | | 39,810 | 35,996 |
| | | 2,615,810 | 2,667,996 |
| Designated Funds | | | |
| Tangible fixed asset fund: Unrestricted | 16 | 2,935,072 | 2,993,884 |
| Fixed asset fund: Investment Property | | 3,653,676 | - |
| Development reserve | | 48,416 | 1,293,264 |
| Cyclical maintenance and repairs fund | | 204,144 | 300,000 |
| Contingency fund: Charity running costs | | 800,000 | 800,000 |
| Other designated funds | | 849 | 30,551 |
| | | 7,642,157 | 5,417,699 |
| General Funds | 17 | <u>110,977</u> | <u>188,514</u> |
| Total Funds | 18 | <u>11,035,605</u> | <u>8,891,715</u> |

The financial statements on pages 25 to 41 were approved by the Board of Trustees
on 8th October 2015 and signed on its behalf by:


Elizabeth Canning – Chair


Richard Solomon – Honorary Treasurer

The notes on pages 27 to 41 form an integral part of these financial statements.

Notes to the Financial Statements For the year ended 31 March 2015

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. They comply with the reporting requirements of the Companies Act 2006, 'Accounting and Reporting by Charities: Statement of Recommended Practice' issued by the Charity Commission in March 2005 ("SORP 2005") and all applicable UK accounting standards.

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. Incoming resources

All incoming resources are credited to the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. Where grants are received which relate to a specific future period, these are deferred.

Voluntary donations and gifts, grants and interest income are recognised on a receivable basis. Rental income from property leases is recognised on a receivable basis; the aggregate cost of lease incentives is recognised as a reduction to the rental income over the relevant lease term on a straight-line basis. Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain, i.e. when confirmation has been received from the representatives of the estates that payment of the legacy will be made and once all conditions attached to the legacy have been fulfilled. Income from events and activities for generating funds is recognised when the event takes place. Gift Aid recoverable is included in income on an accruals basis where there is a valid Gift Aid declaration from the donor.

Gifts in kind are recognised as income when brought into use by the charity. Gifts in kind and donated services and facilities 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.

c. Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Support costs, which are not directly attributable to generating funds, charitable activities or governance, are allocated to those categories on a basis consistent with the use of resources. Support costs include: senior general management (where not allocated as a direct cost to specific activities); financial, human resources and premises management; budgeting, accounting and payroll administration; information technology, office, general and administration costs, and depreciation charges.

Fundraising and communications expenditure

Fundraising and communications costs are those incurred in raising voluntary donations and gifts, together with the cost of communications and publicity and of organising events and activities for generating funds. This category excludes the costs of developing long-term relationships with certain grant-making trusts, foundations and statutory bodies, which are classified under 'Development expenditure' (see below).

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 and managing agents' fees.

Development expenditure

Development expenditure relates to costs incurred in developing new opportunities to extend the range of the charity's services to beneficiaries or to enhance the sustainability of the charity in the long term. It includes the costs of developing long-term relationships with certain grant-making trusts, foundations and statutory bodies. It also includes the costs of certain improvements, repairs, legal expenses and staff costs incurred in connection with the development of investment property.

Governance costs

Governance costs are those associated with the strategic direction and management of the charity, compliance with legal obligations and the charity's constitutional documents as well as ensuring proper public accountability, as opposed to day to day management of the charity's operations. Governance costs include the costs of preparing statutory accounts, external audit fees, the cost of Trustees' meetings and fees for general legal advice to the Trustees.

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 gifts in kind, the value to the charity – see note 1b above) is £500 or greater.

e. Fixed asset investments

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. All gains and losses are dealt with as part of the funds to which they relate.

Investment property assets are shown in the balance sheet at their open market value and are not depreciated. Changes in value of investment property arising in the period are taken to the SOFA and are reflected in the 'Fixed asset fund: Investment property' (Designated funds).

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. 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 Asset Investments' (see note 8, '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 monies 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 as they fall due.

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 recovered 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).

k. Cash flow statement

The charity has taken advantage of the exemption in FRS1 from the need to prepare a cash flow statement, on the grounds that it is a "small company".

2 Incoming Resources

a. Incoming resources from generated funds

| | Unrestricted funds £ | Restricted funds £ | 2015 Total £ | 2014 Total £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Individuals | 66,642 | 1,658 | 68,300 | 47,237 |
| Corporate donors | 26,324 | 28,203 | 54,527 | 102,981 |
| Community | 30,806 | - | 30,806 | 31,501 |
| Gift Aid reclaimed | 13,774 | 326 | 14,100 | 8,991 |
| Gifts in kind / donated services and facilities | 17,758 | - | 17,758 | 9,244 |
| Legacies | 25,489 | - | 25,489 | 69,949 |
| Trusts and foundations | 47,208 | 230,596 | 277,804 | 195,059 |
| Homelessness Transition Fund grant | - | 33,559 | 33,559 | 61,614 |
| Other public sector grants and awards | 2,000 | 7,487 | 9,487 | - |
| Fundraising events | 5,126 | - | 5,126 | 12,816 |
| Investment income | 140,354 | - | 140,354 | 42,404 |
| Rental income (charitable use properties) | 214,390 | - | 214,390 | 207,224 |
| Total incoming resources from generated funds | 589,871 | 301,829 | 891,700 | 789,020 |

NB: The individual income categories above exclude gifts in kind and donated services and facilities, which are broken out separately in the table

Investment income includes rent and service charge income from commercial tenants at Sherrington Mews, the investment property acquired in May 2014 (formerly known as the Gunthorpe Street Workshops), as well as income from the charity's Endowment fund investments and cash deposits.

Rental income (charitable use properties) includes rent of £124,440 (2014: £120,000) from Providence Row Housing Association ('PRHA') in relation to the Dellow Centre hostel operated by PRHA on the charity's main Gunthorpe Street / Wentworth Street freehold premises. Other rental income in this category includes: premises costs apportionment charges to PRHA; rents and service charges receivable from other tenants for use of office space in the main charitable use freehold properties of the charity, and rents from long term leases granted.

b. Incoming resources from charitable activities

| | 2015 £ | 2014 £ |
|---|----------------|----------------|
| Local authority contracts and grants: | | |
| LB Tower Hamlets: Advice & Support – Rough Sleepers Services | 194,875 | 194,500 |
| LBTH Drug & Alcohol Action Team: Substance Misuse Worker and Needle Exchange Services | 40,556 | 40,500 |
| City of London: Recovery & Progression Service | 16,000 | 16,000 |
| Total incoming resources from charitable activities | 251,431 | 251,000 |

All of the above amounts were included in Restricted Funds and were fully expended in the year.

3 Total Resources Expended

| | Direct costs £ | Support costs £ | 2015 Total £ | 2014 Total £ |
|---|----------------------|-----------------------|--------------------|--------------------|
| Costs of generating funds | | | | |
| Fundraising and communications | 115,189 | 48,189 | 163,378 | 153,536 |
| Investment management costs | 134,444 | - | 134,444 | 2,984 |
| Costs of charitable activities | | | | |
| Advice and support for homeless people | 266,152 | 143,384 | 409,536 | 430,474 |
| Learning, training and specialised services for homeless people | 280,300 | 150,569 | 430,869 | 383,121 |
| Social enterprise activities | 10,540 | 9,679 | 20,219 | - |
| Development activities | 127,977 | 44,461 | 172,438 | 241,974 |
| Governance costs | 43,966 | 16,560 | 60,526 | 57,539 |
| Total resources expended | 978,568 | 412,842 | 1,391,410 | 1,269,628 |

Support Costs

Support costs can be analysed as follows:

| | Staff costs £ | Office/ premises costs £ | Deprec- iation £ | 2015 Total £ | 2014 Total £ |
|---|---------------------|-----------------------------------|------------------------|--------------------|--------------------|
| Costs of generating funds | | | | | |
| Fundraising and communications | 20,392 | 27,797 | - | 48,189 | 41,038 |
| Costs of charitable activities | | | | | |
| Advice and support for homeless people | 36,408 | 64,230 | 42,746 | 143,384 | 144,559 |
| Learning, training and specialised services for homeless people | 37,909 | 67,642 | 45,018 | 150,569 | 129,137 |
| Social enterprise activities | 5,444 | 2,543 | 1,692 | 9,679 | - |
| Development activities | 13,578 | 30,883 | - | 44,461 | 56,863 |
| Governance costs | 5,950 | 10,610 | - | 16,560 | 13,594 |
| Total | 119,681 | 203,705 | 89,456 | 412,842 | 385,191 |

4 Staff Costs

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Wages and salaries | 733,023 | 698,662 |
| Employer's National Insurance costs | 70,581 | 69,918 |
| Pension costs – defined contribution | 9,910 | 12,080 |
| Other staff costs (including redundancy, recruitment and training) | 18,681 | 41,816 |
| Total | 832,195 | 822,476 |

During the year there was one employee whose gross salary fell within the banding £60,000 to £69,999 (2014: one). Employer payments in the year to a defined contribution pension scheme in respect of this employee totalled £3,282 (2014: £3,250).

No member of the Board of Trustees received remuneration for their services during the year (2014: none). No Trustee received reimbursement of expenses incurred for services provided to the charity

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during the year (2014: none). Details of transactions with connected parties of trustees are disclosed in note 19.

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

| | 2015 | 2014 |
|---|-------------|-------------|
| Function | | |
| Fundraising, communications, publicity and events | 2.7 | 2.7 |
| Charitable activities (excluding Development) | 14.6 | 15.2 |
| Charitable activities: Development | 2.1 | 2.5 |
| Governance/Finance/Support | 3.1 | 3.0 |
| Total | 22.5 | 23.4 |

5 Costs of Audit Services

| | 2015 £ | 2014 £ |
|---------------------------|---------------|---------------|
| Audit fee: | | |
| Current year | 12,478 | 11,880 |
| Prior year underprovision | 165 | 453 |
| Total | 12,643 | 12,333 |

No other services were provided by the auditors during the year (2014: none).

6 Tangible Fixed Assets

| | Freehold land and buildings in use £ | Freehold properties let on long leases £ | Office furniture and equipment £ | Computer equipment £ | Total £ |
|--|--|--|--|----------------------------|------------|
| Cost or 'Fair Value' on incorporation¹ | | | | | |
| Balance at 1 April 2014 | 5,362,312 | 450,000 | 35,727 | 13,384 | 5,861,423 |
| Additions | 95,856 | - | 14,358 | 8,095 | 118,309 |
| Disposals | - | - | (3,489) | - | (3,489) |
| Transfer to Investment Property ² | - | (150,000) | - | - | (150,000) |
| Balance at 31 March 2015 | 5,458,168 | 300,000 | 46,596 | 21,479 | 5,826,243 |
| Accumulated depreciation | | | | | |
| Balance at 1 April 2014 | 193,304 | 12,594 | 24,209 | 5,432 | 235,539 |
| Charge for the year | 71,080 | 2,313 | 8,903 | 7,160 | 89,456 |
| Disposals | - | - | (3,489) | - | (3,489) |
| Transfer to Investment Property ² | - | (6,335) | - | - | (6,335) |
| Balance at 31 March 2015 | 264,384 | 8,572 | 29,623 | 12,592 | 315,171 |
| Net book value | | | | | |
| At 31 March 2015 | 5,193,784 | 291,428 | 16,973 | 8,887 | 5,511,072 |
| At 31 March 2014 | 5,169,008 | 437,406 | 11,518 | 7,952 | 5,625,884 |

¹ See note 1d(i).

² Represents transfer to "Fixed asset investments: Investment property" of the net book value of the charity's previously encumbered freehold interest in the Gunthorpe Street Workshops at 30 May 2014 of £143,665 (see notes 7 and 16 below).

'Freehold land and buildings in use' at 31 March 2015 includes £2,000,000 of land that is not depreciated (2014: £2,000,000).

All assets were used for charitable purposes.

7 Investment Property

| | 2015 Cost £ | 2015 Market value £ | 2014 Cost £ | 2014 Market value £ |
|---|-------------------|------------------------------|-------------------|------------------------------|
| Balance at 1 April 2014 | - | - | - | - |
| Add: Transfers from Tangible Fixed Assets | 143,665 | 143,665 | - | - |
| Add: Acquisitions | 1,150,000 | 1,150,000 | - | - |
| Add: Capitalised transaction costs | 11,636 | 11,636 | - | - |
| Add: Additions at cost | 34,572 | 34,572 | - | - |
| Unrealised gain on revaluation | - | 2,313,803 | - | - |
| Balance at 31 March 2015 | 1,339,873 | 3,653,676 | - | - |

The charity's investment property was valued as at 31 March 2015 by Strettons Limited, a professional firm of Chartered Surveyors external to Providence Row. The property was valued on the basis of its existing commercial use and subject to the existing tenancies.

8 Other Investments

| | 2015 Cost £ | 2015 Market value £ | 2014 Cost £ | 2014 Market value £ |
|--|-------------------|------------------------------|-------------------|------------------------------|
| Unitised investments held within Endowment fund | | | | |
| Balance at 1 April 2014 | 489,722 | 608,101 | 445,826 | 562,788 |
| Less: Disposals | (40,668) | (70,333) | (126,771) | (160,578) |
| Add: Acquisitions | 66,600 | 66,600 | 170,667 | 170,667 |
| Unrealised gains on revaluation | - | 55,304 | - | 35,224 |
| Balance at 31 March 2015 | 515,654 | 659,672 | 489,722 | 608,101 |
| Cash deposits | 1,117,507 | 1,117,507 | 1,223,266 | 1,223,266 |
| Total other investments at 31 March 2015 | 1,633,161 | 1,777,179 | 1,712,988 | 1,831,367 |

Investments exceeding 5% of market value of fixed asset investments (excluding investment property and cash deposits) as at 31 March were:

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Schroder QEP Global Active Value Fund | 174,081 | 154,226 |
| Schroder QEP Global Quality Fund | 159,646 | 137,061 |
| Schroder Charity Equity Fund | 76,758 | 72,524 |
| Trojan Income Fund | 74,947 | 69,425 |
| Old Mutual UK Alpha Fund | 68,741 | - |
| Aberdeen (formerly 'SWIP') Foundation Growth Fund | 66,592 | 64,515 |
| Schroder UK Alpha Plus Fund | - | 70,333 |

9 Debtors

| | 2015 £ | 2014 £ |
|--|----------------|----------------|
| Long term debtors (receivable after more than one year) | | |
| Rent deposits held by agents | 30,545 | - |
| Short term debtors | | |
| Trade debtors | 150,706 | 63,791 |
| Other debtors | 22,309 | - |
| Staff loans ("Cycle to work" scheme) | 422 | - |
| Prepayments | 35,135 | 7,181 |
| Accrued income | 12,483 | 55,234 |
| Total Debtors | 251,600 | 126,206 |

10 Cash at Bank and in Hand

Cash balances at 31 March 2014 totalling £1,396,804 included an amount of £1,150,000 which was used to fund the purchase of the leasehold interest in the Gunthorpe Street Workshops property (subsequently renamed "Sherrington Mews") in May 2014 (see notes 7 and 16).

11 Current Liabilities: Amounts Falling Due Within One Year

| | 2015 £ | 2014 £ |
|-------------------------|----------------|---------------|
| Trade creditors | 67,838 | 17,603 |
| Tax and social security | 20,828 | 19,102 |
| Accruals | 72,171 | 45,591 |
| Deferred income | 6,250 | 6,250 |
| Total | 167,087 | 88,546 |

12 Long Term Creditors: Amounts Falling Due After More Than One Year

| | 2015 £ | 2014 £ |
|--|---------------|-----------|
| Rent deposits held from commercial tenants | 30,545 | - |
| Total | 30,545 | - |

13 Operating Lease Commitments

Amount payable in the next 12 months under non-cancellable operating leases for leases expiring:

| | 2015 £ | 2014 £ |
|--------------------------------------|-----------|-----------|
| <i>Office Equipment:</i> | | |
| Within one year | - | 59 |
| In one to two years | 2,794 | - |
| In two to five years | - | 2,794 |
| <i>Other Machinery and Equipment</i> | | |
| In one to two years | 3,312 | - |
| In two to five years | - | 3,312 |

14 Endowment Fund

| | Balance 1 April 2014 £ | Net investment managem't fees £ | Realised losses on investments £ | Unrealised gains on investments £ | Balance 31 March 2015 £ |
|-----------------------------|------------------------------|---|---|--|-------------------------------|
| Permanent Endowments | | | | | |
| Endowment fund | 617,506 | (5,968) | (181) | 55,304 | 666,661 |

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.

15 Restricted Income Funds

| | Balance 1 April 2014 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance 31 March 2015 £ |
|--|---------------------------------|----------------------------|----------------------------|----------------|----------------------------------|
| Tangible fixed asset fund: Restricted | 2,632,000 | - | (56,000) | - | 2,576,000 |
| Homelessness Transition Fund | 2,045 | 33,559 | (35,604) | - | - |
| Torstone Technology: Website Support | 1,171 | - | (1,171) | - | - |
| GLA Team London: Speed Volunteering | - | 7,487 | (4,991) | - | 2,496 |
| Shanly Foundation: staff training | - | 1,600 | - | - | 1,600 |
| Advice & Support | | | | | |
| LBTH: Rough Sleepers Services Grant / Contract | - | 194,875 | (194,875) | - | - |
| LHF: EU10 Exchange Project | 2,637 | 13,100 | (15,737) | - | - |
| Marie Celeste Samaritan Society: Hospital Project | - | 14,667 | (14,667) | - | - |
| Streets of London: Hospital Project | - | 12,500 | (12,500) | - | - |
| Sir Harold Hood's Trust: Hospital Project | - | 3,000 | (3,000) | - | - |
| Halebury: breakfast service | - | 750 | (750) | - | - |
| Sister Winnie Fund: practical help to clients | 711 | 63 | (523) | - | 251 |
| Reed Smith LLP: translation services | 1,303 | - | - | - | 1,303 |
| Recovery & Progression | | | | | |
| Learning Programme | | | | | |
| Big Lottery Fund | 18,382 | 106,293 | (99,952) | (2,230) | 22,493 |
| Reed Smith LLP | 2,834 | - | (2,834) | - | - |
| M&G Investments | - | 7,500 | (7,500) | - | - |
| St John Southworth Fund | 2,579 | - | (2,579) | - | - |
| Young Philanthropists' Syndicate at PwC | - | 2,091 | (2,091) | - | - |
| The Finnis Scott Foundation | - | 3,220 | (3,220) | - | - |
| Other Activities | | | | | |
| The Tinder Foundation: IT workshops | - | 1,750 | (1,750) | - | - |
| Souter Charitable Trust: Mental Health | - | 4,000 | (4,000) | - | - |
| Individual donor: Employability | - | 200 | (200) | - | - |
| City of London Grant: RPS | - | 16,000 | (16,000) | - | - |
| LB Tower Hamlets DAAT: Substance Misuse Worker and Needle Exchange | - | 40,556 | (40,556) | - | - |
| M&G Investments: English Classes | 334 | - | (334) | - | - |
| Sodexo: Grow, Cook, Eat | - | 7,500 | (7,500) | - | - |
| Training & Employment | | | | | |
| Worshipful Company of Fan Makers | - | 2,000 | (2,000) | - | - |
| Streetsmart | - | 10,000 | (10,000) | - | - |
| Evan Cornish Foundation | - | 3,000 | (3,000) | - | - |
| The Haberdashers' Company | - | 10,000 | (10,000) | - | - |
| The Wenhaston Charitable Trust | - | 200 | (200) | - | - |
| Individual donors | - | 1,721 | (1,721) | - | - |
| Andaz Hotel | - | 362 | (362) | - | - |
| Esmée Fairbairn Foundation: Grow, Cook, Eat | - | 39,966 | (29,713) | (1,078) | 9,175 |
| The Charlotte Bonham Carter Trust | 3,000 | - | (3,000) | - | - |
| Charlotte Marshall Charitable Trust | 1,000 | 1,500 | (1,000) | - | 1,500 |
| Tower Hill Trust | - | 3,800 | (25) | (2,783) | 992 |
| Providence Row Bakery | | | | | |
| Reed Smith LLP | - | 10,000 | (10,000) | - | - |
| Total | 2,667,996 | 553,260 | (599,355) | (6,091) | 2,615,810 |

16 Designated Funds - Unrestricted

| | Balance 1 April 2014 £ | Net outgoing resources before transfers £ | Net Transfers between funds £ | Unrealised gains on revaluation £ | Balance 31 March 2015 £ |
|---|------------------------------|--|---|--|----------------------------------|
| Tangible fixed asset fund: Unrestricted | 2,993,884 | (31,456) | (27,356) | - | 2,935,072 |
| Fixed asset fund: Investment Property | - | - | 1,339,873 | 2,313,803 | 3,653,676 |
| Development reserve | 1,293,264 | (74,920) | (1,169,928) | - | 48,416 |
| Cyclical maintenance and repairs fund | 300,000 | - | (95,856) | - | 204,144 |
| Contingency fund charity running costs | 800,000 | - | - | - | 800,000 |
| Other designated funds | 30,551 | (18,275) | (11,427) | - | 849 |
| Total | 5,417,699 | (124,651) | 35,306 | 2,313,803 | 7,642,157 |

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.

Net outgoing resources of £31,456 are stated net of incoming resources of £2,000 representing the value of certain items of catering equipment and crockery generously donated to the charity by the Andaz Hotel.

Net transfers out of £27,356 are made up of:

- Transfer out to the new "Fixed asset fund: Investment Property" of £143,665. This represents the net book value of the charity's freehold interest in the Gunthorpe Street Workshops property as at 30 May 2014. On that date, Providence Row completed the purchase, for investment purposes, of the leasehold interest held in the property by Toynbee Hall for the agreed purchase price of £1,150,000. Consequently Providence Row's ownership of the Gunthorpe Street Workshops, since renamed "Sherrington Mews", has been reclassified as investment property and the carrying value of the previously encumbered freehold interest has been transferred from the "Tangible fixed asset fund: Unrestricted" to the "Fixed asset fund: Investment Property". The leasehold title acquired from Toynbee Hall, which was due to expire in 2084, was formally determined in October 2014.
- Transfer in from the Cyclical maintenance and repairs fund of £95,856, representing the capitalised costs of replacing the flat roof of the Dellow Centre property during the year.
- Transfers in from General funds of £13,167, representing the cost of office equipment and computer equipment purchased from General funds.
- Transfer in from "Other designated funds" of £1,195, representing the cost of a bakery delivery bicycle purchased from these funds; and
- Transfers in from restricted funds of £6,091, representing the costs of equipment purchased from restricted income funds.

Fixed asset fund: Investment Property

This fund represents the market value of the charity's investment property, Sherrington Mews (formerly known as the Gunthorpe Street Workshops). Total transfers in of £1,339,873 are made up of:

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- Transfer in from 'Tangible fixed asset fund: Unrestricted' of £143,665, representing the carrying value of Providence Row's previously encumbered freehold interest in the property as at 30 May 2014 (see above);
- Transfer in from the Development reserve of £1,150,000, representing the purchase consideration paid for the acquisition of the leasehold interest held by Toynbee Hall in the Gunthorpe Street Workshops;
- Transfers in from the Development reserve representing the capitalised amounts of directly attributable transaction costs and certain improvements made to the property totalling £19,928; and
- Transfers in from General funds totalling £26,280 representing the capitalised costs of certain improvements made to the property.

The unrealised gain on revaluation of £2,313,803 represents the difference between (i) the elements of the carrying value of the property summarised above totalling £1,339,873 and (ii) the assessed market value of the property as at 31 March 2015 (see note 7).

Development reserve

This represents sums set aside by the Trustees to ensure that the charity is able to take advantage of development opportunities which will help to ensure the sustainability of the charity in the longer term. Amounts expended during the year ended 31 March 2015 of £74,920 are made up of:

- Costs of staff involved in generating new external sources of income and related development activity, totalling £44,968; and
- Non-capitalised development expenditure associated with the improvement of the Sherrington Mews property, including decoration and repair costs and legal fees, totalling £29,952.

Transfers out from the Development reserve during the year totalling £1,169,928 are made up of:

- Transfer out to the "Fixed asset fund: Investment Property" of £1,150,000, representing the purchase consideration paid for the acquisition of the leasehold interest held by Toynbee Hall in the Gunthorpe Street Workshops (see note above);
- Transfers out to the "Fixed asset fund: Investment Property" representing the capitalised amounts of directly attributable transaction costs and of certain improvements made to the Gunthorpe Street Workshops property totalling £19,928.

It is intended to invest the remaining balance on the Development reserve as at 31 March 2015 of £48,416 in further required improvements to the Sherrington Mews property during 2015/16.

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 transfer out of the Cyclical maintenance and repairs fund during the year of £95,856 represents the transfer to the "Tangible fixed asset fund: Unrestricted" of the capitalised costs of replacing the flat roof of the Dellow Centre property (see note above).

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

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- 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
- A contingency for redundancy costs

Other designated funds

The opening balance of £30,551 represents funds set aside in earlier periods from two legacies to contribute to the funding of key aspects of our Learning Programme, essential staff training and the development of the Providence Row Bakery social enterprise. Of this amount, £18,275 was expended during the year and £1,195 was invested in a delivery bicycle for the bakery. A further sum of £849 has been set aside to spend in 2015/16. The Trustees have decided to transfer the remaining balance on these designated funds amounting to £10,232 back to General funds as at the year end.

Total transfers out from "Other designated funds" of £11,427 are therefore made up of:

- Transfer out of £1,195 to "Tangible fixed asset fund: Unrestricted" in respect of the bakery delivery bicycle (see note above); and
- Transfer of unexpended balances of £10,232 to General funds at year end.

17 General Funds - Unrestricted

| | Balance 1 April 2014 £ | Net outgoing resources for the period before transfers £ | Net transfers between funds £ | Balance 31 March 2015 £ |
|---------------|------------------------------|---|--|-------------------------------|
| General funds | 188,514 | (48,322) | (29,215) | 110,977 |

Net transfers out from General funds totalling £29,215 are made up of:

- Transfers out totalling £13,167 to the designated fund 'Tangible fixed asset fund: Unrestricted' (see above);
- Transfers out totalling £26,280 to the "Fixed asset fund: Investment Property" representing the capitalised costs of certain improvements made to the Sherrington Mews property (see above); and
- Transfer in from "Other designated funds" of £10,232 (see note above).

18 Analysis of Net Assets Between Funds

| | Tangible fixed assets £ | Investment property £ | Other investm'ts £ | Current assets less total liabilities £ | Total 31 March 2015 £ |
|--|----------------------------------|-----------------------------|--------------------------|---|--------------------------------|
| Endowment fund | - | - | 667,910 | (1,249) | 666,661 |
| Restricted funds | | | | | |
| Tangible fixed asset fund: Restricted | 2,576,000 | - | - | - | 2,576,000 |
| Other restricted funds | - | - | - | 39,810 | 39,810 |
| Designated funds | | | | | |
| Tangible fixed asset fund: | | | | | |
| Unrestricted | 2,935,072 | - | - | - | 2,935,072 |
| Fixed asset fund: Investment property | - | 3,653,676 | - | - | 3,653,676 |
| Development reserve | - | - | 48,416 | - | 48,416 |
| Cyclical maintenance and repairs | - | - | 204,144 | - | 204,144 |
| Contingency fund charity running costs | - | - | 800,000 | - | 800,000 |
| Other designated funds | - | - | - | 849 | 849 |
| General funds | - | - | 56,709 | 54,268 | 110,977 |
| | 5,511,072 | 3,653,676 | 1,777,179 | 93,678 | 11,035,605 |

19 Related Party Transactions

Jonathan Rhodes has been a Trustee of Providence Row since 1 January 2014. Jonathan is Director and Head of Valuation and also a shareholder of G.L. Hearn Limited, the property consultancy. In April 2014 G.L. Hearn carried out two buildings insurance reinstatement valuation surveys for the charity, for which the firm was paid £950 + VAT on standard commercial terms. As at 31 March 2015 there were no amounts outstanding between Providence Row and G.L. Hearn Ltd.