

**Resource for London**

**Report and Financial Statements**

**31 December 2020**

**Resource for London**

**Contents**

**For the year ended 31 December 2020**

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**Resource for London**

**Reference and administrative details**

**For the year ended 31 December 2020**

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<b>Company number</b>	02676631
<b>Charity number</b>	1015305
<b>Registered office</b>	4 Chiswell Street London EC1Y 4UP
<b>Operational address</b>	356 Holloway Road London N7 6PA
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:  Lynda Stevens (Chair) Stephen Burns Denise Joseph Kevin Pease Michael Raibin Julian Rouse (resigned 1 April 2020) Wilf Weeks
<b>Company Secretary</b>	Carol Harrison (Director of Finance and Administration of Trust for London)
<b>Centre Manager</b>	Mark Deakin
<b>Auditors</b>	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

**Solicitors**

Farrer & Co LLP  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

Birketts LLP  
22 Station Road  
Cambridge  
Cambridgeshire  
CB1 2JD

Hewitsons LLP  
Exchange House  
482 Midsummer Boulevard  
Central Milton Keynes  
MK9 2EA

**Bankers**

Lloyds Bank plc  
39 Threadneedle Street  
London  
EC2R 8AU

## **Resource for London**

### **Report of the trustees**

#### **For the year ended 31 December 2020**

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The trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP FRS102).

#### **Foreword**

After what has been the most challenging year for Resource for London since it was established in 1992, and indeed the whole of the Charity Sector and the country at large, it is pleasing to report that the Charity is able to re-open fully the Covid-secure Centre as soon as the current UK Government restrictions are eased. We look forward to welcoming old and new tenants and meeting room clients back to the Centre and resuming and restoring business as soon possible in 2021.

The financial impact of Covid 19 on Resource for London is detailed in these accounts. The Charity's income was significantly reduced in 2020 and it has suffered a loss of £145k. The Charity's reserves have been reduced to £352k at 31 December 2020. However early in the year we recognised that this is a time when the Sector has to come together; we have worked hard to provide support and guidance to Tenants; and have been delighted that the Centre has been utilised for regular blood donor sessions during the pandemic.

Throughout the year we have been closely scrutinising and controlling our costs and the Ethical Property Company (EPC), which manages the building on a day-to-day basis, has utilised the UK Government's Coronavirus Job Retention Scheme to support and retain most of the Centre's staff in 2020; regrettably 7 members of the EPC team have been made redundant. The savings arising from the Job Retention Scheme have been passed on to Resource for London by EPC.

We are grateful to all the staff at the Centre for their efforts during a difficult year. We hope that the sound management of the Charity in past year means we are well placed to resume all of the Centre's activities in 2021.

We are really appreciative of the support of the Trust for London, our parent body; we would not have faced 2021 as optimistically without the Trust's help. We most sincerely thank the Trust for the support it has given us and in turn our Tenants and clients working for the disadvantaged of London.

#### **Overview**

Resource for London provides office space and meeting rooms to London based charitable organisations at an affordable rent at 356 Holloway Road, London N7 under a fifteen-year lease granted in 2017 and renewed in 2019 by Trust for London (UK registered charity 205629). Resource for London (RfL) is a wholly owned subsidiary of Trust for London, the largest independent charitable foundation funding work which tackles poverty and inequality in the capital

The Centre is managed by the Ethical Property Company (EPC). EPC works closely with RfL's Board.

## **Structure, governance and management**

RfL is a charitable company limited by guarantee, incorporated on 10 January 1992 and registered as a charity on 23 November 1992.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give freely of their time and no Trustee remuneration was paid in the year. Note 3 to the accounts provides the nil disclosure for Trustee remuneration and related party transactions. Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises in accordance with policy. New Trustees that join the Resource for London Board are inducted by the Chair. Trustees are recruited based on their professional background and commitment to Resource for London's objectives.

All new Board members are appointed on five-year terms, normally with a maximum of two terms.

The Trustees are aware of the Charity Governance Code published in July 2017. In 2019 the Trustees commissioned a full report on the Charity's status in complying with the Code. The main finding of the report identified the need for the Charity to codify its Trustee related policies which it did in 2020. The Trustees are aware the code was updated in December 2020 and will continue to monitor the Charity's application of the revised code in 2021.

Resource for London has given due consideration to the Code of Fundraising Practice and Charity Commission Guidance on Fundraising and notes that the Charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

## **Risk Management**

The Trustees are responsible for risk management at RfL, reviewing and updating the register of risks, monitoring risks and establishing control measures to mitigate the likelihood and impact of these risks. Major risks are monitored at each meeting of the Board. The risks are reviewed under governance, operational, financial, external, compliance and environmental. The most significant risk identified is the Charity's dependence on its income sources, namely the charitable and voluntary sector. This risk is mitigated by close monitoring of the cashflow, the budget and the market. The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen the risks.

The most significant risks are as follows:

At the Board meeting in January 2020 Covid-19 was identified as a potential major risk to be added to the Risk Register. It was recognised that it could impact significantly on RfL's income streams (rental, service charges and meeting room bookings). The Ethical Property Company (EPC) was asked to monitor the situation closely and review the potential impact on cashflows.

In early March 2020 the Trustees established a Covid-19 Working Group comprising a sub-group of RfL Trustees and EPC staff responsible for the management of the Centre, in order to support EPC staff in managing the Centre during the Covid 19 pandemic in accordance with UK Government restrictions. Whilst Tenants have continued to access their Covid-secure offices, many have experienced financial difficulties during this period, and, successive Government lockdowns have also had a significant impact on meeting room bookings. We have worked hard throughout the year to support office tenants; service charges were reduced by 25% between April and August 2020 and we have provided free fundraising and business planning sessions. In addition, Ethical Property Company, which employs and manages all personnel has taken steps to reduce staff costs making use of the Government's furlough scheme as required. The Board has also sought to reduce other variable costs as far as possible.

Contingency plans were developed in late summer 2020 to assist the Board and EPC in operating and managing the Centre in a continuing uncertain environment; the plans identify trigger points for further actions. The Covid-19 Working Group continues to meet monthly to work together to meet ongoing challenges in 2021.

Competition from similar organisations - RfL's Board monitors customer service feedback to ensure high levels of satisfaction are maintained. We periodically benchmark our office rent and meeting room charges against the wider market to ensure RfL's social impact objective of providing affordable office and meeting space is achieved.

Failure to maintain building in a good condition - The Board commissioned a 10-year condition survey by an independent specialist in 2015 which was updated in 2019. These reports are used to prioritise major repairs and improvement works each year and to monitor planned maintenance works

Dependency on Income Sources - Office voids and tenancy turnover, and meeting room demand and lettings are reviewed regularly by the Board.

### **Objectives and Activities**

We have given due consideration to the Charity Commission's published guidance on the Public Benefit requirements under the Charities Act 2011 when reviewing our aim and objectives and in planning our future activities.

The object of Resource for London is to benefit the public by the promotion and improvement of the efficiency and effectiveness of charitable organisations.

In delivering this object Resource for London's Centre provides office space and meeting rooms to London based charitable organisations at affordable rents. It is where London's voluntary sector comes together to work, meet and exhibit - a key hub for the sector for the last 26 years. It delivers outstanding social impact within the voluntary sector in many ways. It is home to up to 22 organisations addressing poverty and inequality in the capital by leading campaigns or providing services and support. Our Tenants currently include Hibiscus, Shelter, the Equality Trust and St Giles Trust. In addition, Resource for London provides free desk space as part of its grant funded Enhance project. During the year this gave 15 small and start up Black, Asian, Minority Ethnic and Refugee (BAMER) community organisations a base to work from with support around governance and fundraising.

Conferencing and meeting room space was booked by a diverse range of organisations for training, seminars and AGMs. Whilst the 2020 pandemic lockdowns resulted in charities moving their meetings and events online many of our customers tell us that they plan to return in 2021 once the restrictions are lifted with a proportion adopting a hybrid model of both face-to-face and online approaches. The diversity of charities and other not-for-profit organisations that choose Resource for London for their events is very striking and they range from small, often volunteer lead community groups to major national charities.

The Ethical Property Company provides day-to-day management of the Centre and during the year the staff team has provided a friendly, efficient reliable service including putting in place all measures required to keep staff and customers safe. The Centre has been certified as a Covid-safe venue by the MIA (Meeting Industry Association).

In early 2020 Resource for London hosted two exhibitions which included a collaboration with Galop as part of LGBT History Month to celebrate positive individual contributions to the community. We also worked with another RfL tenant, Student Actions for Refugees (STAR), for an exhibition highlighting the ban on refugees and asylum seekers from working which leads to many being left in poverty and destitution for months or even years

The Board of Resource for London has been investing more than £200k a year in the building for some years to maintain and improve the Centre, however the impact of the pandemic on income meant that only essential works could be carried out in 2020. Past improvements to the heating and lighting systems have resulted in reduced utility costs and in turn lower service charges for tenants.

In addition to providing affordable office and meeting space RfL is committed to improving the effectiveness of the voluntary sector in London more generally through initiatives such as our Enhance Project. This provides capacity building activities for London's voluntary sector with a focus on small to medium sized not for profit organisations.

Once again, we thank the Trust for London most sincerely for its generous support for our work. Throughout a very challenging 2020 it has continued to demonstrate its full commitment to RfL, our aims and plans for the future. The Trust for London and Resource for London share the aim of tackling poverty and inequality in the capital. The pandemic has highlighted and exacerbated the gap between rich and poor as well as the disproportionate health impact on people from ethnic minority communities and refugees. In our respective ways both organisations are working to address the stark inequalities that the pandemic has brought to the fore.

### **Achievements and performance**

In January 2020 the Centre was fully tenanted and Tenants continued to pay their rent and service charges throughout the year during which EPC staff have maintained regular contact with them. There have been no cases of Covid 19 linked to the Centre and a number of Tenants have had some employees working in the Centre throughout the year, an indication that there is confidence in the cleaning regimes. At the end of the year RfL the Centre was 80% tenanted and empty office space was being actively marketed. Seven Tenants benefitted from tailored fundraising and business planning support sessions with the aim of improving their sustainability. By the end of 2020 new funding was secured for four of these Tenants.

In 2020 Resource for London had a total of 156 clients for the meeting space with 40 of these being new customers. All who provided feedback said that they would book again or recommend Resource for London; they rated their overall experience as 'excellent' or 'good'. The key reasons for customers choosing the Centre as a venue are suitability of the rooms for their purpose, value for money and location.

The overall financial outturn for the year was a loss of just under £150K. Whilst office rental income held up fairly well the meeting room income was down by two thirds on 2019 levels owing to Covid-19. Fortunately, the charity had a reasonable level of reserves going into the pandemic which have been used to sustain Centre throughout 2020. Looking ahead restrictions on meetings and gatherings will remain in place throughout the first half of 2021 with recovery post lockdown restrictions starting in the second half of the year. Early indications of a recovery in meeting room income are encouraging.

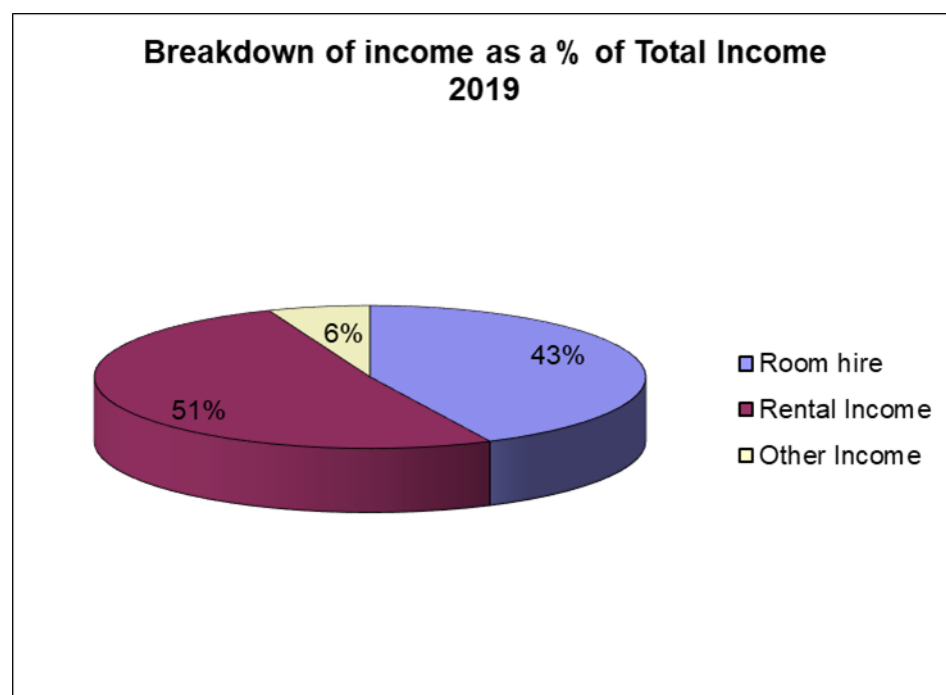
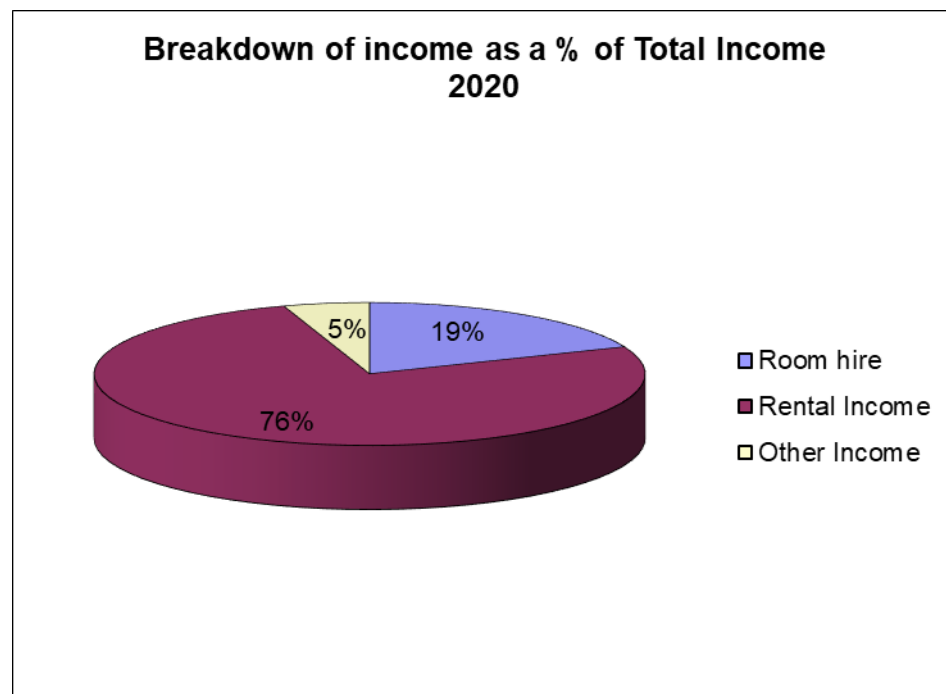
In November 2020 an application to Awards for All for 'Enhance Response' was successful enabling Resource for London to offer support to London's BAMER community groups given the challenges presented by the pandemic. The funding is being used to provide free sessions to community groups so that they can develop plans and make the changes needed to help communities affected by the coronavirus. In the same month we learned that a major bid to the City Bridge Trust for our Enhance project had been approved. This will pay for an extensive programme of capacity building for the capital's smaller BAMER, Traveller and LGBTQ+ organisations, and women's groups over the next five years. We are planning an extensive programme of conferences and training events, 'London Calling': new web and other digital communications designed to strengthen the voice of London's small and start up third sector and free flexible free office space for small and start up community organisations. We look forward to working in partnership with a range of Resource for London tenants and others on these initiatives.



## Financial review

### Income

In general, room hire contributed about 19% of income, rental income 76% and miscellaneous income 5%. This is significantly different to 2019 because of the impact of Covid-19 on meeting room income.



In the year ended 31 December 2020 unrestricted funds reduced by £148,407. Total expenditure from unrestricted funds decreased to £1,102,411 from £1,346,036 in 2019, which is mainly due to the reduction in income and the need to fund essential works only during the year. The total charity funds decreased in 2020 from £497,215 to £352,238.

Rents (2020: £300,000; 2019: £300,000) are paid to Trust for London as landlord of 356 Holloway Road under the terms of the lease.

### **Reserves policy**

Total funds at 31 December 2020 amounted to £352,238 compared to £497,215 in 2019. Restricted funds at 31 December 2020 totalled £12,969, leaving £339,269 unrestricted reserves. Free reserves, after discounting the net book value of fixed assets and designated funds, are £381,495 (2019: £354,804).

### **General reserves**

Resource for London has a target to build unrestricted reserves to a level sufficient to ensure adequate working capital for the operations of the business without recourse to external capital. The working capital requirements have been identified as three months of operating costs. This is considered sufficient to safeguard the charity under challenging operating conditions. This is calculated as 25% of unrestricted expenditure included in the 2020 budget, being £284,900.

The unrestricted reserves of £339,269 (2019: £487,676) is fully allocated to the general reserve. This exceeds the target for general reserves.

### **Going Concern**

After reviewing the Charity's forecasts and projections, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Throughout 2020 our operations have been impacted by the pandemic. A number of actions have been taken to ensure operations can continue and ensure sufficient financial resources are in place to meet the day to day needs of the Charity including utilisation of the Government's Coronavirus Job Retention Scheme, receipt of retail, hospitality and leisure grants, suspension of all discretionary spend and deferral of rent payments to Trust for London. We have also set up a system to provide financial support to Tenants who are in financial difficulty to assist them in this period and hopefully so that they remain sustainable Tenants in the longer term.

We have prepared a revised cash forecast to the end of April 2022 which considers our cash position, sources of income and planned expenditure. This includes the impact of the pandemic on operations together with assumptions around recovery during 2021. This forecast considers reduced income from meeting rooms and catering services and the cash impact of providing support to tenants as well as from savings identified from other measures noted above. The Board has scrutinised the key assumptions within this forecast and is satisfied that the cash reserves are adequate to meet the Charity's obligations as they fall due.

The financial statements have been prepared on a going concern basis on the grounds that Trust for London, the ultimate parent charity, will continue to support Resource for London by providing flexibility around the timing of rental payments due under the agreed lease.

### **Plans for future periods**

Our vision is for Resource for London is to be a vibrant hub for activities addressing inequality. We look forward to the lifting of Covid 19 lockdown restrictions, to re-opening fully the Centre and welcoming old and new tenants and meeting room clients back into the Centre. We plan to increase support for joint working between office tenants and those organising their meetings at the Centre and for small and emerging charities in London by working in partnerships and developing projects to meet their needs

and ensure that they have access to the resources they need to thrive; we will also deliver an exciting programme of talks, arts events and other activities designed to attract people from across the capital. We hope also to secure further grants from trusts and other sources for new projects that reflect our vision for the Centre.

Having recently completed a major survey of the building we are clear about the priorities for building works required to maintain and improve the building to ensure that Resource for London continues to be the first choice for organisations planning their meetings, training sessions and conferences. We will continue to invest in the fabric of our Centre in line with the recommendations of our property advisers. In 2021 this will include a new lift and further improvements to the heating and ventilation systems. Where possible we will seek grant funding for special projects with the refurbishment of the large glass dome that sits above our Dome Room a priority.

Everyone involved with Resource for London including Ethical Property and Trust for London, remains committed to realising the potential for the Centre in the years ahead. The RfL Board is committed to ensuring that the Centre returns to generating a sufficient annual surplus such that the Charity is financially sustainable. Whilst meeting this objective, the charges it makes will need to remain competitive with the wider market and be affordable for the voluntary sector.

### **Disclosure of information to auditors**

The trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and the trustees have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### **Statement of responsibilities of the trustees**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

In so far as each trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and each trustee has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

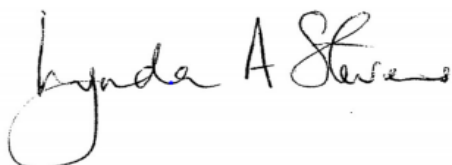
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 1 (2019 - 1). The trustees are not members of the charity therefore they have no entitlement to voting rights. The trustees have no beneficial interest in the charity.

#### **Auditor**

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year.

Approved by the trustees on 22<sup>nd</sup> April 2021 and signed on their behalf by

A handwritten signature in black ink, reading "Lynda A Stevens". The signature is written in a cursive style with a large initial 'L'.

Lynda Stevens  
Chair

## **Independent auditor's report to the Members of Resource for London**

### **Opinion**

We have audited the financial statements of Resource for London (the "charitable company") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept; or
- 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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 2-6, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were relevant health and safety and other legislation in connection with operating as a commercial landlord.

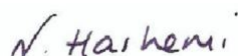
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of rent and service charge income, authorisation and approval of expenditure transactions and the override of controls by management. Our audit procedures to respond to these risks included enquiries of the managing partner, Ethical Property Company, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Naziar Hashemi  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor

20 May 2021

**Resource for London****Statement of financial activities****For the year ended 31 December 2020**

	Note	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total £	2019 Total £
<b>Income</b>					
Income and endowments from:					
Charitable activities	2	953,984	10,000	963,984	1,572,240
Investments		20	-	20	32
<b>Total Income</b>		<b>954,004</b>	<b>10,000</b>	<b>964,004</b>	<b>1,572,272</b>
<b>Expenditure</b>					
<b>Expenditure on:</b>					
Charitable activities	3	920,720	6,570	927,290	1,157,485
Other	3	181,691	-	181,691	219,288
<b>Total Expenditure</b>	3	<b>1,102,411</b>	<b>6,570</b>	<b>1,108,981</b>	<b>1,376,773</b>
<b>Net income/(expenditure)</b>		<b>(148,407)</b>	<b>3,430</b>	<b>(144,977)</b>	<b>195,499</b>
<b>Reconciliation of funds</b>					
Funds brought forward at 1 January		487,676	9,539	497,215	301,716
Funds carried forward at 31 December	10	339,269	12,969	352,238	497,215

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The notes on pages 19 to 24 form part of these financial statements



**Resource for London**  
**Company Number 02676631**  
**Balance sheet**

**For the year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets:</b>			
Tangible assets	5	187,774	132,872
<b>Total fixed assets</b>		<b>187,774</b>	<b>132,872</b>
<b>Current assets:</b>			
Debtors	6	145,770	193,955
Cash at bank and in hand		417,574	525,458
<b>Total current assets:</b>		<b>563,344</b>	<b>719,413</b>
<b>Liabilities</b>			
Creditors: Amount falling due within one year	7	(168,880)	(355,070)
<b>Net current assets</b>		<b>394,464</b>	<b>364,343</b>
Creditors: Amount falling due after one year	8	(230,000)	-
<b>Total net assets</b>		<b>352,238</b>	<b>497,215</b>
<b>The funds of the charity</b>	10		
Restricted income funds		12,969	9,539
Unrestricted funds		339,269	487,676
<b>Total charity funds</b>		<b>352,238</b>	<b>497,215</b>

Approved by the trustees on 22 April 2021 and signed on their behalf by



Lynda Stevens  
Chair

The notes on pages 19 to 25 form part of these financial statements.

**Resource for London****Cash flow statement****For the year ended 31 December 2020**

	<b>2020</b> £	2019 £
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	<u>(24,797)</u>	<u>219,191</u>
<b>Cash flows from investing activities:</b>		
Bank interest	<b>20</b>	32
Purchase of property, plant and equipment	<u>(83,107)</u>	<u>(20,960)</u>
Net cash (used in) investing activities	<u>(83,087)</u>	<u>(20,928)</u>
<b>Cash flows from financing activities:</b>		
Repayment of loan to parent charity	<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(107,884)</b>	198,263
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<u><b>525,458</b></u>	<u>327,195</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><b>417,574</b></u>	<u><b>525,458</b></u>

	<b>2020</b> £	2019 £
<b>Reconciliation of net income to cash flow from operating activities</b>		
<b>Net income for the year ended 31 December 2020</b>	<b>(144,977)</b>	195,499
<b>Adjustments for:</b>		
Depreciation charges	<b>28,205</b>	24,134
Bank interest	<b>(20)</b>	(32)
Decrease/(increase) in debtors	<b>48,185</b>	11,355
Increase/(decrease) in creditors	<u><b>43,810</b></u>	<u>(11,765)</u>
<b>Net cash provided by operating activities</b>	<u><b>(24,797)</b></u>	<u><b>219,191</b></u>

	<b>2020</b> £	2019 £
<b>Analysis of cash and cash equivalents and net debt</b>		
Cash in hand	<u><b>417,574</b></u>	<u>525,458</u>
<b>Total cash and cash equivalents and net debt</b>	<u><b>417,574</b></u>	<u><b>525,458</b></u>

## Resource for London

### Notes to the financial statements

#### For the year ended 31 December 2020

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##### Entity Details

Resource for London is a charitable company limited by guarantee, incorporated within England and Wales on 10 January 1992 and registered as a charity on 23 November 1992 and is a Public Benefit Entity.

Company Number : 02676631

Charity Number : 1015305

Registered Address : 4 Chiswell Street, London, EC1Y 4UP.

All decisions are made by the Trustees of Resource for London. Some day to day decisions are delegated to The Ethical Property Company.

#### 1. Accounting policies

##### a) Basis of Accounting

The accounts (financial statements) have been prepared in accordance with the Charities SORP applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006.

The financial statements have been prepared on a going concern basis.

Throughout 2020 our operations have been impacted by the pandemic. A number of actions have been taken to ensure operations can continue and ensure sufficient financial resources are in place to meet the day to day needs of the Charity including utilisation of the Government's Coronavirus Job Retention Scheme, receipt of retail, hospitality and leisure grants, suspension of all discretionary spend and deferral of rent payments to Trust for London. We have also set up a system to provide financial support to Tenants who are in financial difficulty to assist them in this period and hopefully so that they remain sustainable Tenants in the longer term.

We have prepared a revised cash forecast to the end of April 2022 which considers our cash position, sources of income and planned expenditure. This includes the impact of the pandemic on operations together with assumptions around recovery during 2021. This forecast considers reduced income from meeting rooms and catering services and the cash impact of providing support to tenants as well as from savings identified from other measures noted above. The Board has scrutinised the key assumptions within this forecast and is satisfied that the cash reserves are adequate to meet the Charity's obligations as they fall due.

The financial statements have been prepared on a going concern basis on the grounds that Trust for London, the ultimate parent charity, will continue to support Resource for London by providing flexibility around the timing of rental payments due under the agreed lease.

Having regard to the above, the trustees are satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

##### b) Charitable activities income - rents, hiring, service charge income and similar income

Rents, hiring, service charge income and similar income are shown exclusive of value added tax (VAT). rental income, conference income and service charge income is recognised on a daily basis in line with the use of the facilities. Deposit income from hiring is deferred to the extent that it is receivable in relation to a future booking.

c) **Investment income**

Interest income is accounted for on a receivable basis.

d) **Rents payable and reserves**

Included in expenditure is rents payable to Trust for London. A rent is paid to Trust for London for the premises. Further rent can then be payable based on the surplus in the audited annual accounts, as adjusted to allow for capital expenditure, working capital, recovery of unrestricted reserves and any other adjustments agreed with Trust for London. Liabilities are recognised as a constructive obligation arises.

Costs relating to central operations are classed as Charitable Activities. Costs relating to the buildings service charge are classed under other; these costs are charged to tenants through the Service Charge as per their lease. Resource for London splits costs under the following headings in the management accounts; Services, Staff and Management, and Administration Costs.

e) **Fund accounting**

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Designated funds are part of unrestricted funds which have been designated by the Trustees for a specific administrative purpose. Restricted funds have donor-imposed restrictions and are used accordingly.

f) **Taxation**

Resource for London satisfies the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

g) **Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included in historic costs. Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated economic useful lives as follows:

Leasehold improvements	4%
Fixtures and fittings	20%
Computer equipment	25%

h) **Operating lease**

Operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**Grant Policy**

Grant income is recognised when the charity becomes unconditionally entitled to the grant. Grants receivable which are subject to donor imposed restrictions are recorded as restricted funds in the statement of financial position.

j) **Accounting judgements and sources of estimation**

In the application of the charity's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

**2. Other trading activities**

	2020 £	2019 £
Rents, hiring and similar income	745,816	1,308,119
Service charge income	183,168	245,121
Grant income	35,000	19,000
	<u>963,984</u>	<u>1,572,240</u>

£25,000 grant received from Islington Council in 2020 as part of a Covid-19 support scheme.

**3. Expenditure**

	Depreciation £	Direct Costs £	2020 Total £	2019 Total £
Charitable activities - centre operations	28,205	899,085	927,290	1,157,485
Other - service charge expenses	-	181,691	181,691	219,288
	<u>28,205</u>	<u>1,080,776</u>	<u>1,108,981</u>	<u>1,376,773</u>

The staff at the Centre are employed by The Ethical Property Company, the managing agent. Resource for London does not employ any members of staff.

The trustees received no remuneration in the year (2019: none).

Fees payable in relation to the statutory audit in 2020 were £6,089 (2019: £5,877).

**4. Taxation**

Resource for London is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**5. Tangible fixed assets**

	Leasehold Improvements £	Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 January 2020	114,610	1,549,186	136,048	1,799,844
Additions	37,875	-	45,232	83,107
Disposals	-	-	-	-
At 31 December 2020	<u>152,485</u>	<u>1,549,186</u>	<u>181,280</u>	<u>1,882,951</u>
<b>Depreciation</b>				
At 1 January 2020	10,388	1,532,313	124,271	1,666,972
Charge for the year	5,259	7,161	15,785	28,205
Eliminated on disposal	-	-	-	-
At 31 December 2020	<u>15,647</u>	<u>1,539,474</u>	<u>140,056</u>	<u>1,695,177</u>
<b>Net book value</b>				
At 31 December 2020	<u>136,838</u>	<u>9,712</u>	<u>41,224</u>	<u>187,774</u>
At 31 December 2019	<u>104,222</u>	<u>16,873</u>	<u>11,777</u>	<u>132,872</u>

All fixed assets are held for charitable purposes.

**6. Debtors**

	<b>2020</b>	2019
	<b>£</b>	£
Trade debtors	<b>28,003</b>	80,526
Prepayments	<b>95,298</b>	102,631
Accrued income	<b>8,469</b>	10,798
VAT debtor	<b>14,000</b>	-
	<b><u>145,770</u></b>	<u>193,955</u>

Debtors shown net of a provision for doubtful debts of £11,495 (2019: £8,675).

**7. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£</b>	£
Trade creditors	<b>33,725</b>	116,903
Other creditors	<b>57,407</b>	86,405
Accruals	<b>41,212</b>	37,036
Deferred income	<b>36,536</b>	10,566
Amounts owed to parent charity	<b>-</b>	104,160
	<b><u>168,880</u></b>	<u>355,070</u>

**8. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£</b>	£
Amount owed to parent charity	230,000	-

Amounts owed to parent charity represent rent due under a collections agreement.

**9. Deferred income**

	<b>£</b>
Brought forward at 1st January 2020	<b>10,566</b>
Received during the year	<b>36,536</b>
Release of deferred income in the year	<b><u>(10,566)</u></b>
Carried forward at 31st December 2020	<b><u>36,536</u></b>

	2020 £	2019 £
<b>10. Restricted funds</b>		
Restricted funds balance at 1 January	<b>9,539</b>	21,276
Grant received during the year	<b>10,000</b>	19,000
Expenditure	<b><u>(6,570)</u></b>	<u>(30,737)</u>
Restricted funds balance at 31 December	<b><u>12,969</u></b>	<u>9,539</u>

**Net assets split between funds**

2020	Restricted	Unrestricted	Total
Fixed assets	-	187,774	<b>187,774</b>
Net current assets	12,969	381,495	<b>394,464</b>
Creditors: amounts falling due after one year	-	(230,000)	<b><u>(230,000)</u></b>
	<b><u>12,969</u></b>	<b><u>339,269</u></b>	<b><u>352,238</u></b>
<b>2019</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
Fixed assets	-	132,872	<b>132,872</b>
Net current assets	9,539	354,804	<b>364,343</b>
Creditors: amounts falling due after one year	-	-	-
	<b><u>9,539</u></b>	<b><u>487,676</u></b>	<b><u>497,215</u></b>

Restricted funds are held for the Enhance Project.

**11. Operating lease commitments****A - Operating lease commitment to parent charity.**

	2020 Land and Building £	2019 Land and Building £
Total rental payable commitments under operating leases which expire:		
Under 1 year	-	<b>300,000</b>
Between 2 – 5 years	<b>1,275,451</b>	<b>1,292,063</b>
Over 5 years	<b><u>2,718,647</u></b>	<b><u>3,528,352</u></b>

Lease payments are recognised in the statement of financial activities in 2020.

**B - Operating lease commitments from tenants.**

	<b>2020</b>	<b>2019</b>
	<b>Land and Building</b>	<b>Land and Building</b>
	<b>£</b>	<b>£</b>
Rental commitments receivable under operating leases which expire or tenant break dates if sooner:		
Under 1 year	<b>203,212</b>	<b>308,910</b>
Between 1 - 5 years	<b>-</b>	<b>-</b>

**12. Share capital**

The company has no share capital and is a private company limited by guarantee. The sole member's liability under the guarantee is limited to £1.

**13. Ultimate parent undertaking**

In the opinion of the trustees, Resource for London is a subsidiary of Trust for London. Resource for London prepares separate accounts as it is a limited company. Trust for London is a charity registered with the Charity Commission for England and Wales. Trust for London's charity number is 205629. The accounts of Trust for London can be obtained from the Chief Executive at 4 Chiswell Street, London, EC1Y 4UP. Trust for London's main objective is to tackle poverty and inequality in London, and to support the Church of England.

**14. Related party transactions**

No payments were made to Trustees during the year (2019: nil). Payments of £150,000 (2019: £323,019) were made to Trust for London for rent. A payment of £54,160 was also made for historic rent charges. The amounts due to Trust for London in 2020 totalled. £230,000 (2019: £104,160). This was for deferred 2020 rent (£180,000) and historic rent outstanding (£50,000).



## 15. Comparative Statement of Financial Activities

### Resource for London

#### Statement of financial activities

For the year ended 31 December 2019

	2019 Unrestricted Funds £	2019 Restricted Funds £	2019 Total £	2018 Total £
<b>Income</b>				
Income and endowments from:				
Charitable activities	1,553,240	19,000	1,572,240	1,423,644
Investments	32	-	32	20
<b>Total Income</b>	<b>1,553,272</b>	<b>19,000</b>	<b>1,572,272</b>	<b>1,423,664</b>
<b>Expenditure</b>				
<b>Expenditure on:</b>				
Charitable activities	1,126,748	30,737	1,157,485	1,020,725
Other	219,288	-	219,288	219,496
<b>Total Expenditure</b>	<b>1,346,036</b>	<b>30,737</b>	<b>1,376,773</b>	<b>1,240,221</b>
<b>Net income/(expenditure)</b>	<b>207,236</b>	<b>(11,737)</b>	<b>195,499</b>	<b>183,443</b>
<b>Reconciliation of funds</b>				
Funds brought forward at 1 January	280,440	21,276	301,716	118,273
Funds carried forward at 31 December	487,676	9,539	497,215	301,716