

THE RESOLUTION FOUNDATION

England & Wales · Charity number 1114839

Details

Status	Registered
Legal form	Charitable company
Company number	05588883
Registered	2006-06-24
Register	View on the Charity Commission register

Contact

Address	2 Queen Annes Gate London SW1H 9AA
Phone	02033722960
Email	info@resolutionfoundation.org
Website	www.resolutionfoundation.org

Activities

Objects: 1) to promote research and the education of the public into the economic and social sciences including, but without prejudice to the generality, the effect of economic, social and financial factors on the living standards at all stages of life of people benefiting from an income at or below the national average; and 2) to the extent resources of the charity are not required for object 1), to prevent and relieve poverty and to advance such other exclusively charitable purposes as the trustees see fit, including, but without prejudice to the generality, through social investment projects.

Activities: The Resolution Foundation is an independent research and policy organisation. Our public benefit goal is to improve outcomes for people on low and modest incomes. We do this by undertaking original research and economic analysis to understand the challenges they face. We then develop practical and effective policy proposals and engage with policy makers and key stakeholders to bring about change.

Classification

- **How:** Sponsors Or Undertakes Research
- **What:** Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE, NATIONAL.
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£4,046,919	£3,738,286	£2,122,285	30
2023-09-30	£3,659,969	£3,414,407	£1,813,651	31
2022-09-30	£3,285,540	£3,010,643	£1,568,089	26
2021-09-30	£2,736,069	£2,765,246	£1,293,192	30
2020-09-30	£2,988,174	£2,288,102	£1,322,369	24

Trustees

Name	Role	Appointed
CLIVE ADAM COWDERY	Chair	
CHRISTINA JEAN ALEXANDROU		
Danuta Gray		2023-09-18
Kate Josephs		2023-09-18
LORD ADAIR TURNER		2019-11-28
PAT BUTLER		2014-11-24
Siobhan Moynihan		2025-05-12

Accounts

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

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THE RESOLUTION FOUNDATION
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Trustees

Clive Cowdery, Chair of Trustees
Kate Josephs
Danuta Gray
Adair Turner
Pat Butler
Patrick Stevens, Treasurer
Christina Alexandrou

Company registered number

05588883

Charity registered number

1114839

Registered office

2 Queen Anne's Gate
London
SW1H 9AA

Company secretary

Jayne Desmond

Independent auditors

HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Natwest Bank plc
St Paul's Branch
Juxon House
98 St Paul's Churchyard
London
EC4M 8BU

United Trust Bank Ltd
80 Haymarket
London
EC4M 6YH

HSBC UK
60 Albert Road
Middlesbrough
TS1 1RS

THE RESOLUTION FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Trustees present their annual report together with the audited financial statements of The Resolution Foundation for the 1 October 2023 to 30 September 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objectives and aims

The Resolution Foundation is an independent think-tank focused on improving living standards for those on low-to-middle incomes. Our reputation for rigorous analytical work that results in effective policy solutions places us at the forefront of the UK debate on economic and social policy. We work across a wide range of economic policy making and are a leading UK authority on securing widely-shared economic growth.

Recognised as a home of real expertise on a range of policy issues, we draw on a core team of researchers as well as established external relationships with top national and international economists, academics and policy experts as we continue to inform public debate and engage with key decision makers in government, the private sector, and civil society. We hold a regular programme of events, hosting diverse speakers including politicians from across the political spectrum.

The objects of the charity (as set out in the Memorandum and Articles of Association and amended by resolution on 26 May 2006 and 28 November 2019 in accordance with Article 36 of the Company's Articles of Association) are 1) to promote research and the education of the public into the economic and social sciences including, but without prejudice to the generality, the effect of economic, social and financial factors on the living standards at all stages of life of people benefiting from an income at or below the national average; and 2) to the extent resources of the charity are not required for object 1, to prevent and relieve poverty and to advance such other exclusively charitable purposes as the trustees see fit, including, but without prejudice to the generality, through social investment projects.

Our public benefit goal is to improve outcomes for people on low-to-middle incomes. We do this by undertaking original research and economic analysis to understand the challenges facing low-to-middle income households today. Engaging with policy makers and other key stakeholders, we develop practical and effective policy proposals to tackle the issues we identify and bring about change.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Objectives and activities (continued)

b. Our Focus

We define the low-to-middle income group as non-pensioners in the poorer half of the population, based on disposable incomes after accounting for housing costs. We 'equivalise' household income prior to establishing 'low-to-middle income' and 'higher income' groups, in order to account for the different living standards associated with various household compositions. As such, couples with no children are classed as low-to-middle income if their combined disposable income (after housing costs) was below £29,300 in 2023-24: while a single adult would need an income below £19,500 to qualify and a couple with two young children would need an income below £41,000.

By these definitions, there were almost 13 million low-to-middle income families in the UK in 2023-24 including around 18 million adults and over nine million children. The living standards of this group have been buffeted by a wide range of factors, including the UK's housing market challenges, productivity stagnation, insecure work, reductions in social security and the cost of living crisis. This leaves a pressing need for strong, shared income growth.

c. Our Approach

The Foundation prides itself on analytical rigour, and we strive to achieve standards of excellence in all our work. This commitment is matched by dedication to our core purpose, working to improve the living standards of those on low to middle incomes. These twin pillars of rigour and purpose underpin everything we do. We also aim to ensure our approach is:

- Focused - we concentrate our attention and resources on a cohesive range of projects to achieve the greatest impact.
- Practical - our policy solutions are derived from robust research and analysis and are practical and achievable.
- Influential - we engage with key stakeholders and policy.
- Independent - we are independent and non-partisan in our approach; we pursue policy issues on their merit and ability to improve outcomes for low to middle income households.
- Flexible - we adapt our working style to suit the particular needs of each project and are outcome oriented not process driven.
- Clear - we use a range of methods to convey our ideas and our communication style is clear, concise and direct.

d. Our Funding

The Resolution Foundation is primarily funded by the Resolution Trust. We are also grateful for support from additional organisations including Accenture (UK) Ltd, Citizens UK, Economic and Social Research Council (ESRC), European Climate Foundation, Friends Provident Foundation, the Health Foundation, Joseph Rowntree Foundation, JP Morgan Chase Foundation, the Nuffield Foundation, abrdn Financial Fairness Trust (formerly Standard Life Foundation), Trust for London, Ufi VocTech Trust and Unbound Philanthropy, which have enabled us to pursue project specific work during the year. We are committed to transparency and list all organisations from whom we receive a contribution of £3,000 and over in the notes of this report. Small additional sums are also received as donations or payment for ad hoc activity like speaking engagements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Objectives and activities (continued)

e. Public benefit

The Trustees confirm they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and guidance relating to public benefit and the advancement of education specifically. The Trustees ensure that all work undertaken is in line with the Foundation's charitable objects and aims.

Achievements and performance

a. Charitable activities

The charity's key objectives for 2023/2024 were:

- To retain a clear focus on living standards via robust analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- To consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and ensure robust economic growth that benefits all sections of society;
- To inform public and policy debate on the country's response to the cost of living crisis by documenting its impacts on living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy.

One key change effecting this year was that the general election happened in July 2024, earlier than many had expected. This meant we brought forward into 2023/2024 all of our election-related work, some of which would otherwise have happened in 2024/2025. As a result, we also postponed to 2024/2025 the start of a major project to understand the lives of low-to-middle income Britain.

The Economy 2030 project

We published the last of the papers and essays for the Economy 2030 Inquiry. The Economy 2030 project concluded with a book-length final report, launched at a major event in December 2023. This synthesised approximately 70 reports and developed an economic strategy supported by detailed policy recommendations designed to address low growth and high inequality. Since then, we have focused on sharing its conclusions at events around the UK, and, since July 2024, with the new Government.

The UK General Election

We produced a series of papers providing context to the July 2024 general election, setting out the previous Government's record, discussing the key challenges that await whoever would go on to form the next government; and discussing the content of the main two parties' manifestos.

Cost of living and living standards

At the start of the year, we fielded our final large-scale survey to learn about how families are coping with rising costs, and the impact on their health and financial resilience. As the year finished, we published our regular Living Standards Outlook, providing income growth projections up to 2029-30 using economic forecasts and policy assumptions inherited by the new Government.

Job, skills and pay

We concluded a long-running project on Young People's Mental Health with a high-profile policy report. We assessed how minimum wage uprating affects living standards, as well as covering low pay more broadly in our annual Low Pay Britain report, which focused on the new Government's proposed employment reforms. We also began a project on high-frequency volatility in pay, especially among the low paid; we kicked off a new programme of work on precarity in the workplace; and we continued to work with the Living Wage Foundation to

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FOR THE YEAR ENDED 30 SEPTEMBER 2024

Achievements and performance (continued)

calculate the Real Living Wage.

Housing, wealth and debt

Our housing work investigated what sits behind the rapid growth in private rents through 2023 and 2024. As the new Government came into office and very quickly announced reforms to the planning regime, we looked at whether these alone would be enough to deliver the Government's ambitious house-building targets. On household wealth, our focus has been on how falls in asset prices – which are the flipside to rising rates – are affecting the size and distribution of wealth. This has included updating 'nowcasts' of where the wealth distribution is, publishing work on what this means for the new Government, and producing a major piece on the adequacy of pension saving in the context of the changed economic environment.

Tax and welfare

We looked at issues concerning benefit uprating, LHA rates, and childcare support for parents in education.

Firms and productivity

We began work analysing regional inequality in productivity and pay using the Longitudinal Education Outcomes data. We also quantified the potential impact of the new Government's growth reforms.

Intergenerational Centre

In autumn 2023, we published our regular Intergenerational Audit, which focused on comparing the US experience – where millennials have begun to make up some of the lost ground with previous generations – with the UK.

Macroeconomic Policy Unit

Fiscal policy challenges have, once again, dominated. As well as publishing our usual preview and overnight analysis of the Spring 2024 Budget, we produced a major pre-election piece on the difficult fiscal inheritance facing the new Government. Meanwhile we have continued to use our Macroeconomic Policy Outlooks to discuss the key forces shaping the economy. We also produced a major piece on the effect of high inflation on low-to-middle income families.

Net zero

Our work on net zero has continued to focus on the implications of the transition to a net zero carbon economy for low-to-middle income families. This work has taken a 'sectoral' approach to assessing the costs and benefits of policy in this area. The first of these publications considered how the energy sector is adapting to the demands of the move to zero-carbon electricity; the second on how policy makers can drive a fair transition in the transport sector.

Trade

Our work on trade looked at trade in services by UK region, and the changing exposure of workers and firms to trade.

Ventures

The Workertech Partnership continued into this year, making additional investments and running a series of events, as well as a pre-investment support programme, which provided grant funding and mentoring to three entrepreneurs with future of work proposals. In November 2023, we held a Workertech Conference, bringing together investors, entrepreneurs and policymakers. We also published an Impact report highlighting impact through the portfolio on more than 130,000 UK workers. We have continued to develop a larger social impact investing fund, with commitments secured from other foundation partners.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Achievements and performance (continued)

b. Fundraising activities and income generation

The Charity does not actively solicit donations directly from the public and does not use third parties for fundraising. Therefore it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Where donations from individuals or trusts and foundations are received, the Charity would ensure personal data is appropriately protected. The Charity received no complaints within the year regarding fundraising.

Financial review

a. Financial position

The Financial statements show income for the year of £4,046,920 (2023: £3,659,969) with expenditure in the year of £3,738,286 (2023: £3,414,407).

The income to the charity comprise donations from the Resolution Trust which was established by Sir Clive Cowdery in 2007 and provides ongoing funding for the Resolution Foundation. Other income include donations and payments from charitable trusts and other organisations for project specific work, bank interest received in the year, an administration fee for work carried out on behalf of the Resolution Trust and other miscellaneous donations and payments for ad hoc activity like speaking engagements.

In June 2022, the Trustees of the Resolution Trust agreed minimum funding for the Foundation of £2,500,000 for 2022/2023, £2,500,000 for 2023/2024, and £2,500,000 for 2024/2025. In January 2023, the Trustees of the Resolution Trust agreed to increase this minimum funding for the Foundation to £2,560,000 for 2022/2023, £2,560,000 for 2023/2024, and £2,560,000 for 2024/2025.

At 30 September 2024, the Charity had free reserves totalling £2,038,879 (2023: £1,813,651). In addition, funds held for restricted purposes amounted to £83,406 (2023: £54,081).

b. Reserves policy

The Trustees have received as part of their funding commitment from the Resolution Trust a commitment that the Trust will meet any costs associated with the winding up of the Resolution Foundation. In addition to the Trust's commitment, the Trustees of the Foundation consider it wise to maintain a level of reserves commensurate with covering immediate commitments. As such, the Trustees consider the optimal level of free reserves to be at least three months running costs or c£1,000,000. Trustees manage income and expenditure prudently in order to deliver at least that level of free reserves.

c. Future plans

The charity's key objectives for 2024/2025:

- To retain a clear focus on living standards via robust analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- To inform public and policy debate on economic and fiscal policy by outlining the forecasts for and impacts on living standards, documenting the changes in the economic circumstances of low and middle income families in recent decades, and prescribing policy solutions to support low-to-middle income households;
- To continue to promote the implementation of Economy 2030 recommendations and to consider what further policy changes are needed to support robust economic growth that benefits all sections of society;

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

- To establish a Workertech social investment fund aimed at improving conditions for those in low-paid or precarious work.

Incomes and inequality

We will publish our regular Living Standards Outlook, giving projections of income growth under the new Government. We will begin a major new project ('Unsung Britain') on the changing circumstances of low-to-middle income Britain, covering work, housing, health and care, credit and debt, and income sources and income dynamics.

Job, skills and pay

We will complete work on earnings volatility. We will advise the Government on a new mandate for the Low Pay Commission. We will support a review of the Real Living Wage. We will complete a multi-year project on precarious work. We will make recommendations for new collective work arrangements. We will continue to monitor the quality of labour market statistics. We will begin work on the 'job ladder' and how this varies for different types of worker.

Housing, wealth and debt

On household wealth, in collaboration with abrdn Financial Fairness Trust, we will produce a policy 'deep dive' that will focus on the evidence for reforming the treatment of wealth in the working-age benefit system. This will be followed by work on a 'wealth audit' that will use newly available data on developments during the pandemic. We will also look at ethnic inequalities in housing costs and quality.

Welfare and poverty

We will do research and make policy proposals to inform the Government's child poverty strategy. We will continue our work on understanding the rising prevalence of disability across society, and will set out the options for and impact of disability benefit reform.

Firms and productivity

We will complete work on explaining regional differences in productivity and wages and deriving policy implications. We will compare and contrast productivity in the UK and US. We will give advice to the new Government as it formulates its new Industrial Strategy, and as it decides how to spend the planned increases in public investment. We will update our estimates of the dynamism of the UK corporate sector, and dive more deeply into non-tradable services and multi-site firms as drivers of growth.

Intergenerational Centre

Our regular Intergenerational Audit look at flows of intergenerational support, in cash and in-kind.

Macroeconomic Policy Unit

We will analyse the new Government's changes to tax, spending and fiscal policy at fiscal events and explain the implications of OBR forecasts for households. The 2025 Spending Review will be a centerpiece to the Government's policy agenda setting out new spending priorities for the rest of the Parliament. We will produce preview and response to all these events focusing on the impact of the decisions on low-to-middle income families. We will also use our Macroeconomic Policy Outlooks to focus on topical issues.

Net zero

We will continue the sectoral approach to the policy challenges of driving a fair transition to net zero. This will involve looking at decarbonising UK travel; the challenges that net zero poses for domestic heating; and reforms to the retail energy markets.

Trade

We will study the impact of President Trump's trade policy on the UK economy. We will update our view of what aspects of trade are most relevant for UK low-to-middle income families and, relatedly, how trade developments transmit to them.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Ventures

We will complete the establishment of a larger Workertech social impact fund this year, having secured cornerstone commitments from foundation partners. This venture investment fund will invest in early stage technology ventures that can improve work for those in low-pay or in precarious work, with unstable incomes and less access to training. Alongside this work, we will continue to support the development of worker-centric technologies with programmes for those with lived experience of low-paid work, and events and resources to support the Workertech ecosystem.

Structure, governance and management

a. Governing document

The Resolution Foundation was incorporated on 11 October 2005 as a company limited by guarantee and was registered as a charity on 24 June 2006. The Charity is governed by its Memorandum and Articles of Association.

b. Recruitment and appointment of new trustees

The Trustees (who are also the directors of the charitable company for the purposes of company law) are a self-appointing body with each Trustee initially appointed for a three-year term. New Trustees can be nominated by any existing Trustee and are appointed according to relevant skills and experience.

c. Organisational structure

Trustees attend regular meetings where progress, strategy and plans are discussed. They are also sent relevant documentation including minutes of meetings. The Trustees meet as necessary and not less than three times each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed Torsten Bell as Chief Executive in September 2015 who had day to day responsibility for all operational matters until he stepped down in June 2024. Mike Brewer (Deputy Chief Executive) served as Interim Chief Executive between July 2024 and January 2025. The Right Hon. Lord David Willets (President of the Advisory Council and Intergenerational Centre) was appointed in June 2015.

d. Induction and training of new trustees

Trustees are given an in-depth introduction to the organisation and the role of Trustees through a formal induction process and meetings with the Chair of Trustees and the Chief Executive.

e. Key management remuneration

The key management personnel of the Foundation are those persons having authority and responsibilities for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustees of the entity. For the Foundation, they comprise the Executive Chair, the President of the Advisory Council and Intergenerational Centre, the Chief Executive, the Deputy Chief Executive, the Director of Communications and the Director of Resources. The remuneration of the Chair, the President of the Advisory Council and Intergenerational Centre, and the Chief Executive is set by the Trustees. All other staff salaries are set by the senior management team. Salaries are benchmarked using comparisons with charities and public policy related organisations in similar labour markets both by geography and issue areas, taking into account factors including inflation and the Foundation's financial position. The Foundation is an accredited Living Wage employer. All our staff and contractors are paid at least the Living Wage which is an hourly rate set and updated annually, based on the cost of living.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Structure, governance and management (continued)

f. Related parties

Trustees are required to disclose all relevant interests, register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or travel expenses were paid during the year. The Trustees who acted during the year are those listed in this report. Related party transactions are disclosed in the notes to these financial statements.

g. Risk management

The Trustees acknowledge their responsibility for establishing a risk management system and are satisfied that appropriate systems and procedures have been established to identify and manage the major risks faced by the Charity.

The Foundation has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and monitored by the senior management team who take responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and senior management team to ensure the Foundation's operational rigour, attachment to purpose and independence are maintained.

The most significant external risk identified during the year was associated with the importance of maintaining political neutrality during a General Election period. Risks were mitigated by actively promoting, practising and monitoring our well-established Political Neutrality Policy. During the election period, we paused regular outputs and focused on issues raised during the campaign in order to add value to public debates on key living standards issues. Research outputs included neutral and evidence-based analyses of all the main parties' policies on key issues to aid public understanding of impact, and our communications strategy prioritised protecting our reputation for independence. Charity Commission Guidance on Political Activity and Campaigning by Charities (published 12 October 2022) and Guidance on Charities, Elections and Referendums (updated 7 November 2022) was also reviewed by trustees and communicated to the staff team in dedicated training sessions.

The most significant organisational risk faced during the year related to the Chief Executive stepping down at short notice in June 2024. The key risks arising from this were the impact on staff, the impact on immediate high-profile work (including navigating our response to the General Election), and a risk of weakening in stakeholder relationships. The Trustees mitigated these risks by: appointing Mike Brewer (Deputy Chief Executive) as Interim Chief Executive and temporarily expanding the role of Gavin Kelly (Executive Chair); ensuring communication with key stakeholders in the civil service and the media was prioritised; and working with an Executive Search team to expedite succession plans.

Events since the end of the year

Gavin Kelly (Chief Executive 2010-2015) stepped down from his role as Executive Chair in December 2024. The Trustees appointed Ruth Curtice as Chief Executive in January 2025.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Statement of Trustees' responsibilities (CONTINUED)

of the state of affairs of the Charity and of its income and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

In November 2024, Haysmacintyre LLP changed its name to HaysMac LLP.

The auditors, HaysMac LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

These financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Clive Cowdery

Date: 25/06/2025

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION FOUNDATION

Opinion

We have audited the financial statements of The Resolution Foundation (the 'charity') for the year ended 30 September 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 30 September 2024 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION FOUNDATION
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report.

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

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

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION FOUNDATION
(CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and other factors such as income tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

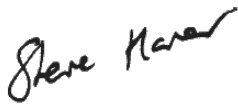
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION FOUNDATION
(CONTINUED)

intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)

for and on behalf of

HaysMac LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

Date: 26 June 2025

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	2,579,790	1,270,610	3,850,399	3,605,808
Investments	5	135,525	-	135,525	8,820
Other income	6	60,995	-	60,995	45,341
Total income		2,776,310	1,270,610	4,046,920	3,659,969
Expenditure on:					
Charitable activities	7	2,497,001	1,241,285	3,738,286	3,414,407
Total expenditure		2,497,001	1,241,285	3,738,286	3,414,407
Net movement in funds		279,309	29,325	308,634	245,562
Reconciliation of funds:					
Total funds brought forward		1,759,570	54,081	1,813,651	1,568,089
Net movement in funds		279,309	29,325	308,634	245,562
Total funds carried forward		2,038,879	83,406	2,122,285	1,813,651

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 38 form part of these financial statements.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05588883

BALANCE SHEET
AS AT 30 SEPTEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	12	537,317	577,362
Current assets			
Debtors	13	1,488,822	1,383,270
Cash at bank and in hand		831,661	1,035,210
		<u>2,320,483</u>	<u>2,418,480</u>
Creditors: amounts falling due within one year	14	(735,515)	(1,032,191)
Net current assets		<u>1,584,968</u>	<u>1,386,289</u>
Total assets less current liabilities		<u>2,122,285</u>	<u>1,963,651</u>
Creditors: amounts falling due after more than one year	15	-	(150,000)
Total net assets		<u><u>2,122,285</u></u>	<u><u>1,813,651</u></u>
Charity funds			
Restricted funds	16	83,406	54,081
Unrestricted funds	16	2,038,879	1,759,570
Total funds		<u><u>2,122,285</u></u>	<u><u>1,813,651</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Clive Cowdery

Date: 25/06/2025

The notes on pages 18 to 38 form part of these financial statements.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash (used in)/provided by operating activities	(220,279)	764,635
Cash flows from investing activities		
Purchase of social investments	(209,941)	(339,876)
Impairment of social investments	110,017	-
Interest received	9,485	8,820
Disposal of investments	139,969	-
Net cash provided by/(used in) investing activities	49,530	(331,056)
Cash flows from financing activities		
Repayments of borrowing	(32,800)	-
Net cash (used in)/provided by financing activities	(32,800)	-
Change in cash and cash equivalents in the year	(203,549)	433,579
Cash and cash equivalents at the beginning of the year	1,035,210	601,631
Cash and cash equivalents at the end of the year	831,661	1,035,210

The notes on pages 18 to 38 form part of these financial statements

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. General information

The Resolution Foundation is a company limited by guarantee incorporated in England and Wales, registration number 05588883 (charity number 1114839).

The registered address is 2 Queen Anne's Gate, London, SW1H 9AA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

2.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Resolution Trust is committed to ongoing funding and there is also a pipeline of funding from other sources. On that basis the charity is considered to be a going concern.

2.3 Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised as income in the year in which the donor states the funds should be expended. Where no such statement is made the income is recognised in the year in which it is receivable.

Income received in advance for the provision of a specified service is deferred until the criteria for income recognition are met.

Investment income is recognised when receivable and the amount can be measured reliably by the charity.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. Accounting policies (continued)

2.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs comprise of costs associated with the management and administration of the charity and governance costs which are incurred in connection with the general running of the charity as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

2.5 Investments

Investments are a form of basic financial instrument and comprise investments in equity investments which are initially recognised at their transaction value and are subsequently assessed for impairment at year-end. Any impairment is disclosed within the statement of financial activities as charitable activities.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. Accounting policies (continued)

2.10 Pensions

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2.11 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are those where there are no externally imposed restrictions and are available for use at the discretion of the Trustees for expenditure on its objects or appropriated to reserves for internally designated purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2.12 Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2.13 Taxation

The Charity is considered to pass 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.

3. Critical accounting estimates and areas of judgement

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. 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.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the accounts are described in the accounting policies and are summarised below:

Valuation of social investments - the charity's social investments are held at cost less impairment.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Grants	2,579,790	1,270,610	3,850,400
	<u>2,579,790</u>	<u>1,270,610</u>	<u>3,850,400</u>
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Grants	2,503,188	1,102,620	3,605,808
	<u>2,503,188</u>	<u>1,102,620</u>	<u>3,605,808</u>

Resolution Trust are committed to fund the Foundation for the foreseeable future having awarded grants totalling £7,680,000 with effect from 1 October 2022. Of this, £2,560,000 will be received over the next year. Levels of funding for October 2025 onwards will be confirmed during 2025.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Grants received, included in the above, are as follows:

	2024 £	2023 £
Citizens UK	13,000	-
Ernst & Young	-	13,000
ESRC Aston University	20,660	-
ESRC Southampton	89,794	72,309
European Climate Foundation	156,482	-
Incorporated Society of British Advertisers	-	5,000
Intergenerational Futures Forum	-	6,774
JP Morgan	115,184	-
JRF: Earnings Volatility	30,000	-
National Grid	-	13,000
Natwest	-	10,414
Nuffield Foundation	329,424	653,718
Other miscellaneous grants	6,730	1,774
Resolution Trust	2,560,000	2,460,000
Standard Life	39,500	64,500
The Health Foundation	27,905	155,894
Unbound Philanthropy	50,000	-
Ventures Workertech grant income	411,721	149,425
	3,850,400	3,605,808
	2024 £	2023 £

Total funding held in the year in respect of Ventures is as follows:

Resolution Trust	-	100,000
Ufi VocTech Trust	45,000	120,000
Friends Provident Foundation	44,648	33,177
Trust for London	18,465	90,282
Accenture (via Resolution Trust)	-	2,500
	108,113	345,959

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Investment income - other local unlisted	126,039	126,039
Bank Interest	9,486	9,486
	<u>135,525</u>	<u>135,525</u>

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Bank Interest	8,820	8,820
	<u>8,820</u>	<u>8,820</u>

6. Other income

	Unrestricted funds 2024 £	Total funds 2024 £
Administration charges	4,944	4,944
Miscellaneous income	56,051	56,051
	<u>60,995</u>	<u>60,995</u>

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Administration charges	4,944	4,944
Miscellaneous income	40,397	40,397
	<u>45,341</u>	<u>45,341</u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Miscellaneous income in 2024 and 2023 consists of payment for contracted research projects and other ad hoc activity like articles and speaking engagements.

	2024 £	2023 £
Allia	6,750	-
Citizens UK	36,777	16,500
Ernst & Young	-	4,000
Guardian/Observer	3,771	4,626
Holtek	7,000	-
Joseph Rowntree Foundation	-	9,000
Natwest	-	4,000
Others	1,753	2,271
	56,051	40,397

The above income is wholly unrestricted.

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Research and Education	2,497,001	1,241,285	3,738,286
	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Research and Education	2,205,061	1,209,346	3,414,407

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Research and Education	3,644,817	93,470	3,738,287

	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Research and Education	3,328,789	85,619	3,414,408

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Other operating leases	3,887	5,356
IT support and supplies	38,581	35,744
Insurance	7,346	4,978
Postage and stationery	501	339
Memberships and subscriptions	3,490	2,302
Photocopier charges	4,348	2,954
Payroll and finance support	8,583	8,981
Travel	5,256	4,415
Auditors' remuneration	20,400	19,440
Sundries	1,078	1,110
	93,470	85,619

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

9. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	18,900	18,000
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	1,500	1,440
	<u><u> </u></u>	<u><u> </u></u>

10. Staff costs

	2024 £	2023 £
Wages and salaries	1,909,201	1,854,011
Social security costs	226,769	226,724
Contribution to defined contribution pension schemes	130,326	127,365
	<u><u>2,266,296</u></u>	<u><u>2,208,100</u></u>

The average number of persons employed by the Charity during the year was as follows:

	2024 No.	2023 No.
Total	30	31
	<u><u> </u></u>	<u><u> </u></u>

The average headcount expressed as full-time equivalents was:

	2024 No.	2023 No.
Total	30	28
	<u><u> </u></u>	<u><u> </u></u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	1	3
In the band £90,001 - £100,000	3	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
In the band £130,001 - £140,000	1	1
In the band £140,001 - £150,000	1	1

Key management personnel

The total employee benefits paid to key management personnel during the year amounted to £734,888 (2023: £757,981).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 30 September 2024, expenses totalling £325 were reimbursed or paid directly to 1 Trustee (2023 - £NIL to Trustee).

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

12. Social investments

	Programme related investments equity £
Cost	
At 1 October 2023	577,362
Additions	209,941
Disposals	(139,969)
At 30 September 2024	647,334
Impairment	
Charge for the year	110,017
At 30 September 2024	110,017
Net book value	
At 30 September 2024	537,317
At 30 September 2023	577,362

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Investments comprise the following:

	2024 £	2023 £
Subtap Limited	-	30,016
Breakroom / Poplar Technologies Limited	-	139,969
Career Ear	80,007	30,000
Ikigai Data	-	25,001
Social Innovation Camp	47,500	47,500
TaskHer	69,825	49,876
Equal Care	50,000	50,000
Mobilise	50,000	50,000
Valla Ltd	50,000	50,000
Organise Ltd	70,000	70,000
Greenworkx	70,000	-
Slinger Staff Ltd	49,985	-
	<u>537,317</u>	<u>542,362</u>

Social Innovation Camp comprises support for TaskHer (£27,500) and Planna (£20,000) via Bethnal Green Ventures.

Shares held in Breakroom / Poplar Technologies Limited have been sold for £161,015, with £126,039 received during year ending September 2024, and £34,975 expected to be received during year ending September 2025. The gain on disposal of £20,946 has been recognised within other income.

Net book value at 30 September 2024 is represented by:

	2024 £	2023 £
Equity		
Net book value	537,317	577,362
	<u>537,317</u>	<u>577,362</u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

13. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	37,718	453,527
Other debtors	150,000	150,000
Prepayments and accrued income	1,301,104	779,743
	<u>1,488,822</u>	<u>1,383,270</u>

14. Creditors: Amounts falling due within one year

	2024 £	2023 £
Other loans	117,200	-
Trade creditors	23,627	98,784
Accrued expenses	35,381	70,493
Accruals and deferred income	559,307	862,914
	<u>735,515</u>	<u>1,032,191</u>

Deferred income relates to amounts received but not yet utilised for ventures. The rate of recognition of deferred income into the Statement of Financial Activities, depends on the rate of expenditure.

	2024 £	2023 £
Deferred income at 1 October 2023	862,914	645,380
Resources deferred during the year	140,530	394,773
Amounts released from previous periods	(444,137)	(177,239)
	<u>559,307</u>	<u>862,914</u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

15. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Other loans	-	150,000
	<u> </u>	<u> </u>

Included within the above are amounts falling due as follows:

	2024	2023
	£	£
Between one and two years		
Other loans	-	150,000
	<u> </u>	<u> </u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

16. Statement of funds

Statement of funds - current year

	Balance at 1 October 2023 £	Income £	Expenditure £	Balance at 30 September 2024 £
Unrestricted funds				
General Funds - all funds	<u>1,759,570</u>	<u>2,776,310</u>	<u>(2,497,001)</u>	<u>2,038,879</u>
	Balance at 1 October 2023 £	Income £	Expenditure £	Balance at 30 September 2024 £
Restricted funds				
Unbound Philanthropy - Precarious workers	-	50,000	(25,097)	24,903
ESRC Southampton	-	89,794	(89,794)	-
ESRC Aston	-	20,660	(20,660)	-
Health Foundation (Fellowship)	15,082	10,584	(25,666)	-
RF Ventures - Workertech Partnership	-	411,720	(411,720)	-
Nuffield Foundation - Economy 2030 Inquiry	-	259,995	(259,995)	-
Nuffield Foundation - General Election	-	69,429	(69,429)	-
JRF	-	30,000	(30,000)	-
Intergenerational Futures Forum	6,775	-	-	6,775
European Climate Foundation	-	156,482	(147,956)	8,526
Health Foundation - Cost of Living	32,224	17,262	(49,486)	-
abrdn Financial Fairness Trust - Wealth audit	-	39,500	(39,500)	-
People's Partnership	-	-	(15,126)	(15,126)
JPM Chase Foundation	-	115,184	(56,856)	58,328
	<u>54,081</u>	<u>1,270,610</u>	<u>(1,241,285)</u>	<u>83,406</u>
Total of funds	<u><u>1,813,651</u></u>	<u><u>4,046,920</u></u>	<u><u>(3,738,286)</u></u>	<u><u>2,122,285</u></u>

THE RESOLUTION FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 October 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 30 September 2023 £</i>
Unrestricted funds				
General Funds - all funds	<u>1,406,857</u>	<u>2,557,774</u>	<u>(2,205,061)</u>	<u>1,759,570</u>
Restricted funds				
Unbound Philanthropy - Precarious workers	32,916	-	(32,916)	-
ESRC Southampton	18,454	-	(18,454)	-
ESRC Aston	29,203	25,000	(54,203)	-
Health Foundation (Fellowship)	80,659	-	(65,576)	15,083
RF Ventures - Workertech Partnership	-	149,000	(149,000)	-
Nuffield Foundation - Economy 2030 Inquiry	-	653,718	(653,718)	-
Intergenerational Futures Forum	-	72,309	(72,309)	-
Health Foundation - Cost of Living	-	155,894	(123,670)	32,224
abrdrn Financial Fairness Trust - Wealth audit	-	39,500	(39,500)	-
People's Partnership	-	6,774	-	6,774
	<u>161,232</u>	<u>1,102,195</u>	<u>(1,209,346)</u>	<u>54,081</u>
Total of funds	<u><u>1,568,089</u></u>	<u><u>3,659,969</u></u>	<u><u>(3,414,407)</u></u>	<u><u>1,813,651</u></u>

THE RESOLUTION FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

16. Statement of funds (continued)

abrdn Financial Fairness Trust (formerly Standard Life) – Wealth Audit (2023 – 2027)

A four year grant supporting research and analysis that aims to build evidence on the level and inequality of household wealth in Britain, with the objective of improving policy making through rigorous analysis and engagement in policy debates. £48,882 of costs incurred on this project during the year were from unrestricted funds.

European Climate Foundation

This project aims to improve the public discourse on how the net-zero transition impacts the living standards of low-to-middle income households and, ultimately, identify policies which will drive a fair and equitable progress towards decarbonisation.

ESRC / Southampton University - Intergenerational Centre

A five-year ESRC-funded project in collaboration with the University of Southampton, University of St Andrews, and University of Oxford, to innovate understanding of intergenerational relations and population change; re-think intergenerational connections for post-Brexit/Covid society; and produce novel science that will drive policy thinking towards improving the lives of individuals, families, communities and businesses.

ESRC / Aston University – Levelling Up Sandpit

This project aims to analyse what drives the large and persistent productivity differences across regions in the UK. Despite their importance, the factors behind these spatial economic imbalances are still poorly understood. The project will focus on the interaction between the distribution of workers' skills, the characteristics of firms, and local factors like infrastructure and amenities across areas. Understanding and addressing the root causes of the UK's severe spatial disparities in economic performance is crucial for enabling more inclusive, regionally balanced growth and boosting national productivity.

Health Foundation – Cost of Living Survey

This project seeks to explore the health impacts of the cost of living crisis and includes undertaking three surveys between November 2022 and May 2023. The surveys will cover the UK adult population and will assist understanding of the scale and depth of the cost of living crisis. £997 of costs incurred on this project in the year was from unrestricted funds.

Health Foundation - Securing high quality work for young adults

This three-year project, supported by the Health Foundation who are committed to bringing about better health and health care for people in the UK, focuses on the impact of poor quality work on young people and the difficulties they face in accessing high quality work. £9,889 of costs incurred on this project in the year was from unrestricted funds.

Intergenerational Futures Forum Group - Intergenerational Centre

A donation made in memory of Baroness Sally Greengross, OBE to fund research and policy work, including a public event, relating to intergenerational issues.

Joseph Rowntree Foundation – Earnings Volatility

This project considers volatility and dynamics in employee earnings at the level of the individual (not the family or household) for a very large sample that is representative of employees in the UK. Since earnings are the largest single source of household income, this project will contribute substantially to the goal of understanding more about household income volatility and how the UK labour market provides secure streams of income for workers. £20,405 of costs incurred on this project during the year was from unrestricted funds.

JPM Chase Foundation - Financial Health and Resilience across Europe

The purpose of the grant is to provide rigorous insight into the challenge of financial resilience among low-to-middle income households across a range of European countries; and scope the role that

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

16. Statement of funds (continued)

financial inclusion labs, or alternative policy interventions, could play in pioneering new high-impact solutions to this problem.

Nuffield Foundation - Economy 2030 Inquiry

The Economy 2030 Inquiry, a collaboration with the Centre for Economic Performance (CEP) at the London School of Economics (LSE), funded by the Nuffield Foundation, is a three year project which aims to address the question of economic change in light of the impact of Covid-19, the exit from the EU and the need to transition towards a Net Zero future.

Nuffield Foundation – General Election

The purpose of this grant is to provide a series of timely, informative and high-impact General Election briefings, to inform public debates on economic issues during the election campaign. The overall aims of the briefings are to improve the understanding of the factual evidence on key economic and social policy issues among the public, media and other commentators, and to drive up the reliability and accuracy of public claims. £58,372 of costs incurred on the project this year came from unrestricted funds.

RF Ventures - Workertech Partnership

The Workertech Partnership is a three year programme of social investment, in collaboration with Accenture, Friends Provident Foundation, the Joseph Rowntree Foundation, Trust for London and Ufi VocTech Trust, aimed at supporting the growth of new innovative start-ups seeking to change the world of work for the better.

Unbound Philanthropy - Precarious Workers / Labour Market Enforcement

This research programme explores labour market enforcement in the UK - especially for those at the bottom end of the labour market - and aims to put labour market enforcement more firmly on the policy agenda. The programme launched with a review of secondary data to establish the nature and scale of labour market violations, and then proceeded to explore two specific areas (minimum wage non-compliance and auto-enrolment) in depth.

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Fixed asset investments	-	537,317	537,317
Current assets	2,320,483	-	2,320,483
Creditors due within one year	(281,604)	(453,911)	(735,515)
Total	2,038,879	83,406	2,122,285

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Fixed asset investments	-	577,362	577,362
Current assets	2,418,480	-	2,418,480
Creditors due within one year	(508,910)	(523,281)	(1,032,191)
Creditors due in more than one year	(150,000)	-	(150,000)
Total	<u>1,759,570</u>	<u>54,081</u>	<u>1,813,651</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	<u>308,634</u>	<u>245,562</u>
Adjustments for:		
Dividends, interests and rents from investments	(9,485)	(8,820)
(Increase)/decrease in debtors	(105,552)	320,466
(Decrease)/increase in creditors	(413,876)	207,427
Net cash provided by/(used in) operating activities	<u>(220,279)</u>	<u>764,635</u>

19. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	<u>831,661</u>	<u>1,035,210</u>
Total cash and cash equivalents	<u>831,661</u>	<u>1,035,210</u>

THE RESOLUTION FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

20. Analysis of changes in net debt

	At 1 October 2023 £	Cash flows £	Other non- cash changes £	At 30 September 2024 £
Cash at bank and in hand	1,035,210	(203,549)	-	831,661
Debt due within 1 year	-	-	(117,200)	(117,200)
Debt due after 1 year	(150,000)	32,800	117,200	-
	<u>885,210</u>	<u>(170,749)</u>	<u>-</u>	<u>714,461</u>

21. Pension commitments

The charitable company operates a defined contribution pension scheme through The Pensions Trust with contributions being made by both employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Foundation. Pension costs charged represent contributions payable by the Foundation to the Trust. Total pension costs in the current year amounted to £130,326 (2023: £127,365). At the year end £nil was due to the Trust (2023: £nil).

22. Operating lease commitments

At 30 September 2024 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	<u>179,440</u>	<u>179,440</u>

The following lease payments and changes in lease payments have been recognised in the Statement of Financial Activities:

	2024 £	2023 £
Operating lease rentals - property	<u>179,440</u>	<u>179,440</u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

23. Related party transactions

One of the trustees of the Foundation is the sole director of Resolution Service Management Ltd. The Foundation signed a five year lease with Resolution Service Management Ltd for new premises in November 2015. In December 2019, the Foundation signed a five year lease with Resolution Service Management Ltd which cancelled the November 2015 lease in favour of co-terminus leases for their existing premises and an additional floor within the same building. In November 2024, a new 5 year lease was signed on the same terms. The decision was taken by the independent trustees after considering market value and the benefits to the Foundation given the facilities and location.

Total rent paid to Resolution Service Management Ltd during the year amounted to £179,440 (2023: £179,440).

The Foundation shares two trustees with the Resolution Trust, a registered charity. During the year, the Foundation received a donation from the Trust which is disclosed within note 4 of the financial statements.

The Foundation also has a shared services agreement in place with the Resolution Trust for the time spent by the Executive Chair and the Director of Resources on Trust activity. The value of this for the year is £136,106 (2023 - £133,157).

Accounts

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

THE RESOLUTION FOUNDATION
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THE RESOLUTION FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Trustees	Clive Cowdery, Chair of Trustees Kate Josephs (appointed 18 September 2023) Danuta Gray (appointed 18 September 2023) Adair Turner Pat Butler Patrick Stevens, Treasurer Christina Alexandrou
Company registered number	05588883
Charity registered number	1114839
Registered office	2 Queen Anne's Gate London SW1H 9AA
Company secretary	Torsten Bell
Independent auditors	haysmacintyre 10 Queen Street Place London EC4R 1AG
Bankers	Natwest Bank plc St Paul's Branch Juxon House 98 St Paul's Churchyard London EC4M 8BU United Trust Bank Ltd 80 Haymarket London EC4M 6YH HSBC UK 60 Albert Road Middlesbrough TS1 1RS

THE RESOLUTION FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Trustees present their annual report together with the audited financial statements of The Resolution Foundation for the year 1 October 2022 to 30 September 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Objectives and aims

The Resolution Foundation is an independent think-tank focused on improving living standards for those on low-to-middle incomes. Our reputation for rigorous analytical work that results in effective policy solutions places us at the forefront of the UK debate on economic and social policy. We work across a wide range of economic policy making and are a leading UK authority on securing widely-shared economic growth.

Recognised as a home of real expertise on a range of policy issues, we draw on a core team of researchers as well as established external relationships with top national and international economists, academics and policy experts as we continue to inform public debate and engage with key decision makers in government, the private sector, and civil society. We hold a regular programme of events, hosting diverse speakers including politicians from across the political spectrum.

The objects of the charity (as set out in the Memorandum and Articles of Association and amended by resolution on 26 May 2006 and 28 November 2019 in accordance with Article 36 of the Company's Articles of Association) are 1) to promote research and the education of the public into the economic and social sciences including, but without prejudice to the generality, the effect of economic, social and financial factors on the living standards at all stages of life of people benefiting from an income at or below the national average; and 2) to the extent resources of the charity are not required for object 1, to prevent and relieve poverty and to advance such other exclusively charitable purposes as the trustees see fit, including, but without prejudice to the generality, through social investment projects.

Our public benefit goal is to improve outcomes for people on low-to-middle incomes. We do this by undertaking original research and economic analysis to understand the challenges facing low-to-middle income households today. Engaging with policy makers and other key stakeholders, we develop practical and effective policy proposals to tackle the issues we identify and bring about change.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

THE RESOLUTION FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Objectives and activities (continued)

b. Our Focus

We define the low-to-middle income group as the poorer half of the non-pensioner population but excluding families in which no-one is in work (who often face specific challenges). We 'equivalise' household income prior to establishing 'low-to-middle income' and 'higher income' groups, in order to account for the different living standards associated with various household compositions. As such, couples with no children are classed as low-to-middle income if their combined disposable income (before housing costs) is below £30,100 a year and at least one partner is in work: while a single adult would need an income below £20,100 to qualify and a couple with two young children would need an income below £42,100.

By these definitions, there were eight million low-to-middle income families in the UK in 2021-22 including around 13 million adults and over seven million children. As each includes at least one working adult, they are not the poorest in society, but can struggle to get by and have felt the full impact of the UK's wage stagnation, housing market challenges, insecure work and reductions in social security, as well as Covid-19 and the cost of living crisis. Despite these needs low-to-middle income households have been overlooked in policy debates.

c. Our Approach

The Foundation prides itself on analytical rigour, and we strive to achieve standards of excellence in all our work. This commitment is matched by dedication to our core purpose, working to improve the living standards of those on low to middle incomes. These twin pillars of rigour and purpose underpin everything we do. We also aim to ensure our approach is:

- Focused - we concentrate our attention and resources on a cohesive range of projects to achieve the greatest impact.
- Practical - our policy solutions are derived from robust research and analysis and are practical and achievable.
- Influential - we engage with key stakeholders and policy.
- Independent - we are independent and non-partisan in our approach; we pursue policy issues on their merit and ability to improve outcomes for low to middle income households.
- Flexible - we adapt our working style to suit the particular needs of each project and are outcome oriented not process driven.
- Clear - we use a range of methods to convey our ideas and our communication style is clear, concise and direct.

d. Our Funding

The Resolution Foundation is primarily funded by the Resolution Trust. We are also grateful for support from additional organisations including Accenture (UK) Ltd, Citizens UK, Economic and Social Research Council (ESRC), Ernst and Young, Friends Provident Foundation, the Health Foundation, Intergenerational Futures Forum, Joseph Rowntree Foundation, the Nuffield Foundation, abrdn Financial Fairness Trust (formerly Standard Life Foundation), Trust for London, and Ufi VocTech Trust, which have enabled us to pursue project specific work during the year. We are committed to transparency and list all organisations from whom we receive a contribution of £3,000 and over in the notes of this report. Small additional sums are also received as donations or payment for ad hoc activity like speaking engagements.

THE RESOLUTION FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Objectives and activities (continued)

e. Public benefit

The Trustees confirm they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and guidance relating to public benefit and the advancement of education specifically. The Trustees ensure that all work undertaken is in line with the Foundation's charitable objects and aims.

Achievements and performance

a. Charitable activities

The charity's key objectives for 2022/2023 were:

- To retain a clear focus on living standards via robust analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- To consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and ensure robust economic growth that benefits all sections of society;
- To inform public and policy debate on the country's response to the cost of living crisis by documenting its impacts on living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy;
- To consolidate our move into new research areas of net zero, trade, firms and places.

Our key achievements included:

Cost of living (and energy prices)

We contributed to public debate by providing frequent commentary and analysis, including focusing on the key decision on uprating benefits in April 2023. Energy prices and policy have continued to be a major theme and we have assessed the impact on families, including how falls in wholesale energy prices from 2023 have provided welcome relief to households. A partnership with The Health Foundation allowed us to field two large-scale surveys, with a third to follow in late 2023, to learn about how families are coping with rising costs and the impact on their health and financial resilience.

Incomes and inequality

We published a Living Standards Audit in early 2023, with a key focus on how the rising prices in late 2022 had affected families' financial security and wellbeing. Our flagship Living Standards Outlook set out what current economic forecasts and existing policies imply for families across the income distribution. We also did a deep dive into measures of living standards for working-age people with disabilities.

Job, skills and pay

April 2023 saw us bring our labour market enforcement programme to a close, drawing together updated UK analysis and contributions from five international partners into a final report entitled 'Enforce for Good'. We continued our work on the Health Foundation-funded Young People's Future Health Inquiry, examining how employment and health outcomes for young people vary by place. The first part of the year saw major labour-market reports for the Economy 2030 Inquiry on the topics of raising both the wage floor and the floor for non-wage terms through regulation, and how to improve the bargaining power of workers above these floors through new labour-market institutions. We also continued to produce our currently monthly and quarterly labour market products, and to calculate the Real Living Wage.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Achievements and performance (continued)

Housing, wealth and debt

Building on the work we did on housing quality during the pandemic period, we explored the interface between housing and net zero with a policy paper on home insulation. As the cost of living crisis continued, we investigated which families were struggling most with their housing costs using two waves of a bespoke survey. On household wealth, we produced the first of our new Wealth-in-Focus pieces as part of our renewed collaboration with abrdn Financial Fairness Trust. That paper looked at how the change in the interest-rate environment has prompted a sharp reversal in recent trends in rising wealth. We also published a briefing note looking at policies to encourage saving, providing recommendations for how such policies could be used to help improve the financial resilience of lower-income families.

Tax and welfare

As part of our Economy 2030 work, we examined how both the UK's social security system and the tax system can best contribute to a world where the UK has higher growth and lower inequality; we also looked at reforming the UK's welfare system so that it can better protect workers from employment shocks. We examined the role that locally-administered, discretionary policies should play in the UK's welfare system, and at how the increasing overlap between UC and the withdrawal of Child Benefit is leading to some truly penal marginal deduction rates.

Firms and productivity

We published two major reports in this area focused on boosting business investment, and improving the dynamism and efficiency of UK firms.

Places and spatial inequalities

With spatial inequalities high on the public policy agenda, we undertook two deep dives to establish what a plausible strategy for productivity growth would look like in our twin 'second cities' (Greater Manchester and Birmingham). Working directly with officials in the cities, we explored what a higher growth future would really look like, what scale of change would be needed to achieve growth of that nature, and who would most and least benefit as a result.

Intergenerational Centre

We published our fourth annual Intergenerational Audit, providing an intergenerational assessment of how incomes and household balance sheets changed over the course of the cost of living crisis, including the impact of higher inflation and higher interest rates. We collaborated on a report with researchers from the Nuffield Politics Research Centre, University of Oxford, using new survey data to explore intergenerational views, conflict and policy preferences.

Macroeconomic Policy Unit

As the cost of living crisis continues, we have used our regular Macroeconomic Policy Outlook to analyse changes in inflation and what the impact of rising interest rates on families across the income distribution might be. We have also continued to provide analysis ahead of, and in response to, the Autumn Statement 2022 and Spring Budget 2023, and we wrote a substantial piece on how public investment could be used to help tackle Britain's chronic under-investment problem, focussing on how our framework for such policy decisions needed to change.

Net zero

We published a major new report into how a system of road pricing can be introduced in the UK as revenues from fuel fall to zero as use of petrol-driven cars falls.

Trade in the aftermath of Brexit

The main focus of our work on trade has been an ambitious report on how the Government should change its trade strategy following the UK's departure from the EU, with the key recommendation being to adopt a strategy that is defensive on goods trade and expansive on services trade. We have also published a piece on our continued monitoring of how the UK economy has adapted to new trade barriers, which included an assessment of how trade and the wider economy have been affected.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Achievements and performance (continued)

The Economy 2030 project

The Economy 2030 project was almost concluded, with work substantively complete on the book-length Final Report, and its release planned at a major event in December 2023. The book built on the findings of Stagnation Nation (the project's Interim Report).

Ventures

The Workertech Partnership continued to deliver investments and ecosystem building activities, with support from our funding partners. This included making seven direct investments, and delivering an interim impact report for the programme. We continued to participate in industry groups and events, including hosting an event for Impact VC, to continue to learn and develop our impact investing practices. We developed a specific proposal for a larger social impact fund to follow on from this programme, with support from Big Society Capital's Ideas for Impact programme.

b. Fundraising activities and income generation

The Charity does not actively solicit donations directly from the public and does not use third parties for fundraising. Therefore it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, the Charity would ensure personal data is appropriately protected. The Charity received no complaints within the year regarding fundraising.

Financial review

a. Financial position

The Financial statements show income for the year of £3,659,969 (2022: £3,285,540) with expenditure in the year of £3,414,407 (2022: £3,010,643).

The income to the charity comprise donations from the Resolution Trust which was established by Sir Clive Cowdery in 2007 and provides ongoing funding for the Resolution Foundation. Other income include donations and payments from charitable trusts and other organisations for project specific work, bank interest received in the year, an administration fee for work carried out on behalf of the Resolution Trust and other miscellaneous donations and payments for ad hoc activity like speaking engagements.

In June 2022, the Trustees of the Resolution Trust agreed minimum funding for the Foundation of £2,500,000 for 2022/2023, £2,500,000 for 2023/2024, and £2,500,000 for 2024/2025. In January 2023, the Trustees of the Resolution Trust agreed to increase this minimum funding for the Foundation to £2,560,000 for 2022/2023, £2,560,000 for 2023/2024, and £2,560,000 for 2024/2025.

At 30 September 2023, the Charity had free reserves totalling £1,759,570 (2022: £1,406,857). In addition, funds held for restricted purposes amounted to £54,081 (2022: £161,232).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

b. Reserves policy

The Trustees have received as part of their funding commitment from the Resolution Trust a commitment that the Trust will meet any costs associated with the winding up of the Resolution Foundation. In addition to the Trust's commitment, the Trustees of the Foundation consider it wise to maintain a level of reserves commensurate with covering immediate commitments. As such, the Trustees consider the optimal level of free reserves to be at least £600,000 and will seek to manage income and expenditure prudently in order to deliver that level of free reserves.

c. Future plans

The charity's key objectives for 2023/2024 are:

- To retain a clear focus on living standards via robust analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- To consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and ensure robust economic growth that benefits all sections of society;
- To inform public and policy debate on the country's response to the cost of living crisis by documenting its impacts on living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy;
- To inform public debates on issues relating to economic performance and low-to-middle income households during the build up to the expected UK general election in late 2024.

Cost of living

Although inflation is falling, that does not mean that cost of living pressures are easing. With funding from The Health Foundation, we will field our final large-scale survey to learn about how families are coping with rising costs, and the impact on their health and financial resilience.

Incomes and inequality

We will continue to publish our annual flagship Living Standards Outlook (setting out what current economic forecasts and existing policies imply for families across the income distribution), and Living Standards Audit in the summer (assessing recent trends in living standards). We will begin a major new project on the changing characteristics of low-to-middle income households.

Job, skills and pay

We will conclude a long-running project on Young People's Mental Health with a high-profile policy report. We will assess how minimum wage uprating affects living standards, as well as covering low pay more broadly in our annual Low Pay Britain report. We will begin work analysing the intersection between pay and LMI households. We will begin a new programme of work on high-frequency volatility in pay, especially among the low paid; we will kick off a new programme of work on precarity in the workplace; and, as in every year, we will calculate the Real Living Wage.

Housing, wealth and debt

This year, our housing work will focus on what a higher interest-rate world means for housing costs. We will publish regular analysis of how mortgagors' costs are affected which will be regularly updated as interest rates change; and investigate what sits behind rising nominal private rents in the UK. We will begin new work on the links between housing and ethnicity. On household wealth, the focus will be on the wealth context to the election and what falls in asset prices and higher interest rates might do to reshape the priorities of voters across the income distribution. We also plan to publish our first Wealth Audit as part of our renewed collaboration with aFFT. This will be a chance to update our understanding of the distribution of wealth following the pandemic.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Tax and welfare

We will do a number of 'deep dives' into various aspects of the benefits system over the coming year, from uprating decisions, LHA and childcare support for parents in education. We will produce a major paper on UC, comparing the benefit today with the legacy system and UC as originally envisaged in 2013, alongside launching a new programme of work on disability benefits.

Firms and productivity

We will begin work analysing productivity and worker matching using the Longitudinal Education Outcomes data.

Intergenerational Centre

We will publish our regular Intergenerational Audit, which this year will focus on comparing the US experience – where millennials have begun to make up some of the lost ground with previous generations – with the UK.

Macroeconomic Policy Unit

Providing analysis around major fiscal events, particularly in the context of the upcoming election, will remain a key part of our work in this area. This will include previewing and responding to both 2023 Autumn Statement in November 2023, and the Spring Budget in 2024. We will publish an in-depth report on whether the current fiscal framework – largely set during the calmer economic times of the 1990s – is still fit for purpose, and we will continue to use our Macroeconomic Policy Outlooks to assess the speed and impact of the fall in inflation.

Net zero

This work will continue to focus on the implications of the transition to a net zero carbon economy for low-to-middle-income families, embarking on a major new set of papers which take a 'sectoral' approach to assessing the costs. The first of these publications will look at how the energy sector is adapting to the demands of the move to zero-carbon electricity, focusing on how the required investment can be paid for fairly. The plan is to follow this up with a piece focusing on the transport sector.

Trade

Our work on trade will broaden out to cover the wider impact of changes in the pattern of trade on families and the wider economy. In that context we will look at what has been driving the rapid growth in services trade, and how that success has been shared geographically across the UK. We will also look at how exposure to international trade has changed over the past two decades for households and workers, and we will continue to monitor the impact of Brexit on trade flows and the wider economy.

The Economy 2030 project

We will publish the last of the papers and essays for the Economy 2030 Inquiry. The Economy 2030 project will conclude with a book-length Final Report, launched at a major event in December 2023. This will synthesise approximately 70 reports and developing an economic strategy supported by detailed policy recommendations designed to address low growth and high inequality. In 2024, we will focus on sharing its conclusions at events around the UK.

Preparation for the UK general election

We will produce a series of papers providing context to the next UK general election, setting out the Government's record and discussing the key challenges that await whoever forms the next government. We will cover: public finances; tax; living standards; welfare; housing; economic growth; intergenerational issues; net zero; and spatial inequalities.

Ventures

The Workertech Partnership will continue to early 2024, and will deliver investments and ecosystem building activities, with support from our funding partners. This will include making further pre-seed stage direct investments, supporting our portfolio with impact management and delivering a final impact report for the programme, as well as a final one-day conference event. We will aim to complete the establishment of a larger social impact fund to follow on from this programme in late 2024 and we expect to formally agree pro-bono legal support from Morgan, Lewis and Bockius.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Structure, governance and management

a. Governing document

The Resolution Foundation was incorporated on 11 October 2005 as a company limited by guarantee and was registered as a charity on 24 June 2006. The Charity is governed by its Memorandum and Articles of Association.

b. Recruitment and appointment of new trustees

The Trustees (who are also the directors of the charitable company for the purposes of company law) are a self-appointing body with each Trustee initially appointed for a three-year term. New Trustees can be nominated by any existing Trustee and are appointed according to relevant skills and experience.

c. Organisational structure

Trustees attend regular meetings where progress, strategy and plans are discussed. They are also sent relevant documentation including minutes of meetings. The Trustees meet as necessary and not less than three times each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed Torsten Bell (Chief Executive) in September 2015 who has day to day responsibility for all operational matters. The Right Hon. Lord David Willets (President of the Advisory Council and Intergenerational Centre) was appointed in June 2015 and Gavin Kelly (Chief Executive 2010-2015) re-joined the executive team as Chair in April 2019.

d. Induction and training of new trustees

Trustees are given an in-depth introduction to the organisation and the role of Trustees through a formal induction process and meetings with the Chair of Trustees and the Chief Executive.

e. Key management remuneration

The key management personnel of the Foundation are those persons having authority and responsibilities for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustees of the entity. For the Foundation, they comprise the Chair, the President of the Advisory Council and Intergenerational Centre, the Chief Executive, the Deputy Chief Executive, the Director of Communications and the Director of Resources. The remuneration of the Chair, the President of the Advisory Council and Intergenerational Centre, and the Chief Executive is set by the Trustees. All other staff salaries are set by the senior management team. Salaries are benchmarked using comparisons with charities and public policy related organisations in similar labour markets both by geography and issue areas, taking into account factors including inflation and the Foundation's financial position. The Foundation is an accredited Living Wage employer. All our staff and contractors are paid at least the Living Wage which is an hourly rate set and updated annually, based on the cost of living.

f. Related parties

Trustees are required to disclose all relevant interests, register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or travel expenses were paid during the year. The Trustees who acted during the year are those listed in this report. Related party transactions are disclosed in the notes to these financial statements.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Structure, governance and management (continued)

g. Risk management

The Trustees acknowledge their responsibility for establishing a risk management system and are satisfied that appropriate systems and procedures have been established to identify and manage the major risks faced by the Charity.

The Foundation has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and monitored by the senior management team who take responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and senior management team to ensure the Foundation's operational rigour, attachment to purpose and independence are maintained.

The most significant external risk identified during the year was an increased reliance on volatile and external funding to maintain current activity levels. We have established a clear oversight strategy which determines the funders we work with, the projects we take on and the conditions we sign up to. This strategic decision making is informed by longer term financial forecasting, the level of reserves built up in recent years and the impact potential projects will have on our ability to fulfil our charitable objective. Risks are further mitigated by the priority we place on relationship management and robust internal processes established to manage reporting requirements.

The most significant organisational risk faced during the year related to the need to respond adequately to the ongoing Cost of Living crisis while continuing to deliver the Economy 2030 Inquiry (a collaboration with the Centre for Economic Performance at the London School of Economics, funded by the Nuffield Foundation). Failure to meet the objectives of these dual priorities would have a detrimental impact on the Foundation's ability to carry out its wider strategic plan and impact our ability to fulfil our charitable objective. The risks involved were mitigated by appropriate strategic planning and the implementation of associated managerial procedures, including clear communication with external partners and the Foundation team.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 Charity and of its income and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

Statement of Trustees' responsibilities (CONTINUED)

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, haysmacintyre, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

These financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Clive Cowdery

Clive Cowdery
Trustee

Date: 28/06/2024

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION FOUNDATION

Opinion

We have audited the financial statements of The Resolution Foundation (the 'charity') for the year ended 30 September 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 30 September 2023 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION FOUNDATION
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report.

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

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

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION FOUNDATION
(CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and other factors such as income tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to areas of estimation uncertainty and to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION FOUNDATION
(CONTINUED)

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

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Siobhan Holmes (Senior Statutory Auditor)

for and on behalf of

haysmacintyre

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

Date: 28 June 2024

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	2,503,613	1,102,195	3,605,808	3,228,263
Investments	5	8,820	-	8,820	1,583
Other income	6	45,341	-	45,341	55,694
Total income		2,557,774	1,102,195	3,659,969	3,285,540
Expenditure on:					
Charitable activities	7	2,205,061	1,209,346	3,414,407	3,010,643
Total expenditure		2,205,061	1,209,346	3,414,407	3,010,643
Net movement in funds		352,713	(107,151)	245,562	274,897
Reconciliation of funds:					
Total funds brought forward		1,406,857	161,232	1,568,089	1,293,192
Net movement in funds		352,713	(107,151)	245,562	274,897
Total funds carried forward		1,759,570	54,081	1,813,651	1,568,089

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 38 form part of these financial statements.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05588883

BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	12	577,362	237,486
Current assets			
Debtors	13	1,383,270	1,703,736
Cash at bank and in hand		1,035,210	601,631
		<u>2,418,480</u>	<u>2,305,367</u>
Creditors: amounts falling due within one year	14	(1,032,191)	(824,764)
Net current assets		<u>1,386,289</u>	<u>1,480,603</u>
Total assets less current liabilities		<u>1,963,651</u>	<u>1,718,089</u>
Creditors: amounts falling due after more than one year	15	(150,000)	(150,000)
Total net assets		<u><u>1,813,651</u></u>	<u><u>1,568,089</u></u>
Charity funds			
Restricted funds	16	54,081	161,232
Unrestricted funds	16	1,759,570	1,406,857
Total funds		<u><u>1,813,651</u></u>	<u><u>1,568,089</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Clive Cowdery

Clive Cowdery
Trustee

Date: 26/06/2024

The notes on pages 19 to 38 form part of these financial statements.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	764,635	(493,819)
Cash flows from investing activities		
Purchase of social investments	(339,876)	(122,469)
Interest received	8,820	1,583
Net cash used in investing activities	(331,056)	(120,886)
Change in cash and cash equivalents in the year	433,579	(614,705)
Cash and cash equivalents at the beginning of the year	601,631	1,216,336
Cash and cash equivalents at the end of the year	1,035,210	601,631

The notes on pages 19 to 38 form part of these financial statements

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General information

The Resolution Foundation is a company limited by guarantee incorporated in England and Wales, registration number 05588883 (charity number 1114839).

The registered address is 2 Queen Anne's Gate, London, SW1H 9AA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

2.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, and on that basis the charity is considered to be a going concern.

2.3 Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised as income in the year in which the donor states the funds should be expended. Where no such statement is made the income is recognised in the year in which it is receivable.

Income received in advance for the provision of a specified service is deferred until the criteria for income recognition are met.

Investment income is recognised when receivable and the amount can be measured reliably by the charity.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs comprise of costs associated with the management and administration of the charity and governance costs which are incurred in connection with the general running of the charity as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

2.5 Investments

Investments are a form of basic financial instrument and comprise investments in equity instruments which are initially recognised at their transaction value and are subsequently measured at their fair value as at the balance sheet date. Changes in fair value are recognised in the Statement of Financial Activities. Quoted stocks and shares are included in the Balance Sheet at the current market price quoted on a recognised stock exchange as at the reporting date.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.10 Pensions

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2.11 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are those where there are no externally imposed restrictions and are available for use at the discretion of the Trustees for expenditure on its objects or appropriated to reserves for internally designated purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2.12 Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2.13 Taxation

The Charity is considered to pass 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.

3. Critical accounting estimates and areas of judgement

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. 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.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the accounts are described in the accounting policies and are summarised below:

Valuation of social investments - the charity's social investments are held at cost less impairment.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Grants	2,503,613	1,102,195	3,605,808
	<u>2,503,613</u>	<u>1,102,195</u>	<u>3,605,808</u>
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Grants	2,203,901	1,024,362	3,228,263
	<u>2,203,901</u>	<u>1,024,362</u>	<u>3,228,263</u>

Resolution Trust are committed to fund the Foundation for at least a further two years having awarded grants totalling £7,680,000 with effect from 1 October 2022. Of this, £5,120,000 will be received over the next two years.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Grants received, included in the above, are as follows:

	2023 £	2022 £
Resolution Trust	2,460,000	2,039,969
Aviva	-	2,000
Citizens UK	-	22,500
Ernst & Young	13,000	-
ESRC Southampton	72,309	28,500
Evershed's Sutherland	-	3,000
Family Building Society	-	45,000
Incorporated Society of British Advertisers	5,000	-
Intergenerational Futures Forum	6,774	-
Lloyds Bank PLC	-	41,300
McDonald's UK	-	5,000
National Grid	13,000	-
Natwest	10,414	-
Nuffield Foundation	653,718	726,877
Standard Life	64,500	25,000
The Health Foundation	155,894	148,985
Other miscellaneous grants	1,774	1,779
Ventures Workertech grant income	149,425	138,353
	<u>3,605,808</u>	<u>3,228,263</u>

Total funding held in the year in respect of Ventures is as follows:

	2023 £	2022 £
Resolution Trust	100,000	100,000
Ufi VocTech Trust	120,000	60,000
Friends Provident Foundation	33,177	8,581
Trust for London	90,282	32,500
Accenture (via Resolution Trust)	2,500	-
	<u>345,959</u>	<u>201,081</u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank Interest	8,820	8,820
	<u>8,820</u>	<u>8,820</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank Interest	1,583	1,583
	<u>1,583</u>	<u>1,583</u>

6. Other income

	Unrestricted funds 2023 £	Total funds 2023 £
Administration charges	4,944	4,944
Miscellaneous income	40,397	40,397
	<u>45,341</u>	<u>45,341</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Administration charges	4,944	4,944
Miscellaneous income	50,750	50,750
	<u>55,694</u>	<u>55,694</u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Miscellaneous income in 2023 and 2022 consists of payment for projects and articles including:

	2023 £	<i>2022</i> £
HMRC	-	3,750
Citizens UK	16,500	24,000
Guardian/Observer	4,626	5,299
Natwest	4,000	16,000
Ernst & Young	4,000	-
Heriot Watt University	-	-
Joseph Rowntree Foundation	9,000	-
Others	2,271	1,701
	40,397	50,750

The above income is wholly unrestricted.

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Research and Education	2,205,061	1,209,346	3,414,407
	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total 2022 £</i>
Research and Education	2,010,211	1,000,432	3,010,643

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Research and Education	3,328,789	85,619	3,414,408

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Research and Education	2,947,873	62,770	3,010,643

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Other operating leases	5,356	5,172
IT support and supplies	35,744	28,007
Insurance	4,978	3,632
Postage and stationery	339	1,061
Memberships and subscriptions	2,302	3,521
Photocopier charges	2,954	1,901
Payroll and finance support	8,981	3,803
Travel	4,415	4,946
Auditors' remuneration	19,440	9,750
Sundries	1,110	977
	85,619	62,770

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

9. Auditors' remuneration

	2023 £	<i>2022</i> £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	18,000	9,750
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	1,440	-

10. Staff costs

	2023 £	<i>2022</i> £
Wages and salaries	1,854,011	1,768,451
Social security costs	226,724	216,738
Contribution to defined contribution pension schemes	127,365	122,472
	2,208,100	2,107,661

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	<i>2022</i> No.
Total	31	30

The average headcount expressed as full-time equivalents was:

	2023 No.	<i>2022</i> No.
Total	28	26

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	<i>2022</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	<i>2</i>
In the band £70,001 - £80,000	1	<i>2</i>
In the band £80,001 - £90,000	3	<i>2</i>
In the band £90,001 - £100,000	1	<i>-</i>
In the band £100,001 - £110,000	-	<i>1</i>
In the band £110,001 - £120,000	1	<i>-</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £130,001 - £140,000	1	<i>1</i>
In the band £140,001 - £150,000	1	<i>-</i>

Key management personnel

The total employee benefits paid to key management personnel during the year amounted to £757,981 (2022: £706,899).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 30 September 2023, no Trustee expenses have been incurred (2022 - £NIL).

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

12. Social investments

	Programme related investments equity £
Cost or valuation	
At 1 October 2022	237,486
Additions	339,876
At 30 September 2023	577,362
Net book value	
At 30 September 2023	577,362
At 30 September 2022	237,486

Investments comprise the following:

	2023 £	2022 £
Subtap Limited	30,016	30,016
Breakroom / Poplar Technologies Limited	139,969	69,969
Career Ear	30,000	30,000
Ikigai Data	25,001	25,001
Social Innovation Camp	82,500	82,500
TaskHer	49,876	-
Equal Care	50,000	-
Mobilise	50,000	-
Valla Ltd	50,000	-
Organise Ltd	70,000	-
	577,362	237,486

Social Innovation Camp comprises support for TaskHer (£27,500), RECit (£27,500) and Hera/Talia (£27,500) via Bethnal Green Ventures.

The charity has a commitment for up to a further three tranches of £27,500 before 31 March 2024.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Cost or valuation at 30 September 2023 is represented by:

	2023 £	2022 £
Equity		
Valuation	577,362	237,486
	<u>577,362</u>	<u>237,486</u>

13. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	453,527	871,523
Other debtors	150,000	150,000
Prepayments and accrued income	779,743	682,213
	<u>1,383,270</u>	<u>1,703,736</u>

14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	98,784	131,607
Accrued expenses	70,493	47,777
Accruals and deferred income	862,914	645,380
	<u>1,032,191</u>	<u>824,764</u>

Deferred income relates to amounts received but not yet utilised for ventures. The rate of recognition of deferred income into the Statement of Financial Activities, depends on the rate of expenditure.

	2023 £	2022 £
Deferred income at 1 October 2022	645,380	642,938
Resources deferred during the year	394,773	201,081
Amounts released from previous periods	(177,239)	(198,639)
	<u>862,914</u>	<u>645,380</u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

15. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Other loans	150,000	150,000

Included within the above are amounts falling due as follows:

	2023	2022
	£	£
Between one and two years		
Other loans	150,000	150,000

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

16. Statement of funds

Statement of funds - current year

	Balance at 1 October 2022 £	Income £	Expenditure £	Balance at 30 September 2023 £
Unrestricted funds				
General Funds - all funds	1,406,857	2,557,774	(2,205,061)	1,759,570
Restricted funds				
Unbound Philanthropy - Precarious workers	32,916	-	(32,916)	-
J P Morgan Chase Fdtn - Financial health and resilience	18,454	-	(18,454)	-
Standard Life - Wealth audit	29,203	25,000	(54,203)	-
Health Foundation - Securing High Quality Work	80,659	-	(65,576)	15,083
RF Ventures - Workertech Partnership	-	149,000	(149,000)	-
Nuffield Foundation - Economy 2030 Inquiry	-	653,718	(653,718)	-
ESRC - Intergenerational Centre	-	72,309	(72,309)	-
Health Foundation - Cost of Living	-	155,894	(123,670)	32,224
abrdn Financial Fairness Trust - Wealth audit	-	39,500	(39,500)	-
Intergenerational Futures Forum Group - Intergenerational Centre	-	6,774	-	6,774
	161,232	1,102,195	(1,209,346)	54,081
Total of funds	1,568,089	3,659,969	(3,414,407)	1,813,651

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 October 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 30 September 2022 £</i>
Unrestricted funds				
General Funds	1,155,890	2,261,178	(2,010,211)	1,406,857
Restricted funds				
Unbound Philanthropy - Precarious workers	60,490	-	(27,574)	32,916
J P Morgan Chase Fdtn - Financial health and resilience	37,954	-	(19,500)	18,454
Standard Life - Wealth audit	38,858	25,000	(34,655)	29,203
Health Foundation - Securing High Quality Work	-	123,985	(43,326)	80,659
RF Ventures - Workertech Partnership	-	27,500	(27,500)	-
Nuffield Foundation - Economy 2030 Inquiry	-	726,877	(726,877)	-
Family Building Society - Intergenerational Transfers	-	45,000	(45,000)	-
Health Foundation - Impact of COVID-19 on Employment, Debt and Health	-	25,000	(25,000)	-
ESRC - Intergenerational Centre	-	28,500	(28,500)	-
Citizens UK - Living Pension	-	22,500	(22,500)	-
	137,302	1,024,362	(1,000,432)	161,232
Total of funds	1,293,192	3,285,540	(3,010,643)	1,568,089

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

16. Statement of funds (continued)

abrdn Financial Fairness Trust (formerly Standard Life) – Wealth Audit (2023 – 2027)

A four year grant supporting research and analysis that aims to build evidence on the level and inequality of household wealth in Britain, with the objective of improving policy making through rigorous analysis and engagement in policy debates.

Citizens UK - Living Pension

The research quantifies how many low-paid workers saving now are on track for a 'Living Pension' in retirement and how many will be living on less. Using ASHE data, this research considers the current pension contributions being made by employees and employers in order to understand the scale of the potential problems ahead, and the scale of the uplift needed to ameliorate it.

ESRC - Intergenerational Centre

A five-year ESRC-funded project in collaboration with the University of Southampton, University of St Andrews, and University of Oxford, to innovate understanding of intergenerational relations and population change; re-think intergenerational connections for post-Brexit/Covid society; and produce novel science that will drive policy thinking towards improving the lives of individuals, families, communities and businesses.

Family Building Society - Intergenerational Transfers

A research project focused on the effects that gifts and inheritances have on the living standards and choices of British families, especially the impact that inheritances and gifts have on the lifetime living standards of young adults. The project also unpacks the indirect behavioural effects intergenerational transfers have on younger and older people's decisions around work, consumption, saving, living situations and social care.

Health Foundation - Impact of COVID-19 on employment, debt and health

This project, in collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, considered the impact of COVID-19 on employment, debt and health, and explored individuals' experience of the pandemic.

Health Foundation - Securing high quality work for young adults

This three-year project, supported by the Health Foundation who are committed to bringing about better health and health care for people in the UK, focuses on the impact of poor quality work on young people and the difficulties they face in accessing high quality work.

Intergenerational Futures Forum Group - Intergenerational Centre

A donation made in memory of Baroness Sally Greengross, OBE to fund research and policy work, including a public event, relating to intergenerational issues.

JPM Chase Foundation - Financial Health and Resilience across Europe

The purpose of the grant is to provide rigorous insight into the challenge of financial resilience among low-to-middle income households across a range of European countries; and scope the role that financial inclusion labs, or alternative policy interventions, could play in pioneering new high-impact solutions to this problem.

Nuffield Foundation - Economy 2030 Inquiry

The Economy 2030 Inquiry, a collaboration with the Centre for Economic Performance (CEP) at the London School of Economics (LSE), funded by the Nuffield Foundation, is a three year project which aims to address the question of economic change in light of the impact of Covid-19, the exit from the EU and the need to transition towards a Net Zero future.

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

16. Statement of funds (continued)

RF Ventures - Workertech Partnership

The Workertech Partnership is a three year programme of social investment, in collaboration with Accenture, Friends Provident Foundation, the Joseph Rowntree Foundation, Trust for London and Ufi VocTech Trust, aimed at supporting the growth of new innovative start-ups seeking to change the world of work for the better.

Standard Life (now abrdn Financial Fairness Trust) - Wealth audit

This project aims to increase understanding of and engagement with the role of wealth in 21st Century Britain, with the objective of improving policy making in the 2020s. Its defining features are a long term and rigorous analytical focus on wealth trends with active engagement in policy debates, particularly around wealth accumulation and taxation.

Unbound Philanthropy - Precarious Workers / Labour Market Enforcement

This research programme explores labour market enforcement in the UK - especially for those at the bottom end of the labour market - and aims to put labour market enforcement more firmly on the policy agenda. The programme launched with a review of secondary data to establish the nature and scale of labour market violations, and then proceeded to explore two specific areas (minimum wage non-compliance and auto-enrolment) in depth.

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Fixed asset investments	-	577,362	577,362
Current assets	2,418,480	-	2,418,480
Creditors due within one year	(508,910)	(523,281)	(1,032,191)
Creditors due in more than one year	(150,000)	-	(150,000)
Total	1,759,570	54,081	1,813,651

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Fixed asset investments	-	237,486	237,486
Current assets	2,144,135	161,232	2,305,367
Creditors due within one year	(587,278)	(237,486)	(824,764)
Creditors due in more than one year	(150,000)	-	(150,000)
Total	1,406,857	161,232	1,568,089

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	245,562	274,897
Adjustments for:		
Gains on investments	-	27,500
Dividends, interests and rents from investments	(8,820)	(1,583)
Decrease/(increase) in debtors	320,466	(731,131)
Increase/(decrease) in creditors	207,427	(63,502)
Net cash provided by/(used in) operating activities	764,635	(493,819)

19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,035,210	601,631
Total cash and cash equivalents	1,035,210	601,631

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

20. Analysis of changes in net debt

	At 1 October 2022 £	Cash flows £	At 30 September 2023 £
Cash at bank and in hand	601,631	433,579	1,035,210
Debt due after 1 year	(150,000)	-	(150,000)
	<u>451,631</u>	<u>433,579</u>	<u>885,210</u>

21. Pension commitments

The charitable company operates a defined contribution pension scheme through The Pensions Trust with contributions being made by both employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Foundation. Pension costs charged represent contributions payable by the Foundation to the Trust. Total pension costs in the current year amounted to £127,365 (2022: £122,472). At the year end £nil was due to the Trust (2022: £nil).

22. Operating lease commitments

At 30 September 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	134,301	317,093
Later than 1 year and not later than 5 years	-	224,691
	<u>134,301</u>	<u>541,784</u>

The following lease payments and changes in lease payments have been recognised in the Statement of Financial Activities:

	2023 £	2022 £
Operating lease rentals - property	179,440	179,440
Operating lease rentals - other	-	5,172
	<u>179,440</u>	<u>184,612</u>

THE RESOLUTION FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

23. Related party transactions

One of the trustees of the Foundation is the sole director of Resolution Service Management Ltd. The Foundation signed a five year lease with Resolution Service Management Ltd for new premises in November 2015. In December 2019, the Foundation signed a five year lease with Resolution Service Management Ltd which cancelled the November 2015 lease in favour of co-terminus leases for their existing premises and an additional floor within the same building. The decision was taken by the independent trustees after considering market value and the benefits to the Foundation given the facilities and location.

Total rent paid to Resolution Service Management Ltd during the year amounted to £179,440 (2022: £179,440).

Accounts

REGISTERED COMPANY NUMBER: 05588883 (England and Wales)
REGISTERED CHARITY NUMBER: 1114839

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022
FOR
THE RESOLUTION FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

THE RESOLUTION FOUNDATION

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FOR THE YEAR ENDED 30TH SEPTEMBER 2022

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THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Resolution Foundation is an independent think-tank focused on improving living standards for those on low-to-middle incomes. Our reputation for rigorous analytical work that results in effective policy solutions places us at the forefront of the UK debate on economic and social policy. We work across a wide range of economic policy making and are a leading UK authority on securing widely-shared economic growth.

Recognised as a home of real expertise on a range of policy issues, we draw on a core team of experts as well as established external relationships with top national and international economists, academics and policy experts and we continue to inform public debate and engage with key decision makers in government, the private sector, and civil society. We hold a regular programme of events, hosting diverse speakers from academia, the voluntary sector and business, and politicians from across the political spectrum.

The objects of the charity (as set out in the Memorandum and Articles of Association and amended by resolution on 26 May 2006 and 28 November 2019 in accordance with Article 36 of the Company's Articles of Association) are 1) to promote research and the education of the public into the economic and social sciences including, but without prejudice to the generality, the effect of economic, social and financial factors on the living standards at all stages of life of people benefiting from an income at or below the national average; and 2) to the extent resources of the charity are not required for object 1, to prevent and relieve poverty and to advance such other exclusively charitable purposes as the trustees see fit, including, but without prejudice to the generality, through social investment projects.

Our public benefit goal is to improve outcomes for people on low-to-middle incomes. We do this by undertaking original research and economic analysis to understand the challenges facing low-to-middle income households today. Engaging with policy makers and other key stakeholders, we develop practical and effective policy proposals to tackle the issues we identify and bring about change.

Our Focus

We define the low-to-middle income group as the poorer half of the non-pensioner population but excluding families in which no-one is in work (who often face specific challenges). We 'equivalise' household income prior to establishing 'low-to-middle income' and 'higher income' groups, in order to account for the different living standards associated with various household compositions. As such, couples with no children are classed as low-to-middle income if their combined disposable income (before housing costs) is below £29,300 a year and at least one partner is in work: while a single adult would need an income below £19,500 to qualify and a couple with two young children would need an income below £41,000.

By these definitions, there were nine million low-to-middle income families in the UK in 2019-20 including over 13 million adults and over seven million children. As each includes at least one working adult, they are not the poorest in society, but can struggle to get by and have felt the full impact of housing market challenges, insecure work and reductions in social security, as well as the financial crisis, Covid-19 and big changes in the cost of living. Despite these needs low-to-middle income households have been overlooked in debates about equality and economic opportunity.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

Our Approach

The Foundation prides itself on analytical rigour, and we strive to achieve standards of excellence in all our work. This commitment is matched by dedication to our core purpose, working to improve the living standards of those on low to middle incomes. These twin pillars of rigour and purpose underpin everything we do. We also aim to ensure our approach is:

Focused - we concentrate our attention and resources on a cohesive range of projects to achieve the greatest impact.

Practical - our policy solutions are derived from robust research and analysis and are practical and achievable.

Influential - we engage with key stakeholders and policy.

Independent - we are independent and non-partisan in our approach; we pursue policy issues on their merit and ability to improve outcomes for low to middle income households.

Flexible - we adapt our working style to suit the particular needs of each project and are outcome oriented not process driven.

Clear - we use a range of methods to convey our ideas and our communication style is clear, concise and direct.

Our Funding

The Resolution Foundation is primarily funded by the Resolution Trust. We are also grateful for support from additional organisations including Accenture (UK) Ltd, Citizens UK, Economic and Social Research Council, Family Building Society, Friends Provident Foundation, the Health Foundation, Joseph Rowntree Foundation, Lloyds Bank, the Nuffield Foundation, abrdn Financial Fairness Trust (formerly Standard Life Foundation), Trust for London, and Ufi VocTech Trust, which have enabled us to pursue work during the year. We are committed to transparency and list all organisations from whom we receive a contribution of £3,000 and over in the notes of this report. Small additional sums are also received as donations or payment for ad hoc activity like speaking engagements.

Public benefit

The Trustees confirm they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and guidance relating to public benefit and the advancement of education specifically. The Trustees ensure that all work undertaken is in line with the Foundation's charitable objects and aims.

STRATEGIC REPORT

Achievement and performance

Charitable activities

The charity's key objectives for 2021/2022 were:

- o To retain a clear focus on living standards via robust and primarily quantitative analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- o To consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and ensure robust economic growth that benefits all sections of society;
- o To inform public and policy debate on our response to the Covid-19 and cost of living crisis by documenting its impacts on the labour market and living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy;
- o To consolidate our move into new research areas of net zero, trade, firms and places.

Our key achievements included:

Covid-19

We continued our collaboration with The Health Foundation and YouGov, with another bespoke survey in October 2021 to monitor how the crisis is affecting households' wellbeing, labour market outcomes, incomes and family finances, looking specifically at outcomes after the ending of the Job Retention Scheme. As government restrictions eased through 2022, we focused on how young people were faring, given they tend to suffer more during downturns. As part of the Economy 2030 project, we also looked at the lasting impacts of the pandemic on businesses, and on geographical inequalities within the UK.

Cost of living and energy prices

The unexpected development during the year was rising inflation, which began before the Russian invasion of Ukraine in February 2022, but dominated the news from that point on, as energy prices soared. We produced several reports on the impact of high household energy prices, and we analysed the Government's repeated policy announcements. We also explored the benefits of a social tariff scheme as a way to target the worst-affected households.

Incomes and inequality

Our annual flagship Living Standards Outlook set out what current economic forecasts and existing policies imply for families across the income distribution. In Spring 2022, a key focus was on the likely impact of high inflation, and on how using a lagged measure of inflation to increase most benefit rates means the real value of benefits fell considerably in 2022-23. Our Living Standards Audit took a long view of what has happened to household incomes in Britain over recent decades, what has driven periods of growth and stagnation, and the lessons that need to be learned if Britain is to return to stronger income growth in the decade ahead.

Job, skills and pay

We have continued to study the enforcement of labour market regulations, including examining the importance that preserving a firm's reputation has on its tendency to comply. Our three-year Health Foundation-funded Young People's Future Health Inquiry continues to examine the relationship between young people's employment and their mental health and wellbeing through reports on employment trajectories over the Covid-19 period and longer-term trends in youth worklessness. We also produced our annual Low Pay Britain report and calculated the Living Wage rates for the Living Wage Foundation, alongside substantial work on the post-pandemic labour market.

Housing, wealth and debt

Our long-term housing work used new Wealth and Assets survey data to identify how far away from home ownership many of the UK's young people are today. We analysed England's housing stock in greater depth, in part to understand how housing quality affects energy usage (and relatedly fuel poverty) but also to highlight how homes are increasingly at risk of flooding as the climate warms. Our quarterly Housing Outlook provided an opportunity to look at a number of timely issues such as whether transaction tax holidays in the pandemic period were necessary; what rising inflation meant for social rents; and whether private renters were getting less for their money than in the past. In the third Wealth Audit, as part of our collaboration with abrdn Financial Fairness Trust, we used newly-available data on differences in wealth across groups to understand the complicated picture of wealth inequality in the UK, the impact it has had on people's lives, and its implications for households as the cost of living crisis intensified. We also published research on intergenerational wealth transfers, in collaboration with the Family Building Society, using a mixed methods approach to uncover some of the motivations and impacts of such transfers.

Tax and welfare

In late 2021, we analysed the cut in the UC taper rate. Work in 2022 focused on how the small rise in benefits in April 2022 was exacerbating the cost of living crisis for benefit recipients, and on how well compensated were those facing high energy bills. As part of our Economy 2030 work, we assessed how the UK's social security system will help or hinder the country get through a decade of economic change.

Firms and productivity

We have established RF as an authority on the analysis of UK firms and productivity, a subject area in which relatively little high-quality policy work has previously been done in the UK. This was largely done through the Firms stream of the Economy 2030 Inquiry, with papers published on the extent, location and drivers of low productivity growth in the UK and the relative strengths of UK firms in different tradable sectors of the economy. We have been in close touch with the Decision Maker Panel (Bank of England, Nottingham and Stanford), the Productivity Institute (Manchester) and the Project on Innovation and Diffusion (LSE), as well as the growth-focused parts of the Civil Service.

Places and spatial inequalities

The UK has (on many metrics) significant and (frequently) stubborn spatial inequalities. We researched how economic change has affected different places in the UK over recent decades to establish where this leaves us at the start of the 2020s. Specifically, we employed innovative data to establish how and why household incomes vary across the country; how people experience their places and what is important to them about where they live; and the extent to which place plays a role in explaining productivity gaps in the UK.

Intergenerational Centre

We published our third annual Intergenerational Audit at the start of this year, covering employment patterns among older workers, the demographic implications of the Covid-19 crisis, and an intergenerational assessment of how incomes and household balance sheets have changed since the onset of the pandemic. We started a five-year ESRC-funded project in collaboration with the University of Southampton, University of St Andrews, and University of Oxford, to innovate understanding of intergenerational relations and population change; re-think intergenerational connections for post-Brexit/Covid society; and produce novel science that will drive policy thinking towards improving the lives of individuals, families, communities and businesses.

Macroeconomic Policy Unit

As we emerged from the pandemic we continued to produce our regular Macroeconomic Policy Outlook to monitor progress of the recovery and the drivers of increases in inflation. In addition, we developed our distributional analysis for the impact of inflation, providing regular updates of the differential impacts of high inflation across income groups, and published reports ahead of, and in response to, all major fiscal events, including Autumn Budget 2021 and the Spring Statement in March 2022. We also produced analysis of the long-term fiscal pressures facing the Government and the options to address them in the decade ahead.

Net zero

This new area of work focused on the implications of the transition to a net zero carbon economy for low-to-middle-income families. A major report for the Economy 2030 project considered how families will face up to these challenges, looking at four aspects of household consumption - home heating, surface transport, diets and flying - and evaluated where government policies are currently lacking and how policy makers should address the challenges to come as net zero policy enters a new phase.

Trade in the aftermath of Brexit

We also established a new area of work on Brexit and trade, including publishing key reports that set out our agenda focussing on how trade has shaped wider economic change in the past and the possible impacts of leaving the EU. We reviewed the impact of Brexit on people, places and firms, and provided an updated assessment of the potential economic impacts of the final trading arrangement agreed with the EU. Finally, we provided an assessment of the economic consequences of the current overarching trade policy strategy and of the potential impact of agreements that were signed during the last year.

The Economy 2030 project

The Economy 2030 project published a major piece of research in July 2022 (Stagnation Nation) focused on the underlying causes of the economic stagnation seen over the past 15 years. It prosecuted an argument that Britain's twin problems of low growth and high inequality have spelled a disaster for low to middle income households, and that a proper economic strategy for the UK is needed to address these problems over the 2020s. We also began the next phase of the project, involving publishing policy papers and staging a programme of events, including a day-long conference organised in partnership with the Centre for Economic Performance at the London School of Economics.

Ventures

The Workertech Partnership continued to deliver investments and ecosystem building activities, with support from our funding partners. This included making two pre-seed stage direct investments, and developing an impact measurement framework for the programme, as well as additional research. We joined industry groups including ImpactVC and the British Private Equity & Venture Capital Association to continue to learn and develop our impact investing practices. We also explored the potential for the creation of a larger social impact fund to follow on from this programme.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

STRATEGIC REPORT

Financial review

Financial position

The Financial statements show incoming resources for the year of £3,285,540 with resources expended in the year of £3,010,643..

The incoming resources to the charity comprise donations from the Resolution Trust which was established by Sir Clive Cowdery in 2007 and provides ongoing funding for the Resolution Foundation. Other incoming resources include donations and payments from charitable trusts and other organisations for project specific work, bank interest received in the year, an administration fee for work carried out on behalf of the Resolution Trust and other miscellaneous donations and payments for ad hoc activity like speaking engagements.

In June 2022, the Trustees of the Resolution Trust agreed minimum funding for the Foundation of £2,500,000 for 2022/2023, £2,500,000 for 2023/2024, and £2,500,000 for 2024/2025.

At 30 September 2022, the Charity had free reserves totalling £1,406,857. In addition, funds held for restricted purposes amounted to £161,232.

Reserves policy

The Trustees have received as part of their funding commitment from the Resolution Trust a commitment that the Trust will meet any costs associated with the winding up of the Resolution Foundation. In addition to the Trust's commitment, the Trustees of the Foundation consider it wise to maintain a level of reserves commensurate with covering immediate commitments. As such, the Trustees consider the optimal level of free reserves to be approximately £600,000 and will seek to manage income and expenditure prudently in order to deliver that level of free reserves

STRATEGIC REPORT

Future plans

The charity's key objectives for 2022/2023 are:

- o To retain a clear focus on living standards via robust and primarily quantitative analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- o To consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and ensure robust economic growth that benefits all sections of society;
- o To inform public and policy debate on the country's response to the cost of living crisis by documenting its impacts on living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy;
- o To consolidate our move into new research areas of net zero, trade, firms and places.

Cost of living (and energy prices)

We will continue to assess Government policy interventions on the cost of living and energy prices, and contribute to public debate by providing frequent commentary and analysis, including focusing on the key decision on uprating benefits in April 2023. A new partnership with The Health Foundation will allow us to field 3 large-scale surveys during the year to learn about how families are coping with rising costs, and the impact on their health and financial resilience.

Incomes and inequality

We will continue to publish our annual flagship Living Standards Outlook in the spring (setting out what current economic forecasts and existing policies imply for families across the income distribution), and Living Standards Audit in the summer (assessing recent trends in and prospects for living standards). We will also do a deep dive into various measures of living standards for working-age people with disabilities.

Job, skills and pay

Early 2023 will see us bring our labour market enforcement programme to a close, drawing together updated UK analysis and contributions from five international partners into a final report. We will also continue our work on the Health Foundation-funded Young People's Future Health Inquiry, examining how employment and health outcomes for young people vary by place, followed by work focused on policy interventions to help young people flourish at work. The first half of this year will see major labour-market reports for the Economy 2030 Inquiry on the topics of raising both the wage floor and the floor for non-wage terms through regulation, and how to improve the bargaining power of workers above these floors through new labour-market institutions. We will then develop a new programme of work on the labour market that is likely to examine high-frequency volatility in pay, especially among the low paid, and the fundamental drivers of within-country wage inequality across countries and over time. We will also continue to produce our currently monthly and quarterly labour products.

Housing, wealth and debt

We will continue to explore the interface between housing and net zero with a policy paper on home insulation. Moreover, as the cost of living crisis continues, we plan to investigate which families are struggling most with their housing costs using two waves of a bespoke survey, and how families can be best-protected from rising housing costs if our second-tier cities were to become more productive. We will produce the first of our new Wealth-in-Focus pieces as part of our renewed collaboration with abrdn Financial Fairness Trust, building on our Covid-19 work and addressing gaps in wealth across key characteristics, including gender, ethnicity and across regions and countries of the UK.

STRATEGIC REPORT

Future Plans (continued)

Tax and welfare

As part of our Economy 2030 work, we will assess how both the UK's social security system and the tax system can best contribute to a world where the UK has both higher growth and falling inequality; we will also look at reforming the UK's welfare system so that it can better protect workers from employment shocks. We will look at the role that discretion should play in the UK's welfare system, and at how the increasing overlap between UC and the withdrawal of Child Benefit is leading to some truly penal marginal deduction rates.

Firms and productivity

We will publish two major reports in this area focused on boosting business investment, and improving the dynamism and efficiency of UK firms.

Places and spatial inequalities

With spatial inequalities still high on the public policy agenda, we will research what some individual UK cities need to do in the UK to become more productive given their current starting positions. Working directly with officials in the cities, we will establish what a service-led model of growth could look like, what is needed to achieve growth of that nature, and who would most or least benefit as a result.

Intergenerational Centre

As part of a five-year ESRC-funded project, we will publish our fourth annual Intergenerational Audit, which will provide an intergenerational assessment of how incomes and household balance sheets have and will change over the course of the cost of living crisis. It will cover how higher inflation and higher interest rates will impact the living standards of different generations. We will also collaborate on a report with researchers from the Nuffield Politics Research Centre, University of Oxford, using new survey data to explore intergenerational views, conflict and policy preferences.

Macroeconomic Policy Unit

As the cost of living crisis continues to shape our economy and policy, we will use our regular Macroeconomic Policy Outlook to analyse the impact of high inflation on the economy and what it means for policy. Providing analysis ahead of, and in response to, major fiscal events, will remain a key part of our work in this area. This will include Autumn Statement 2022 and the Spring Budget in March 2023. We will analyse how to use public investment to ensure a high-investment decade ahead, and also produce new research on how the Government can think about evolving the monetary policy framework in order to ensure that macroeconomic policy can provide adequate support in future recessions.

Net zero

This work will continue to focus on the implications of the transition to a net zero carbon economy for low-to-middle-income families. In addition to our work on energy prices and policy, we will consider how policy makers could square up to one of the hardest parts of the UK's transition to a net zero economy: insulating the nation's homes. A major report will consider how best to move the UK to a system of road pricing, as revenues from fuel duty dry up.

Trade in the aftermath of Brexit

We will publish a report setting out the implications of possible government trade strategies and establish what a growth promoting trade strategy would need to prioritise, including how the UK could improve its current trading relationship with the EU. We will monitor and assess how the UK economy has adapted to new trade barriers, including how trade has been impacted and the implications for domestic economic activity, workers and productivity. We will also focus on how the aftermath of the Covid-19 lockdowns has impacted global supply chains and the implications for the UK economy.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

STRATEGIC REPORT

Future Plans (continued)

The Economy 2030 project

The Economy 2030 project will conclude with a book-length Final Report, scheduled for release at a major event in late 2023. This will build on the findings of Stagnation Nation (the project's Interim Report), synthesising approximately 20 reports and developing an economic strategy supported by detailed policy recommendations designed to address low growth and high inequality.

Ventures

The Workertech Partnership will continue to 2023, and will continue to deliver investments and ecosystem building activities, with support from our funding partners. This will include making pre-seed stage direct investments, supporting our portfolio with impact management and delivering a final impact report for the programme, as well as additional research. We will also develop a larger social impact fund with partners to follow on from this programme.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Resolution Foundation was incorporated on 11 October 2005 as a company limited by guarantee and was registered as a charity on 24 June 2006, the Charity is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The Trustees (who are also the directors of the charitable company for the purposes of company law), are a self-appointing body with each Trustee initially appointed for a three-year term. New Trustees can be nominated by any existing Trustee and are appointed according to relevant skills and experience.

Organisational structure

Trustees attend regular meetings where progress, strategy and plans are discussed. They are also sent relevant documentation including research reports and minutes of meetings. The Trustees meet as necessary and not less than three times each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed Torsten Bell (Chief Executive) in September 2015 who has day to day responsibility for all operational matters. The Right Hon. Lord David Willets (President of the Advisory Council and Intergenerational Centre) was appointed in June 2015 and Gavin Kelly (Chief Executive 2010-2015) re-joined the executive team as Chair in April 2019.

Induction and training of new trustees

Trustees are given an in-depth introduction to the organisation and the role of Trustees through a formal induction process and meetings with the Chair of Trustees and the Chief Executive.

Key management remuneration

The key management personnel of the Foundation are those persons having authority and responsibilities for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustees of the entity. For the Foundation, they comprise the Chair, the President of the Advisory Council and Intergenerational Centre, the Chief Executive, the Deputy Chief Executive, the Director of Communications and the Director of Resources. The remuneration of the Chair, the President of the Advisory Council and Intergenerational Centre, and the Chief Executive is set by the Trustees. All other staff salaries are set by the senior management team. Salaries are benchmarked using comparisons with charities in similar labour markets both by geography and issue areas, taking into account factors including inflation and the Foundation's financial position. The Foundation is an accredited Living Wage employer. All our staff and contractors are paid at least the Living Wage which is an hourly rate set and updated annually, based on the cost of living.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

Trustees are required to disclose all relevant interests, register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or travel expenses were paid during the year. The Trustees who acted during the year are those listed in this report. Related party transactions are disclosed in the notes to these financial statements.

Risk management

The Trustees acknowledge their responsibility for establishing a risk management system and are satisfied that appropriate systems and procedures have been established to identify and manage the major risks faced by the Charity.

The Foundation has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the senior management team who take responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and senior management team to ensure the Foundation's operational rigour, attachment to purpose and independence are maintained.

The most significant external risk identified during the year was related to the Coronavirus Outbreak. While our core funding arrangements remained unaffected, and we returned to working predominantly from our Westminster office, there remained an ongoing risk that the pandemic would directly impact the health of the staff team and our ability to fulfil the Foundation's charitable objectives. We continued to mitigate these risks primarily through employee consultation, communication and support, and through making changes to our public events and external meeting schedules. We also continued to monitor Charity Commission and other government guidance, amending internal policies and procedures as required, maintained our Cyber Essentials accreditation to mitigate the increased risks of fraud and cybercrime, and implemented appropriate Health & Safety measures, including updating our Disaster Management Plan. Additionally, our research and communications strategy was amended in light of external events to ensure we emphasised the changing needs of low to middle income households.

The most significant organisational risk identified was the ongoing delivery of the Economy 2030 Inquiry, a collaboration between the Resolution Foundation and the Centre for Economic Performance at the London School of Economics, funded by the Nuffield Foundation. The risks involved in undertaking a large externally funded project with a high-profile external partner include the management and operational challenges of coordinating research across two organisations. There were also additional risks associated with delivering major objectives for the Economy 2030 Inquiry while ensuring we continued with our ongoing work. Failure to respond adequately to the ongoing Cost of Living crisis would result in reputational damage, have a detrimental impact on the Foundation's wider work plan, and potentially impact our ability to fulfil our charitable objective and contribute to improved outcomes for low to middle income households. To mitigate these risks, we ensured appropriate strategic and managerial project oversight procedures remained in place. Liaison with the external funder and project partner continues to be prioritised, and internal processes have been amended and established as required.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05588883 (England and Wales)

Registered Charity number

1114839

Registered office

2 Queen Anne's Gate
London
SW1H 9AA

Trustees

C J Alexandrou
P N Butler
C A Cowdery Chairman
P T Stevens Treasurer
V Alakeson (resigned 11/2/2022)
A Turner

Company Secretary

T Bell

Senior Statutory Auditor

John Thacker FCA DChA

Auditors

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Bankers

Natwest Bank plc
St Paul's Branch
Juxon House
98 St Paul's Churchyard
London
EC4M 8BU

United Trust Bank Ltd
80 Haymarket
London
EC4M 6YH

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Resolution Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Chariot House Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18th April 2023 and signed on the board's behalf by:

C A Cowdery - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RESOLUTION FOUNDATION

Opinion

We have audited the financial statements of The Resolution Foundation (the 'charitable company') for the year ended 30th September 2022 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 (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 30th September 2022 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.

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 Auditors' 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RESOLUTION FOUNDATION**

Matters on which we are required to report by exception

In the 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 Report of the Trustees.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RESOLUTION FOUNDATION

Our 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 a Report of the Independent Auditors 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.

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We identified that the following laws and regulations are central to the charitable company:

- Companies Act 2006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RESOLUTION FOUNDATION**

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 auditors' 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.

John Thacker FCA DChA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date: 26th April 2023

THE RESOLUTION FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES****(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,203,901	1,024,362	3,228,263	2,695,292
Investment income	3	1,583	-	1,583	1,014
Other income	4	<u>55,694</u>	<u>-</u>	<u>55,694</u>	<u>39,763</u>
Total		<u>2,261,178</u>	<u>1,024,362</u>	<u>3,285,540</u>	<u>2,736,069</u>
EXPENDITURE ON					
Charitable activities	5				
Research and Education		<u>2,010,211</u>	<u>1,000,432</u>	<u>3,010,643</u>	<u>2,765,246</u>
NET INCOME/(EXPENDITURE)		250,967	23,930	274,897	(29,177)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,155,890</u>	<u>137,302</u>	<u>1,293,192</u>	<u>1,322,369</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,406,857</u>	<u>161,232</u>	<u>1,568,089</u>	<u>1,293,192</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE RESOLUTION FOUNDATION (REGISTERED NUMBER: 05588883)**BALANCE SHEET**
30TH SEPTEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Social investments	11	-	237,486	237,486	142,517
CURRENT ASSETS					
Debtors	12	1,703,736	-	1,703,736	972,605
Cash at bank		<u>440,399</u>	<u>161,232</u>	<u>601,631</u>	<u>1,216,336</u>
		2,144,135	161,232	2,305,367	2,188,941
CREDITORS					
Amounts falling due within one year	13	(587,278)	(237,486)	(824,764)	(888,266)
NET CURRENT ASSETS		<u>1,556,857</u>	<u>(76,254)</u>	<u>1,480,603</u>	<u>1,300,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,556,857	161,232	1,718,089	1,443,192
CREDITORS					
Amounts falling due after more than one year	14	(150,000)	-	(150,000)	(150,000)
NET ASSETS		<u>1,406,857</u>	<u>161,232</u>	<u>1,568,089</u>	<u>1,293,192</u>
FUNDS	17				
Unrestricted funds				1,406,857	1,155,890
Restricted funds				<u>161,232</u>	<u>137,302</u>
TOTAL FUNDS				<u>1,568,089</u>	<u>1,293,192</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 18th April 2023 and were signed on its behalf by:

C A Cowdery - Trustee

The notes form part of these financial statements

THE RESOLUTION FOUNDATION**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(493,819)</u>	<u>461,962</u>
Net cash (used in)/provided by operating activities		<u>(493,819)</u>	<u>461,962</u>
Cash flows from investing activities			
Purchase of social investments		(122,469)	(142,517)
Interest received		<u>1,583</u>	<u>1,014</u>
Net cash used in investing activities		<u>(120,886)</u>	<u>(141,503)</u>
Change in cash and cash equivalents in the reporting period		(614,705)	320,459
Cash and cash equivalents at the beginning of the reporting period		<u>1,216,336</u>	<u>895,877</u>
Cash and cash equivalents at the end of the reporting period		<u>601,631</u>	<u>1,216,336</u>

The notes form part of these financial statements

THE RESOLUTION FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	274,897	(29,177)
Adjustments for:		
Investment loss	27,500	-
Interest received	(1,583)	(1,014)
Increase in debtors	(731,131)	(104,474)
(Decrease)/increase in creditors	<u>(63,502)</u>	<u>596,627</u>
Net cash (used in)/provided by operations	<u>(493,819)</u>	<u>461,962</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/21 £	Cash flow £	At 30/9/22 £
Net cash			
Cash at bank	<u>1,216,336</u>	<u>(614,705)</u>	<u>601,631</u>
	<u>1,216,336</u>	<u>(614,705)</u>	<u>601,631</u>
Debt			
Debts falling due after 1 year	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>
	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>
Total	<u>1,066,336</u>	<u>(614,705)</u>	<u>451,631</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, including taking into account any potential impact of the Covid-19 pandemic, and on that basis the charity is considered to be a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised as income in the year in which the donor states the funds should be expended. Where no such statement is made the income is recognised in the year in which it is receivable.

Income received in advance for the provision of a specified service is deferred until the criteria for income recognition are met.

Investment income is recognised when receivable and the amount can be measured reliably by the charity.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs comprise of costs associated with the management and administration of the charity and governance costs which are incurred in connection with the general running of the charity as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Taxation

The Charity is considered to pass 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are those where there are no externally imposed restrictions and are available for use at the discretion of the Trustees for expenditure on its objects or appropriated to reserves for internally designated purposes.

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Investments are a form of basic financial instrument and comprise investments in equity instruments which are initially recognised at their transaction value and are subsequently measured at their fair value as at the balance sheet date. Changes in fair value are recognised in the Statement of Financial Activities. Quoted stocks and shares are included in the Balance Sheet at the current market price quoted on a recognised stock exchange as at the reporting date.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Grants	<u>3,228,263</u>	<u>2,695,292</u>

Resolution Trust are committed to fund the Foundation for at least a further three years having awarded grants totalling £7,500,000 with effect from 1 October 2022.

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**2. DONATIONS AND LEGACIES - continued**

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Resolution Trust	2,039,969	2,100,420
Aviva	2,000	18,000
Citizens UK	22,500	-
ESRC Southampton	28,500	-
Evershed's Sutherland	3,000	-
Family Building Society	45,000	-
Federation of Small Businesses	-	6,000
Lloyds Bank PLC	41,300	-
McDonald's UK	5,000	-
Nuffield Foundation	726,877	302,400
Other Grants	1,779	9,780
Standard Life	25,000	82,000
The Health Foundation	148,985	48,415
Unbound Philanthropy	-	40,000
Ventures funders	<u>138,353</u>	<u>88,277</u>
	<u>3,228,263</u>	<u>2,695,292</u>

	2022	2021
	£	£
Income deferred to future years		
Ventures Funders	<u>645,380</u>	<u>582,652</u>

Total funding held in the year in respect of Ventures is as follows:

Accenture	-	300,000
Resolution Trust	100,000	100,000
Joseph Rowntree Foundation	-	150,000
Ufi VocTech Trust	60,000	75,000
Friends Provident Foundation	8,581	13,595
Trust for London	<u>32,500</u>	<u>32,334</u>
	<u>201,081</u>	<u>670,929</u>

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3. INVESTMENT INCOME

	2022	2021
	£	£
Bank Interest	<u>1,583</u>	<u>1,014</u>

4. OTHER INCOME

	2022	2021
	£	£
Administration charges	4,944	4,944
Miscellaneous income	<u>50,750</u>	<u>34,819</u>
	<u>55,694</u>	<u>39,763</u>

Miscellaneous income in 2022 and 2021 consists of payment for projects and articles including:

	2022	2021
	£	£
HMRC	3,750	-
Aviva	-	12,000
Citizens UK	24,000	10,000
Guardian/Observer	5,299	-
Natwest	16,000	-
Federation for Small Business	-	6,000
Others	<u>1,701</u>	<u>6,819</u>
	<u>50,750</u>	<u>34,819</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Research and Education	<u>2,947,873</u>	<u>62,770</u>	<u>3,010,643</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**6. SUPPORT COSTS**

	Management	Governance	Totals
	£	costs	£
	£	£	£
Research and Education	<u>52,043</u>	<u>10,727</u>	<u>62,770</u>

Support costs, included in the above, are as follows:

	2022	2021
	Research	Total
	and	activities
	Education	£
	£	£
Other operating leases	5,172	5,172
IT support and supplies	28,007	49,562
Insurance	3,632	4,813
Remote working equipment and costs	-	97
Postage and stationery	1,061	1,594
Memberships and subscriptions	3,521	3,021
Photocopier charges	1,901	51
Payroll and finance support	3,803	3,197
Travel	4,946	904
Auditors' remuneration	9,750	5,880
Sundries	<u>977</u>	<u>861</u>
	<u>62,770</u>	<u>75,152</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	9,750	5,880
Other operating leases	5,172	5,172
Operating leases - property	<u>179,440</u>	<u>179,440</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30th September 2022 nor for the year ended 30th September 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th September 2022 nor for the year ended 30th September 2021.

9. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	1,768,451	1,589,227
Social security costs	216,738	185,460
Other pension costs	<u>122,472</u>	<u>112,039</u>
	<u>2,107,661</u>	<u>1,886,726</u>

Key management personnel

The total employee benefits paid to key management personnel during the year amounted to £706,899 (2021: £699,536).

Average Number of employees

The average number of employees on a full time equivalent basis was 26 (2021: 26).

The average monthly number of employees during the year was as follows:

	2022	2021
Total	<u>30</u>	<u>30</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	2	1
£70,001 - £80,000	2	1
£80,001 - £90,000	2	2
£100,001 - £110,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	<u>1</u>	<u>1</u>
	<u>9</u>	<u>7</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,033,779	661,513	2,695,292
Investment income	1,014	-	1,014
Other income	<u>39,763</u>	<u>-</u>	<u>39,763</u>
Total	<u>2,074,556</u>	<u>661,513</u>	<u>2,736,069</u>
 EXPENDITURE ON			
Charitable activities			
Research and Education	<u>1,831,809</u>	<u>933,437</u>	<u>2,765,246</u>
 NET INCOME/(EXPENDITURE)	242,747	(271,924)	(29,177)
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>
 TOTAL FUNDS CARRIED FORWARD	<u>1,155,890</u>	<u>137,302</u>	<u>1,293,192</u>

11. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
At 1st October 2021	142,517
Additions	122,469
Revaluations	<u>(27,500)</u>
At 30th September 2022	<u>237,486</u>
 NET BOOK VALUE	
At 30th September 2022	<u>237,486</u>
At 30th September 2021	<u>142,517</u>

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

11. SOCIAL INVESTMENTS - continued

Investments comprise the following:

	2022 £	2021 £
Subtap Limited	30,016	30,016
Poplar Technologies Limited	69,969	30,001
Career Ear	30,000	-
Ikigai Data	25,001	-
Social Innovation Camp	<u>82,500</u>	<u>82,500</u>
	<u>237,486</u>	<u>142,517</u>

Social Innovation Camp comprises support for TaskHer (£27,500), RECit (£27,500) and Hera/Talia (£27,500) via Bethnal Green Ventures.

The charity has a commitment for up to a further 6 tranches of £27,500 before 31st August 2023.

Cost or valuation at 30th September 2022 is represented by:

	Equity £
Valuation in 2022	<u>237,486</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	871,523	583,197
Other debtors	150,000	150,000
Prepayments and accrued income	<u>682,213</u>	<u>239,408</u>
	<u>1,703,736</u>	<u>972,605</u>

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	131,607	134,255
Social security and other taxes	-	58,269
Accruals and deferred income	645,380	642,938
Accrued expenses	<u>47,777</u>	<u>52,804</u>
	<u>824,764</u>	<u>888,266</u>

The rate of recognition of Deferred Income into the SoFA, depends on the rate of expenditure

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other loans (see note 15)	<u>150,000</u>	<u>150,000</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>150,000</u>	<u>150,000</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	317,093	317,093
Between one and five years	<u>224,691</u>	<u>541,784</u>
	<u>541,784</u>	<u>858,877</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2022****17. MOVEMENT IN FUNDS**

	At 1/10/21 £	Net movement in funds £	At 30/9/22 £
Unrestricted funds			
General fund	1,155,890	250,967	1,406,857
Restricted funds			
Unbound Philanthropy - Precarious workers	60,490	(27,574)	32,916
J P Morgan - Financial health and resilience	37,954	(19,500)	18,454
Standard Life - Wealth audit	38,858	(9,655)	29,203
Health Foundation Securing High Quality Work	-	80,659	80,659
	<u>137,302</u>	<u>23,930</u>	<u>161,232</u>
TOTAL FUNDS	<u>1,293,192</u>	<u>274,897</u>	<u>1,568,089</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,261,178	(2,010,211)	250,967
Restricted funds			
Unbound Philanthropy - Precarious workers	-	(27,574)	(27,574)
J P Morgan - Financial health and resilience	-	(19,500)	(19,500)
Standard Life - Wealth audit	25,000	(34,655)	(9,655)
RF Ventures - Workertech Partnership	27,500	(27,500)	-
Nuffield Foundation - Economy 2030	726,877	(726,877)	-
Family Building Society - Intergenerational Transfers	45,000	(45,000)	-
Health Foundation Securing High Quality Work	123,985	(43,326)	80,659
Health Foundation - Impact of COVID-19 on Employment, Debt and Health	25,000	(25,000)	-
ESRC - Intergenerational Centre	28,500	(28,500)	-
Citizens UK - Living Pension	22,500	(22,500)	-
	<u>1,024,362</u>	<u>(1,000,432)</u>	<u>23,930</u>
TOTAL FUNDS	<u>3,285,540</u>	<u>(3,010,643)</u>	<u>274,897</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**17. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/10/20 £	Net movement in funds £	At 30/9/21 £
Unrestricted funds			
General fund	913,143	242,747	1,155,890
Restricted funds			
Unbound Philanthropy - Precarious workers	50,602	9,888	60,490
J P Morgan - Financial health and resilience	286,315	(248,361)	37,954
Standard Life - Wealth audit	3,880	34,978	38,858
Health Foundation - Securing high quality work	68,429	(68,429)	-
	<u>409,226</u>	<u>(271,924)</u>	<u>137,302</u>
TOTAL FUNDS	<u>1,322,369</u>	<u>(29,177)</u>	<u>1,293,192</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,074,556	(1,831,809)	242,747
Restricted funds			
Unbound Philanthropy - Precarious workers	40,000	(30,112)	9,888
Nuffield Foundation - Intergenerational Audit	48,694	(48,694)	-
J P Morgan - Financial health and resilience	-	(248,361)	(248,361)
Standard Life - Wealth audit	70,000	(35,022)	34,978
Health Foundation - Securing high quality work	3,416	(71,845)	(68,429)
RF Ventures - Workertech Partnership	88,277	(88,277)	-
Resolution Trust - COVID support	100,420	(100,420)	-
Nuffield Foundation - Economy 2030	253,706	(253,706)	-
Health Foundation - Impact of COVID-19 on Employment, Debt and Health	22,000	(22,000)	-
Health Foundation - Informing the Recovery	35,000	(35,000)	-
	<u>661,513</u>	<u>(933,437)</u>	<u>(271,924)</u>
TOTAL FUNDS	<u>2,736,069</u>	<u>(2,765,246)</u>	<u>(29,177)</u>

17. MOVEMENT IN FUNDS - continued

Citizens UK - Living Pension

The research quantifies how many low-paid workers saving now are on track for a 'Living Pension' in retirement and how many will be living on less. Using ASHE data, this research considers the current pension contributions being made by employees and employers in order to understand the scale of the potential problems ahead, and the scale of the uplift needed to ameliorate it.

ESRC - Intergenerational Centre

A five-year ESRC-funded project in collaboration with the University of Southampton, University of St Andrews, and University of Oxford, to innovate understanding of intergenerational relations and population change; re-think intergenerational connections for post-Brexit/Covid society; and produce novel science that will drive policy thinking towards improving the lives of individuals, families, communities and businesses,

Family Building Society - Intergenerational Transfers

A research project focused on the effects that gifts and inheritances have on the living standards and choices of British families, especially the impact that inheritances and gifts have on the lifetime living standards of young adults. The project also unpacks the indirect behavioural effects intergenerational transfers have on younger and older people's decisions around work, consumption, saving, living situations and social care.

Health Foundation - Impact of COVID-19 on employment, debt and health

This project, in collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, considered the impact of COVID-19 on employment, debt and health, and explored individuals' experience of the pandemic.

Health Foundation - Informing the recovery in 2021

This project in collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, included primary data collection and focused on understanding COVID-19's impact on the labour market, incomes and inequalities.

Health Foundation - Securing high quality work for young adults

This three-year project, supported by the Health Foundation who are committed to bringing about better health and health care for people in the UK, focuses on the impact of poor quality work on young people and the difficulties they face in accessing high quality work.

JPM Chase Foundation - Financial Health and Resilience across Europe

The purpose of the grant is to provide rigorous insight into the challenge of financial resilience among low-to-middle income households across a range of European countries; and scope the role that financial inclusion labs, or alternative policy interventions, could play in pioneering new high-impact solutions to this problem.

Lloyds Bank - Youth Home Ownership

Owning one's home is an enduring preference for the majority of families in the UK, but today's young people face a more serious set of hurdles to overcome than previous generations if they want to turn that desire into reality. This project explored how the home ownership fortunes of those aged 25 to 34 have changed over time

Nuffield Foundation - Economy 2030

The Economy 2030 Inquiry, a collaboration with the Centre for Economic Performance (CEP) at the London School of Economics (LSE), funded by the Nuffield Foundation, is a three year project which aims to address the question of economic change in light of the impact of Covid-19, the exit from the EU and the need to transition towards a Net Zero future.

17. MOVEMENT IN FUNDS - continued

Nuffield Foundation - Intergenerational Audit

The grant focuses on advancing and updating analysis of the living standards of different generations in a range of areas, including novel research on multiple property ownership, the impact of housing costs on labour market mobility, and on the long-term scarring effects of starting out in low-paid and insecure work. The project assesses policy developments from an intergenerational perspective and aims to make analytical and policy assessment tools and findings related to generational outcomes available to the wider research and policy community.

Standard Life (now abrdrn Financial Fairness Trust) - Wealth in 21st Century Britain

This project aims to increase understanding of and engagement with the role of wealth in 21st Century Britain, with the objective of improving policy making in the 2020s. Its defining features are a long term and rigorous analytical focus on wealth trends with active engagement in policy debates, particularly around wealth accumulation and taxation.

Unbound Philanthropy - Precarious Worker / Labour Market Enforcement

This research programme explores labour market enforcement in the UK - especially for those at the bottom end of the labour market - and aims to put labour market enforcement more firmly on the policy agenda. The programme launched with a review of secondary data to establish the nature and scale of labour market violations, and then proceeded to explore two specific areas (minimum wage non-compliance and auto-enrolment) in depth.

RF Ventures - Workertech Partnership

The Workertech Partnership is a three year programme of social investment, in collaboration with Accenture, Friends Provident Foundation, the Joseph Rowntree Foundation, Trust for London and Ufi VocTech Trust, aimed at supporting the growth of new innovative start-ups seeking to change the world of work for the better.

18. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme through The Pensions Trust with contributions being made by both employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Foundation. Pension costs charged represent contributions payable by the Foundation to the Trust. Total pension costs in the current year amounted to £122,472 (2021: £112,039. At the year end £nil was due to the Trust (2021: £nil).

19. RELATED PARTY DISCLOSURES

One of the trustees of the Foundation is the sole director of Resolution Service Management Ltd. The Foundation signed a five year lease with Resolution Service Management Ltd for new premises in November 2015. In December 2019, the Foundation signed a five year lease with Resolution Service Management Ltd which cancelled the November 2015 lease in favour of co-terminus leases for their existing premises and an additional floor within the same building. The decision was taken by the independent trustees after considering market value and the benefits to the Foundation given the facilities and location.

20. COMPANY STATUS

The charity was incorporated on 11 October 2005 and is limited by the guarantee of its members. The members of the company are the Trustees named in the Trustees' report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

THE RESOLUTION FOUNDATION

England & Wales - Charity number 1114839

Accounts

REGISTERED COMPANY NUMBER: 05588883 (England and Wales)
REGISTERED CHARITY NUMBER: 1114839

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021
FOR
THE RESOLUTION FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

THE RESOLUTION FOUNDATION

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FOR THE YEAR ENDED 30TH SEPTEMBER 2021

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THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Resolution Foundation is an independent think-tank focused on improving living standards for those on low-to-middle incomes. Our reputation for rigorous analytical work that results in effective policy solutions places us at the forefront of the UK debate on economic and social policy. We work across a wide range of economic policy making and are a leading UK authority on securing widely-shared economic growth.

Recognised as a home of real expertise on a range of policy issues, we draw on a core team of experts as well as established external relationships with top national and international economists, academics and policy experts and we continue to inform public debate and engage with key decision makers in government, the private sector, and civil society. We hold a regular programme of events, hosting diverse speakers from academia, the voluntary sector and business, and politicians from across the political spectrum.

The objects of the charity (as set out in the Memorandum and Articles of Association and amended by resolution on 26 May 2006 and 28 November 2019 in accordance with Article 36 of the Company's Articles of Association) are 1) to promote research and the education of the public into the economic and social sciences including, but without prejudice to the generality, the effect of economic, social and financial factors on the living standards at all stages of life of people benefiting from an income at or below the national average; and 2) to the extent resources of the charity are not required for object 1, to prevent and relieve poverty and to advance such other exclusively charitable purposes as the trustees see fit, including, but without prejudice to the generality, through social investment projects.

Our public benefit goal is to improve outcomes for people on low-to-middle incomes. We do this by undertaking original research and economic analysis to understand the challenges facing low-to-middle income households today. Engaging with policy makers and other key stakeholders, we develop practical and effective policy proposals to tackle the issues we identify and bring about change.

Our Focus

We define the low-to-middle income group as the poorer half of the non-pensioner population but excluding families in which no-one is in work (who often face specific challenges). We 'equivalise' household income prior to establishing 'low-to-middle income' and 'higher income' groups, in order to account for the different living standards associated with various household compositions. As such, couples with no children are classed as low-to-middle income if their combined disposable income (before housing costs) is below £29,300 a year and at least one partner is in work: while a single adult would need an income below £19,500 to qualify and a couple with two young children would need an income below £41,000.

By these definitions, there are nine million low-to-middle income families in the UK including over 13 million adults and over seven million children. As each includes at least one working adult, they are not the poorest in society, but can struggle to get by and have felt the full impact of housing market challenges, insecure work and reductions in social security, as well as the recession, Covid-19 and changes in the cost of living. Despite these needs low-to-middle income households have been overlooked in debates about equality and economic opportunity.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

Our Approach

The Foundation prides itself on analytical rigour, and we strive to achieve standards of excellence in all our work. This commitment is matched by dedication to our core purpose, working to improve the living standards of those on low to middle incomes. These twin pillars of rigour and purpose underpin everything we do. We also aim to ensure our approach is:

Focused - we concentrate our attention and resources on a cohesive range of projects to achieve the greatest impact.

Practical - our policy solutions are derived from robust research and analysis and are practical and achievable.

Influential - we engage with key stakeholders and policy.

Independent - we are independent and non-partisan in our approach; we pursue policy issues on their merit and ability to improve outcomes for low to middle income households.

Flexible - we adapt our working style to suit the particular needs of each project and are outcome oriented not process driven.

Clear - we use a range of methods to convey our ideas and our communication style is clear, concise and direct.

Our Funding

The Resolution Foundation is primarily funded by the Resolution Trust. We are also grateful for support from additional organisations including Accenture (UK) Ltd, Aviva, the Federation of Small Businesses, Friends Provident Foundation, the Health Foundation, Joseph Rowntree Foundation, the Nuffield Foundation, abrdn Financial Fairness Trust (formerly Standard Life Foundation), Trust for London, Ufi VocTech Trust and Unbound Philanthropy, which have enabled us to pursue work during the year. We are committed to transparency and list all organisations from whom we receive a contribution of £3,000 and over in the notes of this report. Small additional sums are also received as donations or payment for ad hoc activity like speaking engagements.

Public benefit

The Trustees confirm they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and guidance relating to public benefit and the advancement of education specifically. The Trustees ensure that all work undertaken is in line with the Foundation's charitable objects and aims.

STRATEGIC REPORT

Achievement and performance

Charitable activities

The charity's key objectives for 2020/2021 were:

- o To retain a clear focus on living standards via robust and primarily quantitative analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- o To cement our relevance to public policy by broadening scope into other areas around low pay, productivity, cities, technology, intergenerational fairness and macroeconomic policy;
- o To add real-world grit by increasing the volume of policy recommendations and developing conversations with business, cities and devolved administrations;
- o To zoom out to consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero; and
- o To inform public and policy debate on our response to the Covid-19 crisis by documenting its impacts on the labour market and living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy.

Our activities included:

Covid-19

The pandemic dominated the Foundation's research work during this year. We continued our collaboration with The Health Foundation and YouGov, and ran a further three surveys which allowed us to make timely assessments of how the crisis affected households' wellbeing, labour market outcomes, incomes and family finances. Specific work is detailed below.

Incomes and inequality

We published our flagship Living Standards Outlook (January) and Living Standards Audit (July), with the latter looking at whether the economic recovery in the first half of 2021 was being felt equally by all workers. A mixed methods project in collaboration with the Covid Realities team looked at what impact the pandemic had on the costs and spending patterns of low-income families with children. A major piece of work, using a bespoke cross-national survey, took a comparative perspective to assessing financial resilience in the years running up to the crisis, and examined how the pandemic affected households in the UK, France and Germany.

Job, skills and pay

We continued to describe the unequal impact of the pandemic on the labour market, as well as identify the size of the long-term worklessness problem and propose solutions to help minimise the scarring impact on young people. Alongside our broader labour market work we have continued to investigate how labour market rights are enforced. We also calculated the Living Wage rates for the Living Wage Foundation.

Housing, wealth and debt

Our housing programme continued to focus on the multiple ways the pandemic is affecting housing costs and choices including examining how housing arrears had risen over the Covid-19 period and how housing supply and demand has changed. We continued to analyse housing through the intergenerational lens, and the impact of Covid-19 also continued to dominate our work on wealth. Our second wealth audit, conducted in collaboration with the Standard Life Foundation (now known as abrdn Financial Fairness Trust), focused on plugging the gap left by the delay in publishing official statistics looking at the impact of the pandemic on the size and distribution of wealth in the UK.

Tax and welfare

Our welfare policy work assessed the experience of Universal Credit (UC) recipients, given UC's crucial role in the pandemic. We also looked at the implications of the pandemic for social security policy in general, and sick pay in particular. On tax, we produced a major report considering how to repair the damage to the public finances. The report - part of the collaboration with the abrdn Financial Fairness Trust - focused on the macroeconomic rationale for reducing the deficit, providing estimates for the preferred size and timing of consolidation measures and possible reforms to the tax system. We also proposed a Health & Social Care Levy to provide additional revenue and help with the recovery.

Intergenerational Centre

We continued to cover key intergenerational living standards issues in depth, including analysing the negative impact of the pandemic on older people's employment in the UK reversing decades of rising older-age employment rates, and the rising trend for groups of young adults to live with their parents. We also showed how the cost of first-time home ownership has changed across generations, and tracked social security benefits by age. In addition to this, our work on the Young People's Future Health Inquiry, supported by the Health Foundation, explores the relationship between young people's employment outcomes, job quality, and their mental health and wellbeing.

Macroeconomic Policy Unit

Our macroeconomic focus has been on the evolving economic impact of Covid-19 and the overall response of fiscal and monetary policy, aiming to ensure that low-to-middle-income households share in the recovery. Key outputs include previews and responses to major fiscal events, and our quarterly publication, the Macro Policy Outlook.

Fiscal events

We continued to publish reports ahead of, and in response to, all major fiscal events, including the Spending Review 2020 (November 2020), the Budget 2021 (March 2021), announcements on the evolving design of the Coronavirus Job Retention Scheme (Autumn 2020), and a major announcement of increases in taxes to pay for the NHS and social care (September 2021). Our analysis focused on the impact of the Government's measures to support the incomes of low to middle earners in the face of the crisis.

Ventures

We further developed our work in action-oriented research and social investment. We secured funding from partners including Accenture, the Joseph Rowntree Foundation, Friends Provident Foundation, Ufi VocTech Trust and Trust for London to support a three-year WorkerTech Partnership of social investment and ecosystem building. This programme aims to improve the pay, progression, power and prospects of those in low-paid and precarious work, by investing in ventures using technology to improve work. We made two investments in the year, as well as supporting a further three ventures via a partnership with Bethnal Green Ventures' Tech for Good programme. We also published a research report on the role of ventures and innovation in supporting financial resilience in Europe.

The Economy 2030 Project

In May 2021 we launched the Economy 2030 Inquiry, a major three-year project in partnership with the Centre for Economic Performance at London School of Economics, and supported by the Nuffield Foundation. The project's focus is the nature, scale, cumulative impact and policy context of the significant economic change facing the UK in light of Covid-19, Brexit and the transition to net zero. The project is led by seven high-profile Commissioners and informed by a skilled and diverse Advisory Group, ensuring input from across the UK. The work of the Inquiry has provided the catalyst for RF to expand into new research areas, covering trade and net zero specialisms, and is devoted to research and analysis on the UK's experience of, and likely future exposure to, economic change.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

STRATEGIC REPORT

Financial review

Financial position

The Financial statements show incoming resources for the year of £2,736,069 with resources expended in the year of £2,765,246.

The incoming resources to the charity comprise donations from the Resolution Trust which was established by Sir Clive Cowdery in 2007 and provides ongoing funding for the Resolution Foundation. Other incoming resources include donations and payments from charitable trusts and other organisations for project specific work, bank interest received in the year, an administration fee for work carried out on behalf of the Resolution Trust and other miscellaneous donations and payments for ad hoc activity like speaking engagements.

In August 2019, the Trustees of the Resolution Trust agreed minimum funding for the Foundation of £2,100,000 for 2019/2020, £2,100,000 for 2020/2021, and £2,100,000 for 2021/2022. Trustees are currently in discussion with the Board of the Resolution Trust to confirm the details of a new three-year funding agreement (for 2022/2023 - 2024/2025) which is expected to be confirmed in May 2022.

At 30 September 2021, the Charity had free reserves totalling £1,155,890. In addition, funds held for restricted purposes amounted to £137,302.

Reserves policy

The Trustees have received as part of their funding commitment from the Resolution Trust a commitment that the Trust will meet any costs associated with the winding up of the Resolution Foundation. In addition to the Trust's commitment, the Trustees of the Foundation consider it wise to maintain a level of reserves commensurate with covering immediate commitments. As such, the Trustees consider the optimal level of free reserves to be approximately £600,000 and will seek to manage income and expenditure prudently in order to deliver that level of free reserves.

STRATEGIC REPORT

Future plans

The charity's key objectives for 2021/2022 are:

- o To retain a clear focus on living standards via robust and primarily quantitative analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- o To consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and ensure robust economic growth that benefits all sections of society;
- o To inform public and policy debate on our response to the Covid-19 and cost of living crisis by documenting its impacts on the labour market and living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy;
- o To consolidate our move into new research areas of net zero, trade, firms and places.

Planned activities include:

Covid-19

At the time of writing, the Covid-19 pandemic looks set to continue into 2021-22. We will continue our collaboration with The Health Foundation and YouGov with another bespoke survey in October 2021 to monitor how the crisis is affecting households' wellbeing, labour market outcomes, incomes and family finances, and specifically to look at outcomes after the ending of the Job Retention Scheme. Subsequent plans will depend on the state of the Covid pandemic.

Incomes and inequality

We will continue to publish our annual flagship Living Standards Outlook in the spring (setting out what current economic forecasts and existing policies imply for families across the income distribution), and Living Standards Audit in the summer (assessing recent trends in and prospects for living standards). The focus will be on how any post-pandemic recovery is shared across the income distribution, and on the impact of high and rising inflation. Our planned work for summer 2022 will investigate the way in which recent employment trends have affected low to middle household incomes.

Job, skills and pay

We will continue to study the enforcement of labour market regulations, including examining the importance that preserving a firm's reputation has on its tendency to comply. We will also continue our work on the Health Foundation-funded Young People's Future Health Inquiry, a three-year programme that explores the relationship between young people's employment outcomes, job quality, and their mental health and wellbeing. Outputs will include covering how young people's employment trajectories (through summer to autumn 2021) and longer-term trends in worklessness and job quality interact with health and wellbeing, as well as dynamism and change in the labour market, worker power and automation. We will also continue to produce our annual Low Pay Britain report and calculate the Living Wage rates for the Living Wage Foundation.

Housing, wealth and debt

Our long-term housing work will use Wealth and Assets Survey data to unpack the barriers young people have in becoming home owners. We plan to investigate the issue of housing stock in depth, in part to understand how housing quality affects energy usage (and relatedly fuel poverty) but more broadly to inform our work on the net zero transition. Our quarterly Housing Outlook provides an opportunity to look at a number of timely issues such as whether transaction tax holidays in the pandemic period were necessary and what rising inflation could mean for social rents. We will produce the third Wealth Audit, as part of our collaboration with abrdn Financial Fairness Trust, building on our Covid-19 work and addressing gaps in wealth across key characteristics, including gender, ethnicity and across regions and countries of the UK. We also plan to work on intergenerational transfers, in collaboration with the Family Building Society, using a mixed methods approach to uncover some of the motivations and impacts of such transfers.

STRATEGIC REPORT

Tax and welfare

Our welfare policy work will assess the experience of Universal Credit recipients, given its crucial role in the pandemic, and its ability to prevent financial hardship, as the crisis continues. As part of our Economy 2030 work, we will assess how the UK's social security system is set to help or hinder the country get through a decade of economic change. On tax policy, we plan to produce a major piece looking at how we should think about taxing the huge gains in housing wealth since the turn of the millennium, which have increased further in the aftermath of the pandemic. That work will consider different approaches and look at what realistic calibrations for changes to the tax system might raise in additional tax revenue.

Firms and productivity

We will establish RF as an authority on the analysis of UK firms and productivity, a subject area in which relative little high-quality policy work is done in the UK. This will largely be done through the Firms stream of the Economy 2030 Inquiry, and will include analysis of the dynamism of and dispersion between UK firms, and their sectoral/industrial strengths and weaknesses in the context of the large economic changes due in the 2020s.

Places and spatial inequalities

The UK has (on many metrics) significant and (frequently) stubborn spatial inequalities. Left-behind people (those with low levels of qualifications/ low pay/ low productivity) often live in left-behind places, and left-behind places may exacerbate the problems of left-behind people. Spatial inequalities are currently high on the public policy agenda, and we will research how economic change has affected different places in the UK over recent decades and establish where this leaves us at the start of the 2020s. Specifically, we will examine how incomes vary across the country; how people experience their places and what is important to them about where they live; and the extent to which place plays a role in explaining productivity gaps in the UK.

Intergenerational Centre

We will publish our third annual Intergenerational Audit, covering employment patterns among older workers, the demographic implications of the Covid-19 crisis, and an intergenerational assessment of how incomes and household balance sheets have changed both over time, and since the onset of the pandemic. We will assess the current state of living standards for people of different generations, including how living standards differ within and between different birth cohorts. We will also begin a five-year ESRC-funded project in collaboration with the University of Southampton, University of St Andrews, and University of Oxford, to innovate understanding of intergenerational relations and population change; re-think intergenerational connections for post-Brexit/Covid society; and produce novel science that will drive policy thinking towards improving the lives of individuals, families, communities and business now and in the future.

Macroeconomic Policy Unit

As we emerge from the pandemic we will continue to produce our regular Macro Policy Outlook to monitor progress of the recovery and the drivers of increases in inflation. We will continue to publish reports ahead of, and in response to, all major fiscal events, including Autumn Budget 2021 and the Spring Statement in March 2022. We will produce analysis of the long-term fiscal pressures facing the Government and the options to address them in the decade ahead. We will also look at the underlying causes of the economic stagnation seen over the past 15 years, and how plausible it is to think that policy might drive a faster rate of trend growth.

Ventures

The Workertech Partnership will continue to 2023, and will continue to deliver investments and ecosystem building activities, with support from our funding partners. This will include making pre-seed stage direct investments, and developing an impact measurement framework for the programme, as well as additional research. We will also explore the potential for the creation of a larger social impact fund to follow on from this programme.

STRATEGIC REPORT

The Economy 2030 project

The Economy 2030 project will launch an Interim Report in Summer 2022, which will draw together the evidence and conclusions reached during Phase 1, including: quantifying future changes driven by Covid-19, Brexit and net zero; setting out the context into which this change will take place (e.g. high income inequality and low productivity growth); and describing the UK's experience at adapting to change in recent decades. Phase 2 will involve the publication of policy papers and a programme of events, including a day-long conference organised in partnership with the Centre for Economic Performance at the LSE, leading up to the publication of a Final Report in 2023.

Net zero and energy prices

This new area of work will focus on the implications of the transition to a net zero carbon economy for low-to-middle-income families. The Government has pledged to reach this target by 2050 but a successful transition requires a significant acceleration of progress in areas such as land transport, heating and insulation, and changes in the nature of production for many jobs - all of which will have profound implications for families. We will set out which factors shape how net zero will affect people, places and firms and consider alternative policy approaches, drawing on lessons from the past. We will also focus on how consumption patterns will need to change, and consider the impact of net zero on jobs, places and sectors, including the impact of rising energy prices on living standards.

Trade in the aftermath of Brexit

Another new area of work concerns international trade and its implications for UK jobs and incomes. The UK's departure from the European Union necessitates redefining our trade and migration policies, which will have profound implications for the UK economy, and must be coordinated with domestic policy objectives, not least because our trading relationships will determine what economic activity takes place domestically and so will be crucial for future inclusive growth and improvements in job quality. Initially, we will focus on how trade shapes wider economic change as well as being a key influence on long-term prosperity. After that we plan to dig deep into the impact of trade on people, places and firms, as well as thinking through some of the implications of possible government trade strategies, and putting new trade agreements in a wider context.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Resolution Foundation was incorporated on 11 October 2005 as a company limited by guarantee and was registered as a charity on 24 June 2006, the Charity is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The Trustees (who are also the directors of the charitable company for the purposes of company law), are a self-appointing body with each Trustee initially appointed for a three-year term. New Trustees can be nominated by any existing Trustee and are appointed according to relevant skills and experience.

Organisational structure

Trustees attend regular meetings where progress, strategy and plans are discussed. They are also sent relevant documentation including research reports and minutes of meetings. The Trustees meet as necessary and not less than three times each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed Torsten Bell (Chief Executive) in September 2015 who has day to day responsibility for all operational matters. The Right Hon. Lord David Willets (President of the Advisory Council and Intergenerational Centre) was appointed in June 2015 and Gavin Kelly (Chief Executive 2010-2015) re-joined the executive team as Chair in April 2019.

Induction and training of new trustees

Trustees are given an in-depth introduction to the organisation and the role of Trustees through a formal induction process and meetings with the Chair of Trustees and the Chief Executive.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The key management personnel of the Foundation are those persons having authority and responsibilities for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustees of the entity. For the Foundation, they comprise the Chair, the President of the Advisory Council and Intergenerational Centre, the Chief Executive, the Deputy Chief Executive, the Director of Communications and the Director of Resources. The remuneration of the Chair, the President of the Advisory Council and Intergenerational Centre, and the Chief Executive is set by the Trustees. All other staff salaries are set by the senior management team. Salaries are benchmarked using comparisons with charities in similar labour markets both by geography and issue areas, taking into account factors including inflation and the Foundation's financial position. The Foundation is an accredited Living Wage employer. All our staff and contractors are paid at least the Living Wage which is an hourly rate set and updated annually, based on the cost of living.

Related parties

Trustees are required to disclose all relevant interests, register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or travel expenses were paid during the year. The Trustees who acted during the year are those listed in this report. Related party transactions are disclosed in the notes to these financial statements.

Risk management

The Trustees acknowledge their responsibility for establishing a risk management system and are satisfied that appropriate systems and procedures have been established to identify and manage the major risks faced by the Charity.

The Foundation has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the senior management team who take responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and senior management team to ensure the Foundation's operational rigour, attachment to purpose and independence are maintained.

The most significant external risk identified during the year was related to the Coronavirus Outbreak. While our core funding arrangements remained unaffected, the pandemic impacted the health and wellbeing of the staff team and we continued to face broad operational and management challenges, including the risk of the loss of productivity and morale associated with the transition to, and the nature of, new working patterns. We continued to mitigate these risks through employee consultation including a regular pattern of staff surveys and follow up discussions, and through monitoring Charity Commission and other government guidance, amending internal policies and procedures as required. We maintained our Cyber Essentials accreditation to mitigate the increased risks of fraud and cybercrime, implemented appropriate Health & Safety measures, and continued to amend our research and communications strategy in light of external events to ensure we emphasised the changing needs of low to middle income households.

The most significant organisational risk identified was the launching and delivery of the Economy 2030 Inquiry, a collaboration between the Resolution Foundation and the Centre for Economic Performance at the London School of Economics, funded by the Nuffield Foundation. The risks involved in undertaking a large externally funded project with a high profile external partner include coordinating research across two organisations. Failure to achieve the project aims would result in reputational damage, have a detrimental impact on the Foundation's wider work plan, and potentially impact our ability to improve outcomes for low to middle income households. To mitigate these risks, we ensured appropriate strategic and managerial project oversight procedures are in place. Liaison with the external funder and project partner is prioritised, and internal processes have been amended and established as required.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05588883 (England and Wales)

Registered Charity number

1114839

Registered office

2 Queen Anne's Gate
London
SW1H 9AA

Trustees

C J Alexandrou
P N Butler
C A Cowdery Chairman
P T Stevens Treasurer
V Alakeson (resigned 11/2/2022)
A Turner

Company Secretary

T Bell

Senior Statutory Auditor

John Thacker FCA DChA

Auditors

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Bankers

Natwest Bank plc
St Paul's Branch
Juxon House
98 St Paul's Churchyard
London
EC4M 8BU

United Trust Bank Ltd
80 Haymarket
London
EC4M 6YH

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Resolution Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Chariot House Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 June 2022 and signed on the board's behalf by:

C A Cowdery - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RESOLUTION FOUNDATION

Opinion

We have audited the financial statements of The Resolution Foundation (the 'charitable company') for the year ended 30th September 2021 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 (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 30th September 2021 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.

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 Auditors' 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RESOLUTION FOUNDATION**

Matters on which we are required to report by exception

In the 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 Report of the Trustees.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RESOLUTION FOUNDATION

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We identified that the following laws and regulations are central to the charitable company:

- Companies Act 2006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RESOLUTION FOUNDATION**

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 auditors' 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.

John Thacker FCA DChA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Date: 20 June 2022

THE RESOLUTION FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES****(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,033,779	661,513	2,695,292	2,902,459
Investment income	3	1,014	-	1,014	2,301
Other income	4	<u>39,763</u>	<u>-</u>	<u>39,763</u>	<u>83,414</u>
Total		2,074,556	661,513	2,736,069	2,988,174
EXPENDITURE ON					
Charitable activities	5				
Research and Education		<u>1,831,809</u>	<u>933,437</u>	<u>2,765,246</u>	<u>2,288,102</u>
NET INCOME/(EXPENDITURE)		242,747	(271,924)	(29,177)	700,072
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,155,890</u></u>	<u><u>137,302</u></u>	<u><u>1,293,192</u></u>	<u><u>1,322,369</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE RESOLUTION FOUNDATION (REGISTERED NUMBER: 05588883)**BALANCE SHEET**
30TH SEPTEMBER 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Social investments	11	-	142,517	142,517	-
CURRENT ASSETS					
Debtors	12	972,605	-	972,605	868,131
Cash at bank		<u>1,079,034</u>	<u>137,302</u>	<u>1,216,336</u>	<u>895,877</u>
		2,051,639	137,302	2,188,941	1,764,008
CREDITORS					
Amounts falling due within one year	13	(745,749)	(142,517)	(888,266)	(441,639)
		<u>1,305,890</u>	<u>(5,215)</u>	<u>1,300,675</u>	<u>1,322,369</u>
NET CURRENT ASSETS					
		1,305,890	137,302	1,443,192	1,322,369
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,305,890	137,302	1,443,192	1,322,369
CREDITORS					
Amounts falling due after more than one year	14	(150,000)	-	(150,000)	-
		<u>1,155,890</u>	<u>137,302</u>	<u>1,293,192</u>	<u>1,322,369</u>
NET ASSETS					
		1,155,890	137,302	1,293,192	1,322,369
FUNDS	17				
Unrestricted funds				1,155,890	913,143
Restricted funds				<u>137,302</u>	<u>409,226</u>
TOTAL FUNDS				<u>1,293,192</u>	<u>1,322,369</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 15 June 2022 and were signed on its behalf by:

C A Cowdery - Trustee

The notes form part of these financial statements

THE RESOLUTION FOUNDATION**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>461,962</u>	<u>521,894</u>
Net cash provided by operating activities		<u>461,962</u>	<u>521,894</u>
 Cash flows from investing activities			
Purchase of social investments		(142,517)	-
Interest received		<u>1,014</u>	<u>2,301</u>
Net cash (used in)/provided by investing activities		<u>(141,503)</u>	<u>2,301</u>
Change in cash and cash equivalents in the reporting period		320,459	524,195
Cash and cash equivalents at the beginning of the reporting period		<u>895,877</u>	<u>371,682</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>1,216,336</u></u>	<u><u>895,877</u></u>

The notes form part of these financial statements

THE RESOLUTION FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(29,177)	700,072
Adjustments for:		
Interest received	(1,014)	(2,301)
Increase in debtors	(104,474)	(539,515)
Increase in creditors	<u>596,627</u>	<u>363,638</u>
Net cash provided by operations	<u><u>461,962</u></u>	<u><u>521,894</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/20 £	Cash flow £	At 30/9/21 £
Net cash			
Cash at bank	<u>895,877</u>	<u>320,459</u>	<u>1,216,336</u>
	<u>895,877</u>	<u>320,459</u>	<u>1,216,336</u>
Debt			
Debts falling due after 1 year	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
Total	<u><u>895,877</u></u>	<u><u>170,459</u></u>	<u><u>1,066,336</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, including taking into account any potential impact of the Covid-19 pandemic, and on that basis the charity is considered to be a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised as income in the year in which the donor states the funds should be expended. Where no such statement is made the income is recognised in the year in which it is receivable.

Income received in advance for the provision of a specified service is deferred until the criteria for income recognition are met.

Investment income is recognised when receivable and the amount can be measured reliably by the charity.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs comprise of costs associated with the management and administration of the charity and governance costs which are incurred in connection with the general running of the charity as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Taxation

The Charity is considered to pass 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are those where there are no externally imposed restrictions and are available for use at the discretion of the Trustees for expenditure on its objects or appropriated to reserves for internally designated purposes.

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30TH SEPTEMBER 2021**

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Investments

Investments are a form of basic financial instrument and comprise investments in equity instruments which are initially recognised at their transaction value and are subsequently measured at their fair value as at the balance sheet date. Changes in fair value are recognised in the Statement of Financial Activities. Quoted stocks and shares are included in the Balance Sheet at the current market price quoted on a recognised stock exchange as at the reporting date.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Grants	<u>2,695,292</u>	<u>2,902,459</u>

Resolution Trust are committed to fund the Foundation for at least a further year having awarded grants totalling £6,300,000 with effect from 1 October 2019.

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Resolution Trust	2,100,420	2,100,000
Other Grants	9,780	3,653
Unbound Philanthropy	40,000	70,000
Clarion Housing Group	-	8,125
Liverpool City Region Combined Authority	-	14,888
Nuffield Foundation	302,400	46,896
Trust for London	-	20,000
Lloyds Bank PLC	-	10,000
The Health Foundation	48,415	146,897
J P Morgan	-	391,000
Standard Life	82,000	91,000
Federation of Small Businesses	6,000	-
Aviva	18,000	-
Ventures funders	88,277	-
	<u>2,695,292</u>	<u>2,902,459</u>

	2021	2020
	£	£
Income deferred to future years		
Ventures Funders	<u>582,652</u>	<u>275,000</u>

Total funding received in the year in respect of Ventures is as follows:

Accenture	300,000	275,000
Resolution Trust	100,000	-
Joseph Rowntree Foundation	150,000	-
Ufi VocTech Trust	75,000	-
Friends Provident Foundation	13,595	-
Trust for London	32,334	-
	<u>670,929</u>	<u>275,000</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**3. INVESTMENT INCOME**

	2021	2020
	£	£
Bank Interest	<u>1,014</u>	<u>2,301</u>

4. OTHER INCOME

	2021	2020
	£	£
Administration charges	4,944	5,013
Miscellaneous income	<u>34,819</u>	<u>78,401</u>
	<u>39,763</u>	<u>83,414</u>

Miscellaneous income in 2021 and 2020 consists of payment for projects and articles including:

	2021	2020
	£	£
Clarion Housing Group	-	3,750
Aviva	12,000	59,400
Citizens UK	10,000	7,500
Guardian/Observer	-	4,771
Federation for Small Business	6,000	-
Others	<u>6,819</u>	<u>-</u>
	<u>34,819</u>	<u>75,421</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Research and Education	<u>2,690,094</u>	<u>75,152</u>	<u>2,765,246</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**6. SUPPORT COSTS**

	Management	Governance	Totals
	£	costs	£
	£	£	£
Research and Education	<u>68,411</u>	<u>6,741</u>	<u>75,152</u>

Support costs, included in the above, are as follows:

	2021	2020
	Research	Total
	and	activities
	Education	£
	£	£
Other operating leases	5,172	6,029
IT support and supplies	49,562	22,275
Insurance	4,813	4,385
Remote working equipment and costs	97	12,352
Postage and stationery	1,594	682
Memberships and subscriptions	3,021	3,485
Photocopier charges	51	2,450
Payroll and finance support	3,197	6,377
Travel	904	744
Auditors' remuneration	5,880	6,000
Sundries	<u>861</u>	<u>2,089</u>
	<u>75,152</u>	<u>66,868</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	5,880	6,000
Other operating leases	5,172	6,029
Operating leases - property	<u>179,440</u>	<u>179,440</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30th September 2021 nor for the year ended 30th September 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th September 2021 nor for the year ended 30th September 2020.

9. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	1,589,227	1,373,536
Social security costs	185,460	158,850
Other pension costs	<u>112,039</u>	<u>95,625</u>
	<u>1,886,726</u>	<u>1,628,011</u>

Key management personnel

The total employee benefits paid to key management personnel during the year amounted to £699,536 (2020: £649,705).

Average Number of employees

The average number of employees on a full time equivalent basis was 26 (2020: 24).

The average monthly number of employees during the year was as follows:

	2021	2020
Total	<u>30</u>	<u>27</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	1	-
£70,001 - £80,000	1	4
£80,001 - £90,000	2	-
£90,001 - £100,000	-	2
£100,001 - £110,000	1	-
£120,001 - £130,000	1	1
£130,001 - £140,000	<u>1</u>	<u>1</u>
	<u>7</u>	<u>8</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,113,653	788,806	2,902,459
Investment income	2,301	-	2,301
Other income	<u>83,414</u>	<u>-</u>	<u>83,414</u>
Total	2,199,368	788,806	2,988,174
 EXPENDITURE ON			
Charitable activities			
Research and Education	<u>1,843,869</u>	<u>444,233</u>	<u>2,288,102</u>
 NET INCOME	355,499	344,573	700,072
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>557,643</u>	<u>64,654</u>	<u>622,297</u>
 TOTAL FUNDS CARRIED FORWARD	<u><u>913,142</u></u>	<u><u>409,227</u></u>	<u><u>1,322,369</u></u>

11. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
Additions	<u>142,517</u>
NET BOOK VALUE	
At 30th September 2021	<u><u>142,517</u></u>
At 30th September 2020	<u><u>-</u></u>

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

11. SOCIAL INVESTMENTS - continued

Investments comprise the following:

	2021 £	2020 £
Subtap Limited	30,016	-
Poplar Technologies Limited	30,001	-
Social Innovation Camp	<u>82,500</u>	<u>-</u>
	<u>142,517</u>	<u>-</u>

Social Innovation Camp comprises support for TaskHer (£27,500), Curo (£27,500) and Hera/Talia (£27,500) during the year, via Bethnal Green Ventures.

The charity has a commitment for up to a further 7 tranches of £27,500 before 31st August 2023.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	583,197	85,235
Other debtors	150,000	150,000
Prepayments and accrued income	<u>239,408</u>	<u>632,896</u>
	<u>972,605</u>	<u>868,131</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	134,255	81,707
Social security and other taxes	58,269	54,252
Deferred Income	642,938	275,000
Accrued expenses	<u>52,804</u>	<u>30,680</u>
	<u>888,266</u>	<u>441,639</u>

The rate of recognition of Deferred Income into the SoFA depends on the rate of expenditure.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Other loans (see note 15)	<u>150,000</u>	<u>-</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**15. LOANS**

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>150,000</u>	<u>-</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	317,093	326,793
Between one and five years	<u>541,784</u>	<u>884,744</u>
	<u>858,877</u>	<u>1,211,537</u>

17. MOVEMENT IN FUNDS

	At 1/10/20 £	Net movement in funds £	At 30/9/21 £
Unrestricted funds			
General fund	913,143	242,747	1,155,890
Restricted funds			
Unbound Philanthropy - Precarious workers	50,602	9,888	60,490
J P Morgan - Financial health and resilience	286,315	(248,361)	37,954
Standard Life - Wealth audit	3,880	34,978	38,858
Health Foundation - Securing high quality work	<u>68,429</u>	<u>(68,429)</u>	<u>-</u>
	<u>409,226</u>	<u>(271,924)</u>	<u>137,302</u>
TOTAL FUNDS	<u>1,322,369</u>	<u>(29,177)</u>	<u>1,293,192</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**17. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,074,556	(1,831,809)	242,747
Restricted funds			
Unbound Philanthropy - Precarious workers	40,000	(30,112)	9,888
Nuffield Foundation - Intergenerational Audit	48,694	(48,694)	-
J P Morgan - Financial health and resilience	-	(248,361)	(248,361)
Standard Life - Wealth audit	70,000	(35,022)	34,978
Health Foundation - Securing high quality work	3,416	(71,845)	(68,429)
RF Ventures - Workertech Partnership	88,277	(88,277)	-
Resolution Trust - COVID support	100,420	(100,420)	-
Economy 2030	253,706	(253,706)	-
Health Foundation - Impact of COVID-19 on Employment	22,000	(22,000)	-
Health Foundation - Impact of COVID-19 on labour market	35,000	(35,000)	-
	<u>661,513</u>	<u>(933,437)</u>	<u>(271,924)</u>
TOTAL FUNDS	<u>2,736,069</u>	<u>(2,765,246)</u>	<u>(29,177)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**17. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/10/19 £	Net movement in funds £	At 30/9/20 £
Unrestricted funds			
General fund	557,643	355,500	913,143
Restricted funds			
Trust for London - Working hours and time use	10,022	(10,022)	-
Unbound Philanthropy - Precarious workers	53,102	(2,500)	50,602
Clarion Housing Group - Work and poverty transitions for social renters	1,530	(1,530)	-
J P Morgan - Financial health and resilience	-	286,315	286,315
Standard Life - Wealth audit	-	3,880	3,880
Standard Life - Social security and CV	-	68,429	68,429
	<u>64,654</u>	<u>344,572</u>	<u>409,226</u>
TOTAL FUNDS	<u>622,297</u>	<u>700,072</u>	<u>1,322,369</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**17. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,199,368	(1,843,868)	355,500
Restricted funds			
Trust for London - Working hours and time use	20,000	(30,022)	(10,022)
Nuffield Foundation - Intergenerational Audit	46,896	(46,896)	-
Unbound Philanthropy - Precarious workers	70,000	(72,500)	(2,500)
Clarion Housing Group - Work and poverty transitions for social renters	8,125	(9,655)	(1,530)
Liverpool City Region Combined Authority - Universal Credit	14,888	(14,888)	-
J P Morgan - Financial health and resilience	391,000	(104,685)	286,315
Standard Life - Wealth audit	70,000	(66,120)	3,880
Health Foundation - Securing high quality work	73,700	(73,700)	-
Standard Life - Social security and CV	21,000	47,429	68,429
Health Foundation - CV effects on labour market	35,590	(35,590)	-
Health Foundation - Informing the recovery	37,607	(37,607)	-
	<u>788,806</u>	<u>(444,234)</u>	<u>344,572</u>
TOTAL FUNDS	<u>2,988,174</u>	<u>(2,288,102)</u>	<u>700,072</u>

Clarion Housing Group - In-work Poverty and Social Renters

The grant is provided to carry out research into work and poverty transitions, with a particular focus on social renters. The grant allows us to add to our understanding in two novel ways: first by exploring the intersection between in-work poverty and tenure, and second by analysing the dynamics of in-work poverty using longitudinal data. In addition, we will enrich our understanding still further via a survey of social renters and three focus groups.

Health Foundation - Coronavirus effects on the labour market, incomes and inequalities

The impact of Covid-19 is extensive, particularly in regard to the economic impact on the UK labour market and housing which may cause longer term poor health outcomes and increase health inequalities. In collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, we undertook a large survey of adults in the UK, covering a range of living standards and health inequality themes. The data informed several of our reports during the period.

Health Foundation - Impact of COVID-19 on employment debt and the health of the population.

This project, in collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, considered the impact of COVID-19 on employment, debt and health, and explored individuals' experience of the pandemic.

17. MOVEMENT IN FUNDS - continued

Health Foundation - Impact of COVID-19 on labour market, incomes and inequalities

This project, in collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, considered the impact of COVID-19 on the UK labour market, income and inequalities. Work included a large representative survey of adults in the UK, covering a range of areas including expectations for the future and changes to income over the last year.

Health Foundation - Informing the recovery in 2021

This project in collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, included primary data collection and focused on understanding COVID-19's impact on the labour market, incomes and inequalities.

Health Foundation - Securing high quality work for young adults

This three-year project, supported by the Health Foundation who are committed to bringing about better health and health care for people in the UK, focuses on the impact of poor quality work on young people and the difficulties they face in accessing high quality work.

JPM Chase Foundation - Financial Health and Resilience across Europe

The purpose of the grant is to provide rigorous insight into the challenge of financial resilience among low-to-middle income households across a range of European countries; and scope the role that financial inclusion labs, or alternative policy interventions, could play in pioneering new high-impact solutions to this problem.

Liverpool City Region Combined Authority - Universal Credit

The grant supported a comprehensive assessment of Universal Credit's implications both across the UK and at the Liverpool City Region level. It drew on administrative data, microsimulation modelling, case-study modelling, and in-depth qualitative interviews with Universal Credit recipients to assess the benefit's roll-out to date and its long-run impact on welfare generosity and work incentives.

Nuffield Foundation - Economy 2030

The Economy 2030 Inquiry, a collaboration with the Centre for Economic Performance (CEP) at the London School of Economics (LSE), funded by the Nuffield Foundation, is a three year project which aims to address the question of economic change in light of the impact of Covid-19, the exit from the EU and the need to transition towards a Net Zero future.

Nuffield Foundation - Intergenerational Audit

The grant focuses on advancing and updating analysis of the living standards of different generations in a range of areas, including novel research on multiple property ownership, the impact of housing costs on labour market mobility, and on the long-term scarring effects of starting out in low-paid and insecure work. The project assesses policy developments from an intergenerational perspective and aims to make analytical and policy assessment tools and findings related to generational outcomes available to the wider research and policy community.

Standard Life (now abrdn Financial Fairness Trust) - Wealth in 21st Century Britain

This project aims to increase understanding of and engagement with the role of wealth in 21st Century Britain, with the objective of improving policy making in the 2020s. Its defining features are a long term and rigorous analytical focus on wealth trends with active engagement in policy debates, particularly around wealth accumulation and taxation.

17. MOVEMENT IN FUNDS - continued

Standard Life (now abrdrn Financial Fairness Trust) - Social Security and Coronavirus

This grant supported an evidence-based assessment of how Universal Credit is coping with the coronavirus crisis, and how its recipients are coping financially.

Trust for London - Working Hours and Time Use

This grant funds a research project which focuses on working hours and time use in London and the UK. Across two publications, the research aims to build a comprehensive picture of time use at work and leisure in the UK; establish how and why this picture has changed over time; explore levels of satisfaction with working patterns; and consider how policy makers should best engage with the question of time use in the future.

Unbound Philanthropy - Agency Workers

Unbound Philanthropy provided a grant to build a body of evidence on temporary agency workers in the UK in order to identify an appropriate policy response. Through the course of the project we developed a new measure for agency workers; explored the pay penalty; and used our analysis to animate ongoing debates about good work.

Unbound Philanthropy - Precarious Worker / Labour Market Enforcement

This research programme explores labour market enforcement in the UK - especially for those at the bottom end of the labour market - and aims to put labour market enforcement more firmly on the policy agenda. The programme launched with a review of secondary data to establish the nature and scale of labour market violations, and then proceeded to explore two specific areas (minimum wage non-compliance and auto-enrolment) in depth.

RF Ventures - Workertech Partnership

The Workertech Partnership is a three year programme of social investment, in collaboration with Accenture, Friends Provident Foundation, the Joseph Rowntree Foundation, Trust for London and Ufi VocTech Trust, aimed at supporting the growth of new innovative start-ups seeking to change the world of work for the better.

18. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme through The Pensions Trust with contributions being made by both employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Foundation. Pension costs charged represent contributions payable by the Foundation to the Trust. Total pension costs in the current year amounted to £112,039 (2020: £95,625). At the year end £nil was due to the Trust (2020: £nil).

19. RELATED PARTY DISCLOSURES

One of the trustees of the Foundation is the sole director of Resolution Service Management Ltd. The Foundation signed a five year lease with Resolution Service Management Ltd for new premises in November 2015. In December 2019, the Foundation signed a five year lease with Resolution Service Management Ltd which cancelled the November 2015 lease in favour of co-terminus leases for their existing premises and an additional floor within the same building. The decision was taken by the independent trustees after considering market value and the benefits to the Foundation given the facilities and location.

20. COMPANY STATUS

The charity was incorporated on 11 October 2005 and is limited by the guarantee of its members. The members of the company are the Trustees named in the Trustees' report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

THE RESOLUTION FOUNDATION

England & Wales - Charity number 1114839

Accounts

REGISTERED COMPANY NUMBER: 05588883 (England and Wales)
REGISTERED CHARITY NUMBER: 1114839

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2020
FOR
THE RESOLUTION FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

THE RESOLUTION FOUNDATION

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FOR THE YEAR ENDED 30TH SEPTEMBER 2020

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THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

OBJECTIVES AND ACTIVITIES

Objectives and aims

Mission Statement

The Resolution Foundation is an independent think-tank focused on improving living standards for those on low to middle incomes. Our reputation for rigorous analytical work that results in effective policy solutions places us at the forefront of the UK debate on economic and social policy. We work across a wide range of economic policy making and are a leading UK authority on securing widely-shared economic growth.

Recognised as a home of real expertise on a range of policy issues, we draw on a core team of experts as well as established external relationships with top national and international economists, academics and policy experts and we continue to inform public debate and engage with key decision makers in government, the private sector, and civil society. We hold a regular programme of events, hosting diverse speakers from academia, the voluntary sector and business, and politicians from across the political spectrum.

The objects of the charity (as set out in the Memorandum and Articles of Association and amended by resolution on 28 November 2019 in accordance with Article 36 of the Company's Articles of Association) are to promote research and the education of the public into the economic and social sciences including, but without prejudice to the generality, the effect of economic, social and financial factors on the living standards at all stages of life of people benefiting from an income at or below the national average; and to the extent resources of the charity are not required for object 1, to prevent and relieve poverty and to advance such other exclusively charitable purposes as the trustees see fit, including, but without prejudice to the generality, through social investment projects.

Our public benefit goal is to improve outcomes for people on low to middle incomes. We do this by undertaking original research and economic analysis to understand the challenges facing low to middle income households today. Engaging with policy makers and other key stakeholders, we develop practical and effective policy proposals to tackle the issues we identify and bring about change.

Our Focus

We define the low to middle income group as the poorer half of the non-pensioner population but excluding families in which no-one is in work (who often face specific challenges). We 'equivalise' household income prior to establishing 'low to middle income' and 'higher income' groups, in order to account for the different living standards associated with various household compositions. As such, couples with no children are classed as low to middle income if their combined disposable income (before housing costs) is below £27,500 a year and at least one partner is in work: while a single adult would need an income below £18,500 to qualify, and a couple with two young children would need an income below £38,500.

By these definitions, there are over eight million low to middle income families in the UK including around 13 million adults and over seven million children. As each includes at least one working adult, they are not the poorest in society, but can struggle to get by and have felt the full impact of housing market challenges, the recession, insecure work and reductions to social security. Despite these needs low to middle income households have been overlooked in debates about equality and economic opportunity.

Our Approach

The Foundation prides itself on analytical rigour, and we strive to achieve standards of excellence in all our work. This commitment is matched by dedication to our core purpose, working to improve the living standards of those on low to middle incomes. These twin pillars of rigour and purpose underpin everything we do. We aim to ensure our approach is:

Focused - we concentrate our attention and resources on a cohesive range of projects to achieve the greatest impact.

Practical - our policy solutions are derived from robust research and analysis and are practical and achievable.

Influential - we engage with key stakeholders and policy.

Independent - we are independent and non-partisan in our approach; we pursue policy issues on their merit and ability to improve outcomes for low to middle income households.

Flexible - we adapt our working style to suit the particular needs of each project and are outcome oriented not process driven.

Clear - we use a range of methods to convey our ideas and our communication style is clear, concise and direct.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

Our Funding

The Resolution Foundation is primarily funded by the Resolution Trust. We are also grateful for support from additional organisations including Accenture (UK) Ltd, Aviva, Clarion Housing Group, the Health Foundation, JP Morgan Chase Foundation, Liverpool City Region Combined Authority, Lloyds Bank, the Nuffield Foundation, Standard Life Foundation, Trust for London and Unbound Philanthropy, which have enabled us to pursue work during the year. We are committed to transparency and list all organisations from whom we receive a contribution of £3,000 and over. Small additional sums are also received as donations or payment for ad hoc activity like speaking engagements.

Public benefit

The Trustees confirm they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and guidance relating to public benefit and the advancement of education specifically. The Trustees ensure that all work undertaken is in line with the Foundation's charitable objects and aims.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

STRATEGIC REPORT

Achievement and performance

Charitable activities

The charity's key objectives for 2019/20 were:

Building on objectives set out in 2018-19, the Foundation retained its three high-level aims for 2019-20:

- o To retain a clear focus on living standards via robust and primarily quantitative analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- o To cement our relevance to public policy by broadening scope into other areas around low pay, productivity, cities, technology, intergenerational fairness and macroeconomic policy; and
- o To add real-world grit by increasing the volume of policy recommendations.

Our plans for this period were affected first by the UK general election of December 2019, and then, from March 2020, by the Covid-19 pandemic. We explain below how we reacted to these.

Activities included:

Incomes and inequality

We published our annual, flagship Living Standards Audit in summer 2020 which provides an assessment of past trends in living standards with an initial 'nowcast' of the distribution of household incomes during the first lockdown phase of the pandemic. We added to the understanding of how top incomes developed over the 2000s and 2010s with a specific focus (in collaboration with the LSE and University of Warwick) on how fast very high incomes have grown when capital gains are accounted for. We also continued to engage with the Office for National Statistics to improve further the quality and depth of the UK's data on household incomes. We were unable to produce our usual Living Standards Outlook in early 2020 because the postponement of the Government's Autumn 2019 Budget meant there were no recent economic forecasts available from the Office for Budget Responsibility on which to base our projections.

Job, skills and pay

We began a major programme of work on labour market enforcement, with support from Unbound Philanthropy, and published reports on the prevalence of minimum wage non-compliance, and on the incidence of underpayment and evasion of auto-enrolment pension contributions. Our Covid-19 work concentrated on tracing the unequal labour market impact of the crisis across sector, age, hourly pay and contract type, and on explaining how to interpret apparently-inconsistent official statistics. We examined the routes by which people exit poverty, and we set out a significant programme of change that would amount to a new settlement for Britain's low-paid workers. A project on adult skills policy assessed how training can help recently out-of-work adults re-enter the labour market or help them change industry. Our Low Pay Britain report was delayed until September 2020 so as to be able to cover developments since the pandemic began; it focused on the difficult decision facing the Low Pay Commission in the midst of considerable uncertainty on the current state of the labour market as well as prospects as the crisis continued. We calculated the Living Wage rates for the Living Wage Foundation. We also continued our quarterly Earnings Outlooks and monthly commentary on the latest labour market statistics.

Housing, wealth and debt

We produced a quarterly Housing Outlook to form a regular output for our work on housing market trends and policy. Our Covid-19 work focused on the problem of housing arrears, and on inequalities in housing conditions during the first full lockdown of 2020. With support from Standard Life Foundation, we began a major programme of work on wealth, including our first annual Wealth Audit, looking at the extent of wealth inequality, the drivers of recent changes in wealth, and how well-prepared households were for the pandemic.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

Tax and welfare

We analysed the introduction and impact of Universal Credit, with a focus on Liverpool City Region in particular. Our Covid-19 work assessed how Universal Credit fared in the first frantic weeks of the crisis, as well as making the case that the temporary £20 a week uplift should be made permanent.

Fiscal events

The Foundation continued to publish reports in response to, and usually in advance of, all major fiscal events. Reports in the run up to the 2020 Spring Budget assessed the Government's fiscal headroom and its tax and spending options over the parliament, as well as analysing its ambitious plans to increase investment spending to boost the overall economy and support living standards. Reports in advance of the Summer Economic Update set out our assessment of how fiscal and economic policy should support the recovery.

Intergenerational Centre

We produced the second Intergenerational Audit, which provided a significant assessment of the intergeneration impact of the first months of the Covid-19 crisis. This was preceded by four in-depth analytical reports covering topics such as credit availability for home purchase and older-age employment trends across the generations. We published new analysis of voting patterns by age and on the rise in young adults who have never worked. Work exploring the drivers of and responses to inheritances and gift-giving from older generations to younger ones was postponed because of the Covid-19 crisis. Our Covid-19 work looked at the permanent scarring impacts that crises can have on young people, as well as the intergenerational impact of the labour market shock, housing conditions, and access to the Government support schemes.

Macroeconomic Policy Unit

We began a new quarterly publication, the Macro Policy Outlook, allowing us to take part in wider debates on macroeconomic policy issues. We produced a series of rigorous and innovative papers on the fiscal framework, making the case for major changes to the UK's fiscal rules. Our Covid-19 work focused on the long-term implications of pandemics and its likely impact on the UK, and culminated in a major report in the run up to the Government's Summer 2020 Economic Report on the fiscal and economic policies that would both help protect the economy from long-term damage from the Covid-19 crisis and ensure a swift recovery.

RF Ventures

We initiated a new programme of work, Resolution Ventures, to coordinate our social investment activities focused on supporting innovation for low to middle income earners. The work of Resolution Ventures is divided into two categories: 1) action-oriented research relating to ventures, and 2) social investments, directly supporting early-stage start-ups. A Director of Ventures was recruited in early 2020 to oversee this work, focusing initially on the Workertech Partnership, a 3 year programme of social investment and ecosystem development supported by external partners including Accenture. This programme aims to improve the power, progression and prospects of those in low-paid or insecure work, by investing in 'tech for good' start-ups.

General election 2019

Our approach is to provide context that can inform public and media debate of key policy issues in the run up to major elections. In Autumn 2019 we produced major reviews of tax, social security and the overall size of the state, as well as analysis of some of the big election issues, including minimum wages, housing, fiscal policy and the impact on intergenerational inequalities. We also produced analysis of the main parties' election manifestos focusing on the potential impact on low to middle income households.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

Covid-19

The Covid-19 pandemic dominated the second half of 2019-20. Throughout, we aimed to: describe the emerging impacts on the economy, the labour market and household living standards; aid policy makers' and commentators' understanding of the implications; and prescribe policy solutions to support low-to-middle income households and the underlying health of the UK economy. Much of our work was informed by data produced by two large online surveys of working-age adults, supported by funding from The Health Foundation and implemented by YouGov. These collected information across a range of domains (labour market, incomes and benefits, housing and well-being), and provided information on key areas of interest in a timely fashion. As well as adapting our existing aims to focus on issues raised by the pandemic, we also provided rapid assessment of what was a rapidly-changing policy and economic environment, concentrating on policies to support household incomes (the Job Retention Scheme, the Self-Employment Income Support Scheme, and the extra support through the welfare system), and on the role that policy should play in supporting the economy through the crisis and the eventual recovery.

Financial review

Financial position

The Financial statements show incoming resources for the year of £2,988,174 with resources expended in the year of £2,288,102.

The incoming resources to the charity comprise donations from Resolution Trust which was established by Sir Clive Cowdery in 2007 and provides ongoing funding for the Resolution Foundation. Other incoming resources include donations and payments from charitable trusts and other organisations for project specific work, bank interest received in the year, an administration fee for work carried out on behalf of the Resolution Trust and other miscellaneous payments for ad hoc activity like speaking engagements.

In August 2019, the Trustees of the Resolution Trust agreed minimum funding for the Foundation of £2,100,000 for 2019/2020, £2,100,000 for 2020/2021, and £2,100,000 for 2021/2022.

At 30 September 2020, the Charity had free reserves totalling £913,143. In addition, funds held for restricted purposes amounted to £409,226.

Reserves policy

The Trustees have received as part of their funding commitment from the Resolution Trust a commitment that the Trust will meet any costs associated with the winding up of the Resolution Foundation. In addition to the Trust's commitment, the Trustees of the Foundation consider it wise to maintain a level of reserves commensurate with covering immediate commitments. As such, the Trustees consider the optimal level of free reserves to be approximately £600,000 and will seek to manage income and expenditure prudently in order to deliver that level of free reserves.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

STRATEGIC REPORT

Future plans

The charity's key objectives for 2020/2021 are:

The Foundation will continue to pursue three high-level aims:

- o To retain a clear focus on living standards via robust and primarily quantitative analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- o To cement our relevance to public policy by broadening scope into other areas around low pay, productivity, cities, technology, intergenerational fairness and macroeconomic policy; and
- o To add real-world grit by increasing the volume of policy recommendations and developing conversations with business, cities and devolved administrations.
- o To zoom out to consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero
- o To inform public and policy debate on our response to the Covid-19 crisis by documenting its impacts on the labour market and living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy.

Planned activities include:

Covid-19

At the time of writing, the Covid-19 pandemic looks set to continue into and dominate 2020-21. We will continue our collaboration with The Health Foundation and YouGov to produce timely assessment of how the crisis is affecting households' wellbeing, labour market outcomes, incomes and family finances.

Incomes and inequality

We will continue to publish annually our flagship Living Standards Audit (assessing recent trends in and prospects for living standards) and Living Standards Outlook (setting out what current economic forecasts and existing policies imply for families across the income distribution). We will continue our focus on how the income distribution was affected by the pandemic, and look forward to assess whether the hoped-for recovery will be felt equally by households across the income distribution. A collaboration with the University of York will take a mixed-methods approach to examining whether the cost of living has changed in the pandemic for low-income households. A major piece of work will take a comparative perspective to assessing financial resilience in the years running up to the crisis, and examine how the pandemic has affected households in the UK, France and Germany. We will also contribute to the Deaton inequality review, specifically on the UK's recent history of inequalities in household resources.

Job, skills and pay

Our labour market enforcement programme will look at the implications of Brexit for labour market enforcement, as well as identifying sectors likely to be affected by curbs on low-earning migrants. Our Covid-19 work will continue to use online surveys to describe the unequal impact of the pandemic on the labour market, as well as identify the size of the long-term worklessness problem and propose solutions to help minimise the scarring impact on young people. We will continue to produce our annual Low Pay Britain report and calculate the Living Wage rates for the Living Wage Foundation.

Housing, wealth and debt

Our long-term housing work will take a generational slant on the lifetime costs of home-ownership. As the pandemic continues, we will monitor the extent of housing arrears and suggest policy solutions for resolving outstanding rental debt. We will produce the second Wealth Audit, building on our Covid-19 work that will monitor the distributional impact of the crisis, focusing in on how household balance sheets have been affected differently across the distribution. We will contribute to the LSE-based Wealth Tax Commission, and, working with the LSE and University of Warwick, assess to what extent the conventional survey data on wealth misses out very large amounts of wealth at the top of the distribution.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

STRATEGIC REPORT

Tax and welfare

Our welfare policy work will assess the experience of Universal Credit recipients, given its crucial role in the pandemic, and its ability to prevent financial hardship, as the crisis continues. We will produce a major report on how the Government should think about fiscal consolidation once the Covid-19 crisis is over, including an analysis of the role of potential reforms to wealth and savings taxes.

Fiscal events

The Foundation will continue to publish reports ahead of, and in response to, all major fiscal events, including the autumn 2020 Spending Review and the 2021 Spring Budget. We plan a series of reports in early 2021 on what policy responses are needed in the Spring Budget to help secure the recovery from Covid-19.

Intergenerational Centre

We will produce the third annual Intergenerational Audit, again accompanied by four in-depth analytical reports covering employment patterns among older workers, demographic implications of the Covid-19 crisis, and an intergenerational assessment of how incomes and household balance sheets have changed. We will return to the project exploring drivers of and responses to inheritances and gift-giving from older generations to younger ones, drawing on new primary research. We will look to entrench deeper collaborations with academics working on demographic or other issues relevant to the Intergenerational Centre's interests. We will begin a major project of work, with support from The Health Foundation, on the links between unemployment and insecure work and poor mental health among young people.

Macroeconomic Policy Unit

The work on the Policy Unit will be driven by the Covid-19 crisis, where we will focus on the role that fiscal and economic policy needs to play to reduce the permanent damage from the pandemic, and ensure that low-to-middle income households share in the recovery. We will continue with our quarterly publication, the Macro Policy Outlook.

RF Ventures

We will continue to deliver investments and ecosystem building within our Workertech Partnership, with support from our funding partners. This will include making seed-stage direct investments, and developing an impact measurement framework for the programme. We will also explore the potential for the creation of a larger social impact fund to follow on from this programme.

Economic Inquiry

We will embark upon a three-year project in partnership with Centre for Economic Performance at London School of Economics, supported by the Nuffield Foundation, considering the nature, scale, cumulative impact and policy context of the significant economic change facing the UK in light of the impact of the pandemic, Brexit and the transition to zero-carbon emissions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Resolution Foundation was incorporated on 11 October 2005 as a company limited by guarantee and was registered as a charity on 24 June 2006, the Charity is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The Trustees (who are also the directors of the charitable company for the purposes of company law), are a self-appointing body with each Trustee initially appointed for a three year term. New Trustees can be nominated by any existing Trustee and are appointed according to relevant skills and experience.

Organisational structure

Trustees attend regular meetings where progress, strategy and plans are discussed. They are also sent relevant documentation including research reports and minutes of meetings. The Trustees meet as necessary and not less than three times each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed Torsten Bell (Chief Executive) in September 2015 who has day to day responsibility for all operational matters. The Right Hon. Lord David Willets (President of the Advisory Council and Intergenerational Centre) was appointed in June 2015 and Gavin Kelly (Chief Executive 2010-2015) re-joined the executive team as Chair in April 2019.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Trustees are given an in-depth introduction to the organisation and the role of Trustees through a formal induction process and meetings with the Chair of Trustees and the Chief Executive.

Key management remuneration

The key management personnel of the Foundation are those persons having authority and responsibilities for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustees of the entity. For the Foundation, they comprise the Chair, the President of the Advisory Council and Intergenerational Centre, the Chief Executive, the Deputy Chief Executive, the Director of Communications and the Director of Resources. The remuneration of the Chair, the President of the Advisory Council and Intergenerational Centre, and the Chief Executive is set by the Trustees. All other staff salaries are set by the senior management team. Salaries are benchmarked using comparisons with charities in similar labour markets both by geography and issue areas and taking into account factors including inflation and the Foundation's financial position. The Foundation is an accredited Living Wage employer. All our staff and contractors are paid at least the Living Wage which is an hourly rate set and updated annually, based on the cost of living.

Related parties

Trustees are required to disclose all relevant interests, register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or travel expenses were paid during the year. The Trustees who acted during the year are those listed in this report. Related party transactions are disclosed in the notes to these financial statements.

Risk management

The Trustees acknowledge their responsibility for establishing a risk management system and are satisfied that appropriate systems and procedures have been established to identify and manage the major risks faced by the Charity.

The Foundation has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the senior management team who take responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and senior management team to ensure the Foundation's operational rigour, attachment to purpose and independence are maintained.

The most significant external risk identified during the year was related to the Coronavirus Outbreak. While our core funding arrangements remained unaffected, we faced broad operational and management challenges due to remote working. The pandemic also impacted the health, wellbeing and morale of the staff team, as well as organisational culture and productivity. These risks were successfully mitigated through monitoring Charity Commission and other government guidance relating to the pandemic, and through employee consultation including a regular pattern of staff surveys and follow up discussions. Amendments to managerial procedures and Health and Safety policies and practice were made in response to the needs of both the organisation and employees, and in light of the changing demands of the external situation. We also met the requirements of Cyber Essentials accreditation to confirm our data security and internal processes were equipped to meet the increased risks of fraud and cybercrime, and we amended our research and communications strategy to ensure we could best emphasise the changing needs of low to middle income households.

The most significant organisational risk identified was the challenge posed by the expansion into social investment which brings risks inherent to venture capital initiatives, additional governance and regulatory requirements and the challenge of integrating this new area of work into operational work plans. This was successfully mitigated through recruitment of a dedicated Director of Ventures, establishing appropriate governance structures including a Social Investment Committee, and through seeking legal and professional advice when required.

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05588883 (England and Wales)

Registered Charity number
1114839

Registered office
2 Queen Anne's Gate
London
SW1H 9AA

Trustees
C J Alexandrou
P N Butler
C A Cowdery Chairman
P T Stevens Treasurer
V Alakeson (appointed 28/11/2019)
A Turner (appointed 28/11/2019)

Company Secretary
T Bell

Senior Statutory Auditor
P J Thacker FCA DChA

Auditors
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Solicitors
Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Bankers
Natwest Bank plc
St Paul's Branch
Juxon House
98 St Paul's Churchyard
London
EC4M 8BU

United Trust Bank Ltd
80 Haymarket
London
EC4M 6YH

THE RESOLUTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Resolution Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Chariot House Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27th April 2021 and signed on the board's behalf by:

C A Cowdery - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RESOLUTION FOUNDATION

Opinion

We have audited the financial statements of The Resolution Foundation (the 'charitable company') for the year ended 30th September 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 (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 30th September 2020 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.

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 Auditors' 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE RESOLUTION FOUNDATION

Matters on which we are required to report by exception

In the 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 Report of the Trustees.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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 auditors' 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.

P J Thacker FCA DChA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Date: 30th April 2021

THE RESOLUTION FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

		Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,113,653	788,806	2,902,459	1,807,648
Investment income	3	2,301	-	2,301	2,274
Other income	4	83,414	-	83,414	61,203
Total		2,199,368	788,806	2,988,174	1,871,125
EXPENDITURE ON					
Charitable activities	5				
Research and Education		1,843,868	444,234	2,288,102	1,756,236
NET INCOME		355,500	344,572	700,072	114,889
RECONCILIATION OF FUNDS					
Total funds brought forward		557,643	64,654	622,297	507,408
TOTAL FUNDS CARRIED FORWARD		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE RESOLUTION FOUNDATION (REGISTERED NUMBER: 05588883)

BALANCE SHEET
30TH SEPTEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
CURRENT ASSETS					
Debtors	11	868,131	-	868,131	328,616
Cash at bank		<u>486,651</u>	<u>409,226</u>	<u>895,877</u>	<u>371,682</u>
		1,354,782	409,226	1,764,008	700,298
CREDITORS					
Amounts falling due within one year	12	<u>(441,639)</u>	-	<u>(441,639)</u>	<u>(78,001)</u>
NET CURRENT ASSETS		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>
NET ASSETS		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>
FUNDS	14				
Unrestricted funds				913,143	557,643
Restricted funds				<u>409,226</u>	<u>64,654</u>
TOTAL FUNDS				<u>1,322,369</u>	<u>622,297</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27th April 2021 and were signed on its behalf by:

C A Cowdery - Trustee

The notes form part of these financial statements

THE RESOLUTION FOUNDATION**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>521,894</u>	<u>(15,215)</u>
Net cash provided by/(used in) operating activities		<u>521,894</u>	<u>(15,215)</u>
 Cash flows from investing activities			
Interest received		<u>2,301</u>	<u>2,274</u>
Net cash provided by investing activities		<u>2,301</u>	<u>2,274</u>
Change in cash and cash equivalents in the reporting period		524,195	(12,941)
Cash and cash equivalents at the beginning of the reporting period		<u>371,682</u>	<u>384,623</u>
 Cash and cash equivalents at the end of the reporting period		<u>895,877</u>	<u>371,682</u>

The notes form part of these financial statements

THE RESOLUTION FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	700,072	114,889
Adjustments for:		
Interest received	(2,301)	(2,274)
Increase in debtors	(539,515)	(150,659)
Increase in creditors	<u>363,638</u>	<u>22,829</u>
Net cash provided by/(used in) operations	<u>521,894</u>	<u>(15,215)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/19 £	Cash flow £	At 30/9/20 £
Net cash			
Cash at bank	<u>371,682</u>	<u>524,195</u>	<u>895,877</u>
	<u>371,682</u>	<u>524,195</u>	<u>895,877</u>
Total	<u>371,682</u>	<u>524,195</u>	<u>895,877</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, including taking into account any potential impact of the Covid-19 pandemic, and on that basis the charity is considered to be a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised as income in the year in which the donor states the funds should be expended. Where no such statement is made the income is recognised in the year in which it is receivable.

Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Investment income is recognised when receivable and the amount can be measured reliably by the charity.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs comprise of costs associated with the management and administration of the charity and governance costs which are incurred in connection with the general running of the charity as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Tangible fixed assets

Recognition and measurement

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Tangible fixed assets with a cost of more than £5,000 are capitalised at cost.

Depreciation is provided to write off the cost of office computers and equipment on a straight line basis over their estimated lives of 5 years.

Taxation

The Charity is considered to pass 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.

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are those where there are no externally imposed restrictions and are available for use at the discretion of the Trustees for expenditure on its objects or appropriated to reserves for internally designated purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Grants	<u>2,902,459</u>	<u>1,807,648</u>

Resolution Trust are committed to fund the Foundation for at least a further 2 years having awarded grants totalling £6,300,000 with effect from 1 October 2019.

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Resolution Trust	2,100,000	1,635,000
Other Grants	3,653	500
Unbound Philanthropy	70,000	70,000
Clarion Housing Group	8,125	8,420
Liverpool City Region Combined Authority	14,888	14,888
Nuffield Foundation	46,896	48,840
Trust for London	20,000	20,000
Lloyds Bank PLC	10,000	10,000
The Health Foundation	146,897	-
J P Morgan	391,000	-
Standard Life	<u>91,000</u>	<u>-</u>
	<u>2,902,459</u>	<u>1,807,648</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**3. INVESTMENT INCOME**

	2020	2019
	£	£
Bank Interest	<u>2,301</u>	<u>2,274</u>

4. OTHER INCOME

	2020	2019
	£	£
Administration charges	5,013	4,944
Miscellaneous income	<u>78,401</u>	<u>56,259</u>
	<u>83,414</u>	<u>61,203</u>

Miscellaneous income in 2019 and 2020 consists of payment for projects and articles including:

	2020	2019
	£	£
Clarion Housing Group	3,750	-
Aviva	59,400	-
Citizens UK	7,500	7,500
Guardian/Observer	4,771	-
The Health Foundation	-	8,650
Greater Manchester Combined Authority	-	7,850
Low Pay Commission	-	5,580
Scotland Poverty and Inequality Commission	<u>-</u>	<u>23,550</u>
	<u>75,421</u>	<u>53,130</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Research and Education	<u>2,221,234</u>	<u>66,868</u>	<u>2,288,102</u>

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Research and Education	<u>58,779</u>	<u>8,089</u>	<u>66,868</u>

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

6. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

	2020 Research and Education £	2019 Total activities £
Other operating leases	6,029	6,346
IT support and supplies	22,275	25,329
Insurance	4,385	3,253
Remote working equipment and costs	12,352	-
Postage and stationery	682	1,928
Memberships and subscriptions	3,485	2,718
Photocopier charges	2,450	2,586
Payroll and finance support	6,377	4,761
Travel	744	2,756
Auditors' remuneration	6,000	5,820
Sundries	2,089	393
	<u>66,868</u>	<u>55,890</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	6,000	5,820
Other operating leases	6,029	6,346
Operating leases - property	<u>179,440</u>	<u>111,655</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30th September 2020 nor for the year ended 30th September 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th September 2020 nor for the year ended 30th September 2019.

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	1,373,536	1,122,625
Social security costs	158,850	130,646
Other pension costs	95,625	78,404
	<u>1,628,011</u>	<u>1,331,675</u>

Key management personnel

The total employee benefits paid to key management personnel during the year amounted to £650,266 (2019: £623,492).

Average Number of employees

The average number of employees on a full time equivalent basis was 24 (2019: 20).

The average monthly number of employees during the year was as follows:

	2020	2019
Total	<u>27</u>	<u>22</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	-	1
£70,001 - £80,000	4	2
£90,001 - £100,000	-	2
£120,001 - £130,000	1	1
£130,001 - £140,000	<u>1</u>	<u>1</u>
	<u>6</u>	<u>7</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,645,500	162,148	1,807,648
Investment income	2,274	-	2,274
Other income	61,203	-	61,203
Total	1,708,977	162,148	1,871,125
EXPENDITURE ON			
Charitable activities			
Research and Education	1,653,981	102,255	1,756,236
NET INCOME	54,996	59,893	114,889
Transfers between funds	62,293	(62,293)	-
Net movement in funds	117,289	(2,400)	114,889
RECONCILIATION OF FUNDS			
Total funds brought forward	440,355	67,053	507,408
TOTAL FUNDS CARRIED FORWARD	557,644	64,653	622,297

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	85,235	36,474
Other debtors	150,000	150,000
Prepayments and accrued income	632,896	142,142
	868,131	328,616

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	81,707	12,142
Social security and other taxes	54,252	46,761
Accrued expenses	305,680	19,098
	441,639	78,001

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**13. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	326,793	123,199
Between one and five years	<u>884,744</u>	<u>17,892</u>
	<u>1,211,537</u>	<u>141,091</u>

14. MOVEMENT IN FUNDS

	At 1/10/19 £	Net movement in funds £	At 30/9/20 £
Unrestricted funds			
General fund	557,643	355,500	913,143
Restricted funds			
Clarion Housing Group - Work and poverty transitions for social renters	1,530	(1,530)	-
Health Foundation – Securing high quality work	-	68,429	68,429
J P Morgan - Financial health and resilience	-	286,315	286,315
Standard Life - Wealth audit	-	3,880	3,880
Trust for London -Working hours and time use	10,022	(10,022)	-
Unbound Philanthropy -Precarious workers	<u>53,102</u>	<u>(2,500)</u>	<u>50,602</u>
	<u>64,654</u>	<u>344,572</u>	<u>409,226</u>
TOTAL FUNDS	<u>622,297</u>	<u>700,072</u>	<u>1,322,369</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**14. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,199,368	(1,843,868)	355,500
Restricted funds			
Clarion Housing Group - Work and poverty transitions for social renters	8,125	(9,655)	(1,530)
Health Foundation - Securing high quality work	73,700	(5,271)	68,429
Health Foundation - CV effects on labour market	35,590	(35,590)	-
Health Foundation - Informing the recovery	37,607	(37,607)	-
J P Morgan – Financial health and resilience	391,000	(104,685)	286,315
Liverpool City Region Combined Authority – Universal Credit	14,888	(14,888)	-
Nuffield Foundation – Falling wages	46,896	(46,896)	-
Standard Life – Wealth audit	70,000	(66,120)	3,880
Standard Life – Social security and CV	21,000	21,000	-
Trust for London – Working hours and time use	20,000	(30,022)	(10,022)
Unbound Philosophy – Precarious workers	70,000	(72,500)	(2,500)
	<u>788,806</u>	<u>(444,234)</u>	<u>344,572</u>
TOTAL FUNDS	<u>2,988,174</u>	<u>(2,288,102)</u>	<u>700,072</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**14. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/10/18 £	Net movement in funds £	Transfers between funds £	At 30/9/19 £
Unrestricted funds				
General fund	440,355	54,995	62,293	557,643
Restricted funds				
Clarion Housing Group – Work and poverty transitions for social renters	-	1,530	-	1,530
INET/Oxford - Employment, Equity and Growth Programme	62,293	-	(62,293)	-
Trust for London - Working hours and time use	-	10,022	-	10,022
Unbound Philanthropy – Agency workers	4,760	(4,760)	-	-
Unbound Philanthropy - Precarious workers	-	53,102	-	53,102
	<u>67,053</u>	<u>59,894</u>	<u>(62,293)</u>	<u>64,654</u>
TOTAL FUNDS	<u>507,408</u>	<u>114,889</u>	<u>-</u>	<u>622,297</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,708,977	(1,653,982)	54,995
Restricted funds			
Clarion Housing Group - Work and poverty transitions for social renters	8,420	(6,890)	1,530
Liverpool City Region Combined Authority - Universal Credit	14,888	(14,888)	-
Nuffield Foundation - Intergenerational Audit	48,840	(48,840)	-
Trust for London – Working hours and time use	20,000	(9,978)	10,022
Unbound Philanthropy – Agency workers	-	(4,760)	(4,760)
Unbound Philanthropy - Precarious workers	<u>70,000</u>	<u>(16,898)</u>	<u>53,102</u>
	<u>162,148</u>	<u>(102,254)</u>	<u>59,894</u>
TOTAL FUNDS	<u>1,871,125</u>	<u>(1,756,236)</u>	<u>114,889</u>

14. MOVEMENT IN FUNDS - continued

Clarion Housing Group - In-work Poverty and Social Renters

The grant is provided to carry out research into work and poverty transitions, with a particular focus on social renters. The grant allows us to add to our understanding in two novel ways: first by exploring the intersection between in-work poverty and tenure, and second by analysing the dynamics in-work poverty using longitudinal data. In addition, we will enrich our understanding still further via a survey of social renters and three focus groups.

Health Foundation - Securing high quality work for young adults

This three-year project, supported by the Health Foundation who are committed to bringing about better health and health care for people in the UK, focuses on the impact of poor quality work on young people and the difficulties they face in accessing high quality work.

Health Foundation - Coronavirus effects on the labour market, incomes and inequalities.

The impact of Covid-19 is extensive, particularly in regard to the economic impact on the UK labour market and housing which may cause longer term poor health outcomes and increase health inequalities. Timely data on what is happening to various groups as a result of Covid-19 is essential to help policy makers make the right decisions in the UK's recovery and handling of the forthcoming economic downturn. The Health Foundation an independent charity committed to bringing about better health and health care for people in the UK and the Resolution Foundation collaborated to collect relevant data via a large representative survey of adults in the UK, covering a range of living standard and health inequality themes. The data informed several Resolution Foundation reports during the period.

Health Foundation - Informing the recovery in 2021

Further primary data collection in collaboration with the Health Foundation an independent charity committed to bringing about better health and health care for people in the UK to understand COVID-19's impact on the labour market, incomes and inequalities.

Institute of New Economic Thinking (INET) research programme

This is a research programme at INET at the Oxford Martin School, University of Oxford, looking at the links between growth, employment, living standards and working life for low to middle income households, focusing on why the growth model in the UK and other developed economies has failed to deliver for the low to middle income group over the past few decades and what policy and institutional changes might lead to a better, fairer model of growth.

The balance of a donation from the Resolution Trust, restricted to cover the management and support costs associated with the Employment, Equity, and Growth Programme, a collaboration between Resolution Trust, Resolution Foundation and the Institute for New Economic Thinking at the Oxford Martin School, University of Oxford, was de-restricted by the Trustees of the Resolution Trust during the year as the collaboration is now complete.

JPM Chase Foundation - Financial Health and Resilience across Europe

The purpose of the grant is to provide rigorous insight into the challenge of financial resilience among low to middle income households across a range of European countries; and scope the role that financial inclusion labs, or alternative policy interventions, could play in pioneering new high-impact solutions to this problem.

Liverpool City Region Combined Authority - Universal Credit

The grant supported a comprehensive assessment of Universal Credit's implications both across the UK and at the Liverpool City Region level. It drew on administrative data, microsimulation modelling, case-study modelling, and in-depth qualitative interviews with Universal Credit recipients to assess the benefit's roll-out to date and its long-run impact on welfare generosity and work incentives.

14. MOVEMENT IN FUNDS - continued

Nuffield Foundation - Intergenerational Audit

The grant focuses on advancing and updating analysis of the living standards of different generations in a range of areas, including novel research on multiple property ownership, the impact of housing costs on labour market mobility, and on the long-term scarring effects of starting out in low-paid and insecure work. The project assesses policy developments from an intergenerational perspective and aims to make analytical and policy assessment tools and findings related to generational outcomes available to the wider research and policy community.

Standard Life - Wealth in 21st century Britain

This project aims to increase understanding of and engagement with the role of wealth in 21st Century Britain, with the objective of improving policy making in the 2020s. Its defining features are a long term and rigorous analytical focus on wealth trends with active engagement in policy debates, particularly around wealth accumulation and taxation.

Standard Life - Social Security and Coronavirus

This grant supported an evidence-based assessment of how Universal Credit is coping with the coronavirus crisis, and how its recipients are coping financially.

Trust for London - Working Hours and Time Use

This grant funds a research project which focuses on working hours and time use in London and the UK. Across two publications, the research aims to build a comprehensive picture of time use at work and leisure in the UK; establish how and why this picture has changed over time; explore levels of satisfaction with working patterns; and consider how policy makers should best engage with the question of time use in the future.

Unbound Philanthropy - Agency Workers

Unbound Philanthropy provided a grant to build a body of evidence on temporary agency workers in the UK in order to identify an appropriate policy response. Through the course of the project we developed a new measure for agency workers; explored the pay penalty; and used our analysis to substantial effect to animate ongoing debates about good work.

Unbound Philanthropy - Precarious Worker / Labour Market Enforcement

This research programme explores labour market enforcement in the UK - especially for those at the bottom end of the labour market - and aims to put labour market enforcement more firmly on the policy agenda. The programme launched with a review of secondary data to establish the nature and scale of labour market violations, and then proceeded to explore two specific areas (minimum wage non-compliance and auto-enrolment) in some depth.

15. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme through The Pensions Trust with contributions being made by both employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Foundation. Pension costs charged represent contributions payable by the Foundation to the Trust. Total pension costs in the current year amounted to £95,625 (2019: £78,404). At the year end £nil was due to the Trust (2019: £nil).

THE RESOLUTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

16. RELATED PARTY DISCLOSURES

One of the trustees of the Foundation is the sole director of Resolution Service Management Ltd. The Foundation signed a five year lease with Resolution Service Management Ltd for new premises in November 2015. In December 2019, the Foundation signed a five year lease with Resolution Service Management Ltd which cancelled the November 2015 lease in favour of co-terminus leases for their existing premises and an additional floor within the same building. The decision was taken by the independent trustees after considering market value and the benefits to the Foundation given the facilities and location.

17. COMPANY STATUS

The charity was incorporated on 11 October 2005 and is limited by the guarantee of its members. The members of the company are the Trustees named in the Trustees' report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.