

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
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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

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East Sussex

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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					
		<u>1,305,890</u>	<u>(5,215)</u>	<u>1,300,675</u>	<u>1,322,369</u>
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					
		<u>1,155,890</u>	<u>137,302</u>	<u>1,293,192</u>	<u>1,322,369</u>
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>
		<hr/>	<hr/>
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>461,962</u>	<u>521,894</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>895,877</u>	<u>170,459</u>	<u>1,066,336</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 and Education	Total activities
	£	£
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>

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.