

THE RESOLUTION TRUST

England & Wales · Charity number 1123128

Details

Status Registered

Legal form Trust

Company number [09852910](#)

Registered 2008-03-07

Register [View on the Charity Commission register](#)

Contact

Address 2 Queen Annes Gate
London
SW1H 9AA

Phone 02033722960

Email info@resolutiontrust.org

Activities

Objects: 3. OBJECTS THE TRUSTEES SHALL HOLD THE TRUST FUND AND ITS INCOME UPON TRUST TO APPLY THEM FOR ALL OBJECTS WHICH ARE REGARDED AS EXCLUSIVELY CHARITABLE UNDER THE LAW OF ENGLAND AND WALES.

Activities: The Trust makes grants to charitable organisations/projects involving research/ education in economic and social sciences with a particular focus on the causes, prevention or relief of poverty. The Trust also makes grants to charitable organisations in fields other than education and research, & occasionally to individuals in charitable need to further the education of the individuals concerned.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE: WITHIN ENGLAND AND WALES.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£487,719	£2,936,873	-	-
2023-09-30	£475,382	£2,468,984	-	-
2022-09-30	£321,318	£9,528,548	-	-
2021-09-30	£664,832	£2,094,940	£47,432,110	2
2020-09-30	£844,325	£2,027,231	£41,902,939	2

Trustees

Name	Role	Appointed
The Resolution Trust (Trustee) Limited		2016-01-11

THE RESOLUTION TRUST

England & Wales - Charity number 1123128

Accounts

THE RESOLUTION TRUST

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

THE RESOLUTION TRUST

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THE RESOLUTION TRUST

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

Trustees The Resolution Trust (Trustee) Limited

On 2 November 2015 The Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the Trustees of The Resolution Trust were appointed as its Directors. On 11 January 2016 the existing Trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of the Resolution Trust (Trustee) limited act in the capacity of Trustees of The Resolution Trust and are listed below:

C Cowdery
C Alexandrou
B Meehan
A Cooper

**Charity registered
number** 1123128

Principal office 2 Queen Annes Gate
London
SW1H 9AA

Independent auditors HaysMac LLP
10 Queen Street Place
London
EC4R 1AG

Bankers Goldman Sachs International
25 Shoe Lane
London
EC4A 4AU

HSBC Private Bank (UK) Limited
8 Cork Street
London
W1S 3LJ

Waverton Investment Management Limited
16 Babmaes Street
London
SW1Y 6AH

Solicitors Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

THE RESOLUTION TRUST

TRUSTEE'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 October 2023 to 30 September 2024. 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

a. Objectives and aims

The objects of the Trust are to hold the Trust Fund and its income upon trust to apply them for all objects which are regarded as exclusively charitable under the law of England and Wales.

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)'.

b. Significant activities

The Trustees ensure that all work undertaken is in line with the Trust's charitable objectives and aims.

The Trust acts as catalyst, convenor and sponsor of work with a range of partners to promote shared growth and reforms that distribute power more widely across society. The Trust takes a specific interest in long-term problems that are often viewed as intractable due to the short-term nature of the political cycle. The approach taken is non-partisan, evidence-based and draws on international experience.

The Trust provides on going funding for the Resolution Foundation, a charitable organisation which promotes research and education of the public into the effect of economic, social and financial factors on the living standards of people benefiting from an income at or below the national average, and for the charitable content of Prospect Magazine as part of a wider strategy to support quality media and analysis in order to promote debate on issues of national importance that may not be sufficiently addressed in the course of the political cycle.

c. Public benefit

The goal of the Trust is to fund projects that have a direct public benefit, often focused specifically on the prevention or relief of poverty through research and education. When planning the Charity's activities, the Trustees have regard to the Charity Commission's guidance on public benefit generally and guidance relating to public benefit and the advancement of education.

d. Grantmaking

The Trust fulfils its objectives and aims by providing grant funding to selected entities.

THE RESOLUTION TRUST

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

Achievements and performance

a. Charitable activities

In 2023/24 the Trust primarily funded the Resolution Foundation in its goals to educate the public about issues that are important to the living standards of those on low-to-middle incomes, and deliver change in areas where this income group is currently disadvantaged.

The work that the Foundation produced in 2023/24 continued to make a substantial contribution to ensuring public policy discussion across the political spectrum retained a focus on living standards.

During the year, the Foundation continued to produce robust and primarily quantitative economic analysis on specific areas crucial for low-to-middle income households such as the cost of living and energy prices; incomes and inequality; jobs, skills and pay; housing, wealth and debt; tax and welfare; firms and productivity; macroeconomic policy; net zero; trade and intergenerational fairness. The Foundation continues to develop innovative work that addresses longer-term challenges and identifies strategies for shifting away from a low pay, low productivity economy.

The Foundation also concluded work on its Economy 2030 Inquiry during the year. This was a three-year project (in partnership with the Centre for Economic Performance at London School of Economics, with support from the Nuffield Foundation) focused on the underlying causes of the economic stagnation seen over the past 15 years in the UK, including the low growth and high inequality that have disadvantaged low-to-middle income households. The final book-length report, launched at a major event in December 2023, developed an economic strategy supported by detailed policy recommendations. Since then, the Foundation has focused on sharing its conclusions at events around the UK, and, since July 2024, with the new Government.

During the year, the Trust also financially supported a number of other charitable causes, including:

- the Reach Academy to support overhead costs associated with growing the Reach Schools Network,
- West Youth Zone (Hammersmith & Fulham) to help fund work advancing education, boosting social mobility and supporting disadvantaged groups particularly among the young, and
- the charitable content of Prospect magazine.

Financial review

a. Financial position

The income to the charity comprises dividends and bank interest received of £462,172 (2023: £475,382). After taking account of net gains on investments of £1,020,034 (2023: net losses of £2,488,799), charitable grants awarded of £2,397,116 (2023: £1,917,536) and running costs of the charity during the period, including investment management fees of £539,757 (2023: £563,574), the financial statements show a capital endowment balance of £36,105,421 (2023: £37,560,088) and restricted funds of £nil (2023: £nil). The endowment funds are expendable to meet the charity's objectives.

b. Reserves policy

The Trustees do not have a specific policy to hold unrestricted funds and will award future grants from available unrestricted reserves and from the expendable endowment to meet the charity's objectives. At the year end unrestricted funds were £nil, restricted funds were £nil and the expendable endowment fund stood at £36,105,421.

THE RESOLUTION TRUST

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

c. Investment policy and objectives

The Trustee's investment policy is to generate the highest possible returns over the long term, consistent with its risk appetite and appropriate protection for the capital of the Trust, to maximise the resources that can be expended on the Trust's charitable objectives. The Trust's policy is to accept reasonable capital volatility with no more than a 5% risk of capital loss over a 5-year period.

HSBC Private Bank (UK) Ltd, Goldman Sachs International and Waverton Investment Management Limited are responsible for the management of the Trust's investments. Monitoring of the investment performance takes place through regular investment reports and meetings. Investment performance results are reported and discussed at Trustee meetings and compared to industry benchmarks where applicable.

Investments are stated at market value, with realised and unrealised profits charged net to the statement of financial activities.

Structure, governance and management

a. Governing document

The Resolution Trust was established as a Trust Fund on 14 December 2007 and registered as charity number 01123128 on 7 March 2008. The Charity is governed by its Trust deed which was amended on 4 January 2016.

On 2 November 2015, the Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the trustees of The Resolution Trust were appointed as its Directors. On 11 January 2016 the existing trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of The Resolution Trust (Trustee) Limited act in the capacity of trustees of The Resolution Trust and are listed above.

b. Recruitment and appointment of new trustees

The Trustees 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.

Under the terms of the amended Trust deed, the Corporate Trustee, Resolution Trust (Trustee) Ltd, has the power to appoint new trustees. Clive Cowdery is the sole company law member of the corporate trustee.

c. Organisational structure

The Trustees meet as necessary and not less than twice each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed a Chief Executive, Gavin Kelly in September 2015, who has day to day responsibility for all operational matters. In April 2019, Gavin Kelly's employment contract was amended in order for him to take up a formal part-time position at Resolution Foundation in addition to his role at Resolution Trust, so he can continue to oversee the pro-worker innovation work established by the Trust and now being further developed by the Resolution Foundation; and more widely support with the oversight of the work of the Resolution Foundation including on key projects like the Economy 2030 Inquiry and in the setting of the Living Wage.

d. Induction and training of new trustees

Trustees are provided with appropriate induction and training when appointed taking account of the nature of the charity.

THE RESOLUTION TRUST

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

Structure, governance and management (continued)

e. Key management remuneration

Key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustee of the entity. They comprise the Directors of Resolution Trust (Trustee) Ltd, the Chief Executive and the Director of Resources. The remuneration of the Chief Executive is set by the Trustees.

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 Chairman and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or expenses were paid in the year. Related party transactions are disclosed in the notes to these financial statements.

g. Risk management

The Trust has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the Chief Executive who takes responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and Chief Executive to ensure the Trust's independence and political neutrality are maintained.

The most significant organisational risk identified during the year was related to the Trust's core activity of grant making. Inappropriate use of grant funds could lead to reputational damage and potentially, investigation by the Charity Commission. Steps to mitigate this risk include monitoring internal procedures to ensure appropriate authorisation, reporting and due diligence procedures are in place. In addition, reviews of specific areas of activity (such as the Trust's support for the charitable content of Prospect magazine) are undertaken to ensure that the processes used remain sufficiently robust.

The most significant external risk identified by Trustees during the year was associated with the investment portfolio framework. Poor investment decisions could lead to financial loss and an inability to fulfil the Trust's charitable objectives. Mitigating measures include splitting the portfolio across three management firms to avoid the risks associated with a single manager. Reporting procedures are monitored as required and Trustees undertake regular performance and management reviews, drawing on specialist investment management advisors as needed.

h. Events after the year-end

Gavin Kelly stepped down from his role as Chief Executive in January 2025.

Plans for future periods

In 2024/2025, the Resolution Trust's ongoing funding commitments include:

- continued support of the work of the Resolution Foundation
- continued support of the charitable content of Prospect
- continued support of West Youth Zone (Hammersmith and Fulham) support of the Reach Academy schools network.

THE RESOLUTION TRUST

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

Statement of Trustee's responsibilities

The Trustee are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustee 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 Trustee 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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 Trustee at the time when this Trustee's 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

During the year, the auditors Haysmacintyre LLP changed their name to HaysMac LLP.

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

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

Clive Cowdery

C Cowdery
Director

Date: 29/07/2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION TRUST

Opinion

We have audited the financial statements of The Resolution Trust (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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2024 and of its incoming resources and application of resources 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 Charities Act 2011.

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 charity 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 Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION TRUST (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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity 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 Charities Act 2011.

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;
- 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.

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.

THE RESOLUTION TRUST

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: *30th July 2025*

HaysMac LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE RESOLUTION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:					
Investments	3	397,719	-	397,719	385,382
Other income	4	90,000	-	90,000	90,000
Total income and endowments		487,719	-	487,719	475,382
Expenditure on:					
Raising funds	5	298,419	-	298,419	365,952
Charitable activities	6	2,638,454	-	2,638,454	2,103,032
Total expenditure		2,936,873	-	2,936,873	2,468,984
Net expenditure before net gains/(losses) on investments		(2,449,154)	-	(2,449,154)	(1,993,602)
Net gains/(losses) on investments		-	994,487	994,487	(2,488,799)
Net (expenditure)/income		(2,449,154)	994,487	(1,454,667)	(4,482,401)
Transfers between funds	14	2,449,154	(2,449,154)	-	-
Net movement in funds		-	(1,454,667)	(1,454,667)	(4,482,401)
Reconciliation of funds:					
Total funds brought forward		-	37,560,088	37,560,088	42,042,489
Net movement in funds		-	(1,454,667)	(1,454,667)	(4,482,401)
Total funds carried forward		-	36,105,421	36,105,421	37,560,088

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

The notes on pages 14 to 28 form part of these financial statements.

THE RESOLUTION TRUST

BALANCE SHEET AS AT 30 SEPTEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	11	38,656,815	42,765,387
		<u>38,656,815</u>	<u>42,765,387</u>
Current assets			
Cash at bank and in hand		1,453,966	759,053
		<u>1,453,966</u>	<u>759,053</u>
Creditors: amounts falling due within one year	12	(4,005,360)	(3,464,352)
Net current liabilities		<u>(2,551,394)</u>	<u>(2,705,299)</u>
Total assets less current liabilities		<u>36,105,421</u>	<u>40,060,088</u>
Creditors: amounts falling due after more than one year	13	-	(2,500,000)
Total net assets		<u><u>36,105,421</u></u>	<u><u>37,560,088</u></u>
Charity funds			
Endowment funds	14	36,105,421	37,560,088
Restricted funds	14	-	-
Total funds		<u><u>36,105,421</u></u>	<u><u>37,560,088</u></u>

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

Clive Cowdery

C Cowdery
Director

Date: 29/07/2025

The notes on pages 14 to 28 form part of these financial statements.

THE RESOLUTION TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	(4,895,865)	(5,600,373)
Cash flows from investing activities		
Dividends, interests and rents from investments	487,719	475,382
Proceeds from sale of investments	12,407,890	14,687,231
Purchase of investments	(7,304,831)	(10,091,490)
Net cash provided by investing activities	5,590,778	5,071,123
Change in cash and cash equivalents in the year	694,913	(529,250)
Cash and cash equivalents at the beginning of the year	759,053	1,288,303
Cash and cash equivalents at the end of the year	1,453,966	759,053

The notes on pages 14 to 28 form part of these financial statements

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

1. General information

The Resolution Trust is an unincorporated charity, registered in England and Wales (registration number 1123128). 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 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Resolution Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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 with no material uncertainties.

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.

Donated services are valued at an estimate of the financial cost borne by the donor.

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

Support costs comprise costs for processing grants and applications, including support to actual and potential applicants; costs associated with the management and administration of the Trust's activities; and governance costs which are incurred with the general running of the Trust as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

2.5 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2.6 Taxation

The charity is exempt from tax on its charitable activities.

2.7 Investments

Investments are a form of basic financial instrument and comprise investments in quoted 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.

Programme related investments consist entirely of interest free concessionary loans made by the Charity to beneficiaries and are held at fair value. Concessionary loans are assessed for objective evidence of impairment at the end of the reporting period. Any impairment is disclosed within the statement of financial activities as charitable activities.

2.8 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.

2.9 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.

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

2. Accounting policies (continued)

2.10 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.

2.11 Pensions

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

2.12 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Endowment funds are those held on trust to be retained for the benefit of the charity as a capital fund. There are discretionary powers to convert capital into income and, as a result, these funds are classed as expendable endowment.

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.

Investment income, gains and losses are allocated to the appropriate fund.

2.13 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 TRUST

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

3. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Investment income - HSBC	195,340	195,340
Investment income - Goldman Sachs	102,426	102,426
Investment income - AMP	60,283	60,283
Deposit account interest	39,670	39,670
	<u>397,719</u>	<u>397,719</u>
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Investment income - HSBC	243,445	243,445
Investment income - Goldman Sachs	71,310	71,310
Investment income - AMP	56,960	56,960
Deposit account interest	13,667	13,667
	<u>385,382</u>	<u>385,382</u>

4. Other income

	Unrestricted funds 2024 £	Total funds 2024 £
Other loan interest	90,000	90,000
	<u>90,000</u>	<u>90,000</u>
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Other loan interest	90,000	90,000
	<u>90,000</u>	<u>90,000</u>

THE RESOLUTION TRUST

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

5. Investment management costs

	Unrestricted funds 2024 £	Total funds 2024 £
Portfolio management - HSBC	81,177	81,177
Portfolio management - AMP	135,304	135,304
Portfolio Management - Goldman Sachs	52,639	52,639
Portfolio management - Waverton	29,299	29,299
	<u>298,419</u>	<u>298,419</u>
	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Portfolio management - HSBC	77,249	77,249
Portfolio management - AMP	191,927	191,927
Portfolio Management - Goldman Sachs	61,528	61,528
Portfolio management - Waverton	25,738	25,738
Portfolio management - Integrum	9,510	9,510
	<u>365,952</u>	<u>365,952</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Total 2024 £
Research and Education	<u>2,638,454</u>	<u>2,638,454</u>

THE RESOLUTION TRUST

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

6. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total 2023 £</i>
Research and Education	<u>2,100,532</u>	<u>2,500</u>	<u>2,103,032</u>

7. Analysis of expenditure by activities

	<i>Grant funding of activities 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Research and Education	<u>2,397,116</u>	<u>241,338</u>	<u>2,638,454</u>

	<i>Grant funding of activities 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Research and Education	<u>1,917,536</u>	<u>185,496</u>	<u>2,103,032</u>

THE RESOLUTION TRUST

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

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Prospect Magazine	2,258,000	1,358,000
Resolution Foundation	-	182,500
Old Vic	-	350,000
West Youth Zone	25,000	25,000
Warwick Academy	39,116	2,036
Reach Academy	75,000	-
	2,397,116	1,917,536

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	128,213	125,722
Support charges	3,624	3,624
IT costs	1,663	2,027
Sundries	2,563	1,078
Auditors' remuneration	15,360	14,160
Accountancy and legal fees	89,915	38,885
	241,338	185,496

8. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	14,820	14,160

THE RESOLUTION TRUST

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

9. Staff costs

	2024 £	2023 £
Wages and salaries	106,137	104,075
Social security costs	14,647	14,362
Contribution to defined contribution pension schemes	7,430	7,285
	<u>128,214</u>	<u>125,722</u>

From June 2019, all Resolution Trust salaries have been paid by Resolution Foundation under the terms of shared employment contracts and a service level agreement between the two organisations. Resolution Trust's portion of the staff salaries are then repaid to the Resolution Foundation.

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

	2024 No.	2023 No.
Employees	<u>2</u>	<u>2</u>

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

	2024 No.	2023 No.
In the band £80,001 - £90,000	1	1

The total employee benefits paid to key management personnel during the year amounted to £128,214 (2023: £125,722).

THE RESOLUTION TRUST

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

10. Trustee's remuneration and expenses

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

During the year ended 30 September 2024, no Trustee expenses have been incurred (2023 - £NIL).

11. Fixed asset investments

	Listed investments £	Programme related investments £	Total £
Cost or valuation			
At 1 October 2023	39,572,887	3,192,500	42,765,387
Additions	7,214,831	90,000	7,304,831
Disposals	(12,407,890)	-	(12,407,890)
Revaluations	994,487	-	994,487
	<u>35,374,315</u>	<u>3,282,500</u>	<u>38,656,815</u>
At 30 September 2024	<u>35,374,315</u>	<u>3,282,500</u>	<u>38,656,815</u>
Net book value			
At 30 September 2024	<u>35,374,315</u>	<u>3,282,500</u>	<u>38,656,815</u>
At 30 September 2023	<u>39,572,887</u>	<u>3,192,500</u>	<u>42,765,387</u>

The listed investments are held in a mixed portfolio, mainly invested in shares, and managed by HSBC Private Bank (UK) Limited, Goldman Sachs International, Waverton Investment Management Limited and Integrum Holdings plus the AMP Capital Global Infrastructure Fund (now Digital Bridge) investment which is a limited partnership fund registered in Luxembourg.

The programme related investments are concessionary loans to the beneficiaries. During the year, the Charity made no additional loans (2023 - £Nil). These had previously been recognised as debtors within the financial statements, but have been reclassified to reflect their true nature.

THE RESOLUTION TRUST

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

12. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	-	192
Other creditors	4,005,360	3,464,160
	<u>4,005,360</u>	<u>3,464,352</u>

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

	2024 £	2023 £
Other creditors	-	2,500,000
	<u>-</u>	<u>2,500,000</u>

THE RESOLUTION TRUST

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

14. Statement of funds

Statement of funds - current year

	Balance at 1 October 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2024 £
Unrestricted funds						
General Funds - all funds	-	487,719	(2,936,873)	2,449,154	-	-
Endowment funds						
Endowment Funds - all funds	37,560,088	-	-	(2,449,154)	994,487	36,105,421
Total of funds	37,560,088	487,719	(2,936,873)	-	994,487	36,105,421

THE RESOLUTION TRUST

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

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 October 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2023 £
Unrestricted funds						
General fund	-	475,382	(2,466,484)	1,991,102	-	-
Endowment funds						
Endowment fund	42,039,989	-	-	(1,991,102)	(2,488,799)	37,560,088
Restricted funds						
Accenture/BGV work	2,500	-	(2,500)	-	-	-
Total of funds	<u>42,042,489</u>	<u>475,382</u>	<u>(2,468,984)</u>	<u>-</u>	<u>(2,488,799)</u>	<u>37,560,088</u>

15. Summary of funds

Summary of funds - current year

	Balance at 1 October 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2024 £
General funds	-	487,719	(2,936,873)	2,449,154	-	-
Endowment funds	37,560,088	-	-	(2,449,154)	994,487	36,105,421
	<u>37,560,088</u>	<u>487,719</u>	<u>(2,936,873)</u>	<u>-</u>	<u>994,487</u>	<u>36,105,421</u>

THE RESOLUTION TRUST

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

15. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 October 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 30 September 2023 £</i>
General funds	-	475,382	(2,466,484)	1,991,102	-	-
Endowment funds	42,039,989	-	-	(1,991,102)	(2,488,799)	37,560,088
Restricted funds	2,500	-	(2,500)	-	-	-
	<u>42,042,489</u>	<u>475,382</u>	<u>(2,468,984)</u>	<u>-</u>	<u>(2,488,799)</u>	<u>37,560,088</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Fixed asset investments	2,551,394	36,105,421	38,656,815
Current assets	1,453,966	-	1,453,966
Creditors due within one year	(4,005,360)	-	(4,005,360)
Total	<u>-</u>	<u>36,105,421</u>	<u>36,105,421</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Endowment funds 2023 £</i>	<i>Total funds 2023 £</i>
Fixed asset investments	5,205,299	37,560,088	42,765,387
Current assets	759,053	-	759,053
Creditors due within one year	(3,464,352)	-	(3,464,352)
Creditors due in more than one year	(2,500,000)	-	(2,500,000)
Total	<u>-</u>	<u>37,560,088</u>	<u>37,560,088</u>

THE RESOLUTION TRUST

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

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

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	(1,454,667)	(4,482,401)
Adjustments for:		
Gains/(losses) on investments	(994,487)	2,488,799
Dividends, interests and rents from investments	(487,719)	(475,382)
Decrease in creditors	(1,958,992)	(3,131,389)
Net cash used in operating activities	(4,895,865)	(5,600,373)

18. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	1,453,966	759,053
Total cash and cash equivalents	1,453,966	759,053

19. Analysis of changes in net debt

	At 1 October 2023 £	Cash flows £	At 30 September 2024 £
Cash at bank and in hand	759,053	694,913	1,453,966
	759,053	694,913	1,453,966

20. Pension commitments

The Trust operates a defined contribution pension scheme through The Pensions Trust with contributions made by both the employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Trust. Pension costs charged represent contributions payable by The Resolution Trust to The Pensions Trust. Total pension costs in the current year amounted to £7,430 (2023: £7,285). At the year end £nil was due to The Pensions Trust (2023: £nil).

THE RESOLUTION TRUST

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

21. Related party transactions

One of the trustees of The Resolution Trust is a director and the sole member of Resolution Media Limited which in turn owns Prospect Publishing Limited. There is no mechanism for transfer of income, profit or assets of Resolution Media Limited directly or indirectly to its sole member/the trustee. The Trust's commitment to fund the charitable content of Prospect Magazine was taken by the independent trustees in June 2015. Funding is granted specifically for charitable content being primarily educational, which improves public understanding and promotes informed debate about economic and social sciences, and related subjects including the arts, sciences, heritage and culture. Monitoring procedures and legal protections are in place to ensure all funding is applied exclusively in furtherance of the Trust's charitable purposes and objectives, and for public benefit.

The Trust shares two trustees with the Resolution Foundation, a registered charitable company. During the year, the Trust paid a donation to the Foundation of £2,560,000 (2023 - £2,460,000).

The Trust also has a shared services agreement in place with the Resolution Foundation 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).

THE RESOLUTION TRUST

England & Wales - Charity number 1123128

Accounts

THE RESOLUTION TRUST

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

THE RESOLUTION TRUST

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THE RESOLUTION TRUST

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

Trustees The Resolution Trust (Trustee) Limited

On 2 November 2015 The Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the Trustees of The Resolution Trust were appointed as its Directors. On 11 January 2016 the existing Trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of the Resolution Trust (Trustee) limited act in the capacity of Trustees of The Resolution Trust and are listed below:

C Cowdery
C Alexandrou
B Meehan
A Cooper

Principal office 2 Queen Annes Gate
London
SW1H 9AA

Independent auditors haysmacintyre
10 Queen Street Place
London
EC4R 1AG

Bankers Goldman Sachs International
25 Shoe Lane
London
EC4A 4AU

HSBC Private Bank (UK) Limited
8 Cork Street
London
W1S 3LJ

Waverton Investment Management Limited
16 Babmaes Street
London
SW1Y 6AH

Solicitors Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

THE RESOLUTION TRUST

TRUSTEE'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 October 2022 to 30 September 2023. 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

a. Objectives and aims

The objects of the Trust are to hold the Trust Fund and its income upon trust to apply them for all objects which are regarded as exclusively charitable under the law of England and Wales.

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)'.

b. Significant activities

The Trustees ensure that all work undertaken is in line with the Trust's charitable objectives and aims.

The Trust acts as catalyst, convenor and sponsor of work with a range of partners to promote shared growth and reforms that distribute power more widely across society. The Trust takes a specific interest in long-term problems that are often viewed as intractable due to the short-term nature of the political cycle. The approach taken is non-partisan, evidence-based and draws on international experience.

The Trust provides on going funding for the Resolution Foundation, a charitable organisation which promotes research and education of the public into the effect of economic, social and financial factors on the living standards of people benefiting from an income at or below the national average, and for the charitable content of Prospect Magazine as part of a wider strategy to support quality media and analysis in order to promote debate on issues of national importance that may not be sufficiently addressed in the course of the political cycle.

c. Public benefit

The goal of the Trust is to fund projects that have a direct public benefit, often focused specifically on the prevention or relief of poverty through research and education. When planning the Charity's activities, the Trustees have regard to the Charity Commission's guidance on public benefit generally and guidance relating to public benefit and the advancement of education.

d. Grantmaking

The Trust fulfils its objectives and aims by providing grant funding to selected entities.

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

Achievements and performance

a. Charitable activities

In 2022/23 the Trust primarily funded the Resolution Foundation in its goal to educate the public about issues that are important to the living standards of those on low-to-middle incomes, and deliver change in areas where this income group is currently disadvantaged.

The work that the Foundation produced in 2022/23 continued to make a substantial contribution to ensuring public policy discussion across the political spectrum retained a focus on living standards. The Foundation produces robust and primarily quantitative economic analysis on specific areas crucial for low-to-middle income households such as the cost of living and energy prices, incomes and inequality; jobs, skills and pay; housing, wealth and debt; tax and welfare; firms and productivity; places and spatial inequalities; macroeconomic policy, net zero, trade and intergenerational fairness, and continues to develop innovative work that addresses longer-term challenges and identifies strategies for shifting away from a low pay, low productivity economy.

During the year, the Foundation continued work on its 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) focused on the underlying causes of the economic stagnation seen over the past 15 years including the low growth and high inequality that have disadvantaged low-to-middle income households. The Foundation is advocating for a comprehensive economic strategy for the UK to address these problems over the 2020s, as detailed in a major report, 'Stagnation Nation', which was published in December 2023.

During the year, the Trust also financially supported a number of other charitable causes, including:

- the Old Vic's capital campaign supporting innovative theatre designed to promote political, social and personal change,
- West Youth Zone (Hammersmith & Fulham) to help fund its work advancing education, boosting social mobility and supporting disadvantaged groups particularly among the young,
- the charitable content of Prospect magazine.

Financial review

a. Financial position

The income to the charity comprises dividends and bank interest received of £475,382 (2022: £403,818). After taking account of net losses on investments of £2,488,799 (2022: net gains £3,735,109), charitable grants awarded of £1,917,536 (2022: £8,980,611) and running costs of the charity during the period, including investment management fees of £563,574 (2022: £547,937), the financial statements show a capital endowment balance of £37,560,088 (2022: £42,042,489) and restricted funds of £nil (2022: £2,500). The endowment funds are expendable to meet the charity's objectives.

b. Reserves policy

The Trustees do not have a specific policy to hold unrestricted funds and will award future grants from available unrestricted reserves and from the expendable endowment to meet the charity's objectives. At the year end unrestricted funds were £nil, restricted funds were £nil and the expendable endowment fund stood at £37,560,088.

THE RESOLUTION TRUST

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

c. Investment policy and objectives

The Trustee's investment policy is to generate the highest possible returns over the long term, consistent with its risk appetite and appropriate protection for the capital of the Trust, to maximise the resources that can be expended on the Trust's charitable objectives. The Trust's policy is to accept reasonable capital volatility with no more than a 5% risk of capital loss over a 5-year period.

HSBC Private Bank (UK) Ltd, Goldman Sachs International and Waverton Investment Management Limited are responsible for the management of the Trust's investments. Monitoring of the investment performance takes place through regular investment reports and meetings. Investment performance results are reported and discussed at Trustee meetings and compared to industry benchmarks where applicable.

Investments are stated at market value, with realised and unrealised profits charged net to the statement of financial activities.

Structure, governance and management

a. Governing document

The Resolution Trust was established as a Trust Fund on 14 December 2007 and registered as charity number 01123128 on 7 March 2008. The Charity is governed by its Trust deed which was amended on 4 January 2016.

On 2 November 2015, the Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the trustees of The Resolution Trust were appointed as its Directors. On 11 January 2016 the existing trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of The Resolution Trust (Trustee) Limited act in the capacity of trustees of The Resolution Trust and are listed above.

b. Recruitment and appointment of new trustees

The Trustees 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. Under the terms of the amended Trust deed, the Corporate Trustee, Resolution Trust (Trustee) Ltd, has the power to appoint new trustees. Clive Cowdery is the sole company law member of the corporate trustee.

c. Organisational structure

The Trustees meet as necessary and not less than twice each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed a Chief Executive, Gavin Kelly in September 2015, who has day to day responsibility for all operational matters. In April 2019, Gavin Kelly's employment contract was amended in order for him to take up a formal part-time position at Resolution Foundation in addition to his role at Resolution Trust, so he can continue to oversee the pro-worker innovation work established by the Trust and now being further developed by the Resolution Foundation; and more widely support with the oversight of the work of the Resolution Foundation including on key projects like the Economy 2030 Inquiry and in the setting of the Living Wage.

d. Induction and training of new trustees

Trustees are provided with appropriate induction and training when appointed taking account of the nature of the charity.

THE RESOLUTION TRUST

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

Structure, governance and management (continued)

e. Key management remuneration

Key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustee of the entity. They comprise the Directors of Resolution Trust (Trustee) Ltd, the Chief Executive and the Director of Resources. The remuneration of the Chief Executive is set by the Trustees.

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 Chairman and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or expenses were paid in the year. Related party transactions are disclosed in the notes to these financial statements.

g. Risk management

The Trust has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the Chief Executive who takes responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and Chief Executive to ensure the Trust's independence and political neutrality are maintained.

The most significant organisational risk identified during the year was related to the Trust's core activity of grant making. Inappropriate use of grant funds could lead to reputational damage and potentially, investigation by the Charity Commission. Steps to mitigate this risk included updating internal procedures to ensure appropriate authorisation, reporting and due diligence procedures are in place. In addition, the Chief Executive and a trustee have undertaken reviews of specific areas of activity (such as the Trust's support for the charitable content of Prospect magazine) to ensure that the processes used, and associated reporting mechanisms, are sufficiently robust.

The most significant external risk identified by Trustees during the year was associated with the investment portfolio framework, now split across three management firms to avoid the risks associated with a single manager. Poor investment decisions could lead to financial loss and an inability to fulfill the Trust's charitable objectives. Mitigating measures included reviewing and updating monitoring and reporting procedures, regular performance and management reviews by Trustees, and ongoing input from specialist investment management advisors.

Plans for future periods

In 2022/2023, the Resolution Trust's ongoing funding commitments include:

- continued support of the work of the Resolution Foundation
- continued support of the charitable content of Prospect magazine
- continued support of West Youth Zone (Hammersmith and Fulham)

THE RESOLUTION TRUST

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

Statement of Trustee's responsibilities

The Trustee are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustee 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 Trustee 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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 Trustee at the time when this Trustee's 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 Trustee will propose a motion reappointing the auditors at a meeting of the Trustee.

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

Clive Cowdery

Clive Cowdery

Director of The Resolution Trust (Trustee) Limited

Date: 30/07/2024

THE RESOLUTION TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION TRUST

Opinion

We have audited the financial statements of The Resolution Trust (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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2023 and of its incoming resources and application of resources 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 Charities Act 2011.

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 charity 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 Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RESOLUTION TRUST (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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity 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 Charities Act 2011.

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;
- 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.

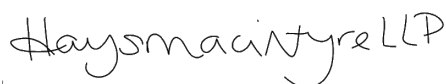
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE RESOLUTION TRUST

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



haysmacintyre
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 30 July 2024

haysmacintyre are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE RESOLUTION TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
Income and endowments from:						
Investments	3	385,382	-	-	385,382	321,318
Other income	4	90,000	-	-	90,000	82,500
Total income and endowments		475,382	-	-	475,382	403,818
Expenditure on:						
Raising funds	5	365,952	-	-	365,952	401,382
Charitable activities	6	2,100,532	2,500	-	2,103,032	9,127,166
Total expenditure		2,466,484	2,500	-	2,468,984	9,528,548
Net expenditure before net (losses)/gains on investments						
		(1,991,102)	(2,500)	-	(1,993,602)	(9,124,730)
Net (losses)/gains on investments		-	-	(2,488,799)	(2,488,799)	3,735,109
Net expenditure		(1,991,102)	(2,500)	(2,488,799)	(4,482,401)	(5,389,621)
Transfers between funds	16	1,991,102	-	(1,991,102)	-	-
Net movement in funds		-	(2,500)	(4,479,901)	(4,482,401)	(5,389,621)
Reconciliation of funds:						
Total funds brought forward		-	2,500	42,039,989	42,042,489	47,432,110
Net movement in funds		-	(2,500)	(4,479,901)	(4,482,401)	(5,389,621)
Total funds carried forward		-	-	37,560,088	37,560,088	42,042,489

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

The notes on pages 14 to 29 form part of these financial statements.

THE RESOLUTION TRUST

BALANCE SHEET AS AT 30 SEPTEMBER 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Investments	11	39,572,887	46,743,579
		<u>39,572,887</u>	<u>46,743,579</u>
Current assets			
Debtors	12	3,192,500	3,106,348
Cash at bank and in hand		759,053	1,288,303
		<u>3,951,553</u>	<u>4,394,651</u>
Creditors: amounts falling due within one year	13	(3,464,352)	(4,095,741)
Net current assets		<u>487,201</u>	<u>298,910</u>
Total assets less current liabilities		<u>40,060,088</u>	<u>47,042,489</u>
Creditors: amounts falling due after more than one year	14	(2,500,000)	(5,000,000)
Total net assets		<u>37,560,088</u>	<u>42,042,489</u>
Charity funds			
Endowment funds	16	37,560,088	42,039,989
Restricted funds	16	-	2,500
Total funds		<u>37,560,088</u>	<u>42,042,489</u>

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

Clive Cowdery

Clive Cowdery
Director of The Resolution Trust (Trustee) Limited

Date: 30/07/2024

The notes on pages 14 to 29 form part of these financial statements.

THE RESOLUTION TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023 £	As restated 2022 £
Cash flows from operating activities		
Net cash used in operating activities	(5,686,525)	(6,610,631)
Cash flows from investing activities		
Dividends, interests and rents from investments	475,382	403,818
Proceeds from sale of investments	14,687,231	30,104,650
Purchase of investments	(10,005,338)	(22,936,194)
Net cash provided by investing activities	5,157,275	7,572,274
Change in cash and cash equivalents in the year	(529,250)	961,643
Cash and cash equivalents at the beginning of the year	1,288,303	326,660
Cash and cash equivalents at the end of the year	759,053	1,288,303

The notes on pages 14 to 29 form part of these financial statements

THE RESOLUTION TRUST

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

1. General information

The Resolution Trust is an unincorporated charity, registered in England and Wales (registration number 1123128). 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 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Resolution Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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.

Donated services are valued at an estimate of the financial cost borne by the donor.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

Support costs comprise costs for processing grants and applications, including support to actual and potential applicants; costs associated with the management and administration of the Trust's activities; and governance costs which are incurred with the general running of the Trust as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

2.5 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2.6 Taxation

The charity is exempt from tax on its charitable activities.

2.7 Investments

Investments are a form of basic financial instrument and comprise investments in quoted 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.

2.8 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.

2.9 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.

2.10 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.

THE RESOLUTION TRUST

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

2. Accounting policies (continued)

2.11 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.

2.12 Pensions

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

2.13 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income - HSBC	243,445	243,445
Investment income - Goldman Sachs	71,310	71,310
Investment income - AMP	56,960	56,960
Deposit account interest	13,667	13,667
	385,382	385,382

THE RESOLUTION TRUST

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

3. Investment income (continued)

	<i>As restated Unrestricted funds 2022 £</i>	<i>As restated Total funds 2022 £</i>
Investment income - HSBC	170,376	170,376
Investment income - Goldman Sachs	70,645	70,645
Investment income - AMP	79,923	79,923
Deposit account interest	374	374
	<u>321,318</u>	<u>321,318</u>

4. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £
Other loan interest	90,000	90,000
	<u>90,000</u>	<u>90,000</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Other loan interest	82,500	82,500
	<u>82,500</u>	<u>82,500</u>

THE RESOLUTION TRUST

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

5. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £
Portfolio management - HSBC	77,249	77,249
Portfolio management - AMP	191,927	191,927
Portfolio Management - Goldman Sachs	61,528	61,528
Portfolio management - Waverton	25,738	25,738
Portfolio management - Integrum	9,510	9,510
	<u>365,952</u>	<u>365,952</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Portfolio management - HSBC	117,218	117,218
Portfolio management - AMP	(12,370)	(12,370)
Portfolio Management - Goldman Sachs	59,857	59,857
Portfolio management - Waverton	21,380	21,380
Portfolio management - Integrum	215,297	215,297
	<u>401,382</u>	<u>401,382</u>

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Research and Education	<u>2,100,532</u>	<u>2,500</u>	<u>2,103,032</u>

THE RESOLUTION TRUST

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

6. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Research and Education	<u>9,127,166</u>	<u>9,127,166</u>

7. Analysis of expenditure by activities

	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £
Research and Education	<u>1,917,536</u>	<u>185,496</u>	<u>2,103,032</u>

	<i>Grant funding of activities 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Research and Education	<u>8,980,611</u>	<u>146,555</u>	<u>9,127,166</u>

THE RESOLUTION TRUST

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

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Prospect Magazine	1,358,000	1,108,000
Resolution Foundation	182,500	7,539,968
Old Vic	350,000	100,000
Save the Children	-	150,000
West Youth Zone	25,000	25,000
Warwick Academy	2,036	45,078
Grants to individuals	-	12,565
	1,917,536	8,980,611

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	125,722	117,636
Support charges	3,624	3,624
IT costs	2,027	3,349
Sundries	1,078	1,076
Staff training and expenses	-	43
Auditors' remuneration	14,160	4,320
Auditors' remuneration for non audit work	-	1,200
Accountancy and legal fees	38,885	15,307
	185,496	146,555

THE RESOLUTION TRUST

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

8. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	14,160	4,320
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	-	1,200

9. Staff costs

	2023 £	2022 £
Wages and salaries	104,075	96,867
Social security costs	14,362	13,988
Contribution to defined contribution pension schemes	7,285	6,781
	<u>125,722</u>	<u>117,636</u>

From June 2019, all Resolution Trust salaries have been paid by Resolution Foundation under the terms of shared employment contracts and a service level agreement between the two organisations. Resolution Trust's portion of the staff salaries are then repaid to the Resolution Foundation.

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

	2023 No.	2022 No.
Employees	<u>2</u>	<u>2</u>

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

	2023 No.	2022 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

The total employee benefits paid to key management personnel during the year amounted to £125,722 (2022: £117,636).

THE RESOLUTION TRUST

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

10. Trustee's 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).

11. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 October 2022	46,743,579
Additions	10,005,338
Disposals	(14,687,231)
Revaluations	(2,488,799)
At 30 September 2023	39,572,887
Net book value	
At 30 September 2023	39,572,887
At 30 September 2022	46,743,579

The listed investments are held in a mixed portfolio, mainly invested in shares, and managed by HSBC Private Bank (UK) Limited, Goldman Sachs International, Waverton Investment Management Limited and Integrum Holdings plus the AMP Capital Global Infrastructure Fund (now Digital Bridge) investment which is a limited partnership fund registered in Luxembourg.

THE RESOLUTION TRUST

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

11. Fixed asset investments (continued)

	2023 £	2022 £
Fixed interest	4,471,272	3,951,220
Equities	15,678,590	26,493,661
Alternative investments	18,775,617	14,194,824
Cash	311,628	1,490,115
Funds	335,780	613,759
	<u>39,572,887</u>	<u>46,743,579</u>

The Trust is subject to certain investment risks:

- Credit risk, which is the risk that one party to a financial instrument will cause financial loss to the other by failing to discharge an obligation.
- Market risk, which is the risk that the fair value of future cash flows of a financial asset will fluctuate because of:
 - Currency risk as a result of changes in foreign currency rates,
 - Interest rate risk as a result of changes in market interest rates, or
 - Other price risk as a result of changes in market prices (other than because of currency or interest rate risk) and whether these changes affect all similar financial instruments traded in the market place or a particular financial instrument.

The Trust manages these investment risks by retaining expert advisers and operating an investment policy that provides a high degree of diversification of holdings within investment assets classes that are mainly quoted on recognised stock exchanges. All investments are carried at fair value. The basis of fair value is equivalent to the market value using the bid value.

12. Debtors

	2023 £	<i>As restated</i> 2022 £
Due after more than one year		
Other debtors	3,172,500	3,082,500
Due within one year		
Other debtors	20,000	23,848
	<u>3,192,500</u>	<u>3,106,348</u>

THE RESOLUTION TRUST

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

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	192	32,173
Other creditors	3,464,160	4,063,568
	<u>3,464,352</u>	<u>4,095,741</u>

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

	2023 £	2022 £
Other creditors	2,500,000	5,000,000
	<u>2,500,000</u>	<u>5,000,000</u>

15. Prior year adjustments

An adjustment has been made to recognise the interest receivable on the loan to EdCity in the prior period, which had not previously been recognised resulting in an understatement of income.

	<i>As previously reported 2022 £</i>	<i>Adjustment 2022 £</i>	<i>Total funds 2022 £</i>
Other income	-	82,500	82,500
Transfers between funds	9,207,230	(82,500)	9,124,730
Other debtors	3,000,000	82,500	3,082,500
Endowment funds	41,957,489	82,500	42,039,989
	<u>41,957,489</u>	<u>82,500</u>	<u>42,039,989</u>

THE RESOLUTION TRUST

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 £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2023 £
Unrestricted funds						
General fund	-	475,382	(2,466,484)	1,991,102	-	-
Endowment funds						
Endowment fund	42,039,989	-	-	(1,991,102)	(2,488,799)	37,560,088
Restricted funds						
Accenture/BGV work	2,500	-	(2,500)	-	-	-
Total of funds	42,042,489	475,382	(2,468,984)	-	(2,488,799)	37,560,088

THE RESOLUTION TRUST

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

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 October 2021 £	As restated Income £	Expenditure £	As restated Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2022 £
Unrestricted funds						
General fund	-	403,818	(9,528,548)	9,124,730	-	-
Endowment funds						
Endowment fund	47,429,610	-	-	(9,124,730)	3,735,109	42,039,989
Restricted funds						
Accenture/BGV work	2,500	-	-	-	-	2,500
Total of funds	<u>47,432,110</u>	<u>403,818</u>	<u>(9,528,548)</u>	<u>-</u>	<u>3,735,109</u>	<u>42,042,489</u>

17. Summary of funds

Summary of funds - current year

	Balance at 1 October 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 September 2023 £
General funds	-	475,382	(2,466,484)	1,991,102	-	-
Endowment funds	42,039,989	-	-	(1,991,102)	(2,488,799)	37,560,088
Restricted funds	2,500	-	(2,500)	-	-	-
	<u>42,042,489</u>	<u>475,382</u>	<u>(2,468,984)</u>	<u>-</u>	<u>(2,488,799)</u>	<u>37,560,088</u>

THE RESOLUTION TRUST

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

17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 October 2021 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>As restated Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 30 September 2022 £</i>
General funds	-	403,818	(9,528,548)	9,124,730	-	-
Endowment funds	47,429,610	-	-	(9,124,730)	3,735,109	42,039,989
Restricted funds	2,500	-	-	-	-	2,500
	<u>47,432,110</u>	<u>403,818</u>	<u>(9,528,548)</u>	<u>-</u>	<u>3,735,109</u>	<u>42,042,489</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Fixed asset investments	2,012,799	37,560,088	39,572,887
Debtors due after more than one year	3,172,500	-	3,172,500
Current assets	779,053	-	779,053
Creditors due within one year	(3,464,352)	-	(3,464,352)
Creditors due in more than one year	(2,500,000)	-	(2,500,000)
Total	<u>-</u>	<u>37,560,088</u>	<u>37,560,088</u>

THE RESOLUTION TRUST

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

18. 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>Endowment funds 2022 £</i>	<i>Total funds 2022 £</i>
Fixed asset investments	4,703,590	-	42,039,989	46,743,579
Debtors due after more than one year	3,082,500	-	-	3,082,500
Current assets	1,309,651	2,500	-	1,312,151
Creditors due within one year	(4,095,741)	-	-	(4,095,741)
Creditors due in more than one year	(5,000,000)	-	-	(5,000,000)
Total	-	2,500	42,039,989	42,042,489

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

	2023 £	<i>As restated 2022 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(4,482,401)	(5,389,621)
Adjustments for:		
Gains/(losses) on investments	2,488,799	(3,735,109)
Dividends, interests and rents from investments	(475,382)	(403,818)
Loss on disposal of social investment	-	39,969
Increase in debtors	(86,152)	(3,086,348)
Increase/(decrease) in creditors	(3,131,389)	5,964,296
Net cash used in operating activities	(5,686,525)	(6,610,631)

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	759,053	1,288,303
Total cash and cash equivalents	759,053	1,288,303

THE RESOLUTION TRUST

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

21. Analysis of changes in net debt

	At 1 October 2022 £	Cash flows £	At 30 September 2023 £
Cash at bank and in hand	1,288,303	(529,250)	759,053
	<u>1,288,303</u>	<u>(529,250)</u>	<u>759,053</u>

22. Pension commitments

The Trust operates a defined contribution pension scheme through The Pensions Trust with contributions made by both the employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Trust. Pension costs charged represent contributions payable by The Resolution Trust to The Pensions Trust. Total pension costs in the current year amounted to £7,285 (2022: £6,781). At the year end £nil was due to The Pensions Trust (2021: £nil).

23. Related party transactions

One of the trustees of The Resolution Trust is a director and the sole member of Resolution Media Limited which in turn owns Prospect Publishing Limited. There is no mechanism for transfer of income, profit or assets of Resolution Media Limited directly or indirectly to its sole member/the trustee. The Trust's commitment to fund the charitable content of Prospect Magazine was taken by the independent trustees in June 2015. Funding is granted specifically for charitable content being primarily educational, which improves public understanding and promotes informed debate about economic and social sciences, and related subjects including the arts, sciences, heritage and culture. Monitoring procedures and legal protections are in place to ensure all funding is applied exclusively in furtherance of the Trust's charitable purposes and objectives, and for public benefit.

THE RESOLUTION TRUST

England & Wales - Charity number 1123128

Accounts

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022
FOR
THE RESOLUTION TRUST

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

THE RESOLUTION TRUST

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FOR THE YEAR ENDED 30TH SEPTEMBER 2022

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THE RESOLUTION TRUST

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

The trustees 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 objects of the Trust are to hold the Trust Fund and its income upon trust to apply them for all objects which are regarded as exclusively charitable under the law of England and Wales.

Significant activities

The Trustees ensure that all work undertaken is in line with the Trust's charitable objectives and aims.

The Trust acts as catalyst, convenor and sponsor of work with a range of partners to promote shared growth and reforms that distribute power more widely across society. The Trust takes a specific interest in long-term problems that are often viewed as intractable due to the short-term nature of the political cycle. The approach taken is non-partisan, evidence-based and draws on international experience.

The Trust provides on going funding for the Resolution Foundation, a charitable organisation which promotes research and education of the public into the effect of economic, social and financial factors on the living standards of people benefiting from an income at or below the national average, and for the charitable content of Prospect Magazine as part of a wider strategy to support quality media and analysis in order to promote debate on issues of national importance that may not be sufficiently addressed in the course of the political cycle.

Public benefit

The goal of the Trust is to fund projects that have a direct public benefit, often focused specifically on the prevention or relief of poverty through research and education. When planning the Charity's activities, the Trustees have regard to the Charity Commission's guidance on public benefit generally and guidance relating to public benefit and the advancement of education.

Grantmaking

The Trust fulfils its objectives and aims by providing grant funding to selected entities.

THE RESOLUTION TRUST

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In 2021/22 the Trust primarily funded the Resolution Foundation in its goal to improve living standards for those on low-to-middle incomes by delivering change in areas where this income group is currently disadvantaged.

The work that the Foundation produced in 2021/22 continued to make a substantial contribution to ensuring the issue of living standards remained firmly at the centre of public policy discussion across the political spectrum. The Foundation produces detailed economic and policy analysis on specific areas such as incomes and inequality; jobs, skills and pay; housing, wealth and debt; tax and welfare; public finances and intergenerational fairness - all crucial issues for low to middle income households, and continues to develop innovative new work that addresses longer-term challenges and identifies strategies for shifting away from a low pay, low productivity economy.

During the year, the Foundation continued work on its 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) and 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 including the low growth and high inequality that have disadvantaged low to middle income households. The Foundation is advocating for a comprehensive economic strategy for the UK to address these problems over the 2020s.

The Foundation also continued to consider the short-term changes needed to policies, structures and institutions to ensure the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and prescribed policy solutions to support low-to-middle income households and improve the underlying health of the UK economy.

During the year, the Trust also financially supported a number of other charitable causes, including:

- the Old Vic's capital campaign supporting innovative theatre designed to promote political, social and personal change,
- Save the Children Feltham Early Learning Community to support its work mitigating educational inequality for children from disadvantaged backgrounds,
- West Youth Zone (Hammersmith & Fulham) to help fund its work advancing education, boosting social mobility and supporting disadvantaged groups particularly among the young,
- the charitable content of Prospect magazine.

Additionally, the Trust has provided financial support by way of a loan to Ed City Office for education development at ARK, specifically to support the construction of a new primary school, youth facilities and an office building promoting education and aligned charitable purposes for public benefit.

FINANCIAL REVIEW

Financial position

The income to the charity comprises dividends and bank interest received of £321,318. After taking account of net surpluses on investments of £3,735,109, charitable grants awarded of £8,980,611 and running costs of the charity during the period, including investment management fees of £401,382, the financial statements show a capital endowment balance of £41,957,489 and restricted funds of £2,500. The endowment funds are expendable to meet the charity's objectives.

THE RESOLUTION TRUST

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

FINANCIAL REVIEW

Investment policy and objectives

The Trustee's investment policy is to generate the highest possible returns over the long term, consistent with its risk appetite and appropriate protection for the capital of the Trust, to maximise the resources that can be expended on the Trust's charitable objectives. The Trust's policy is to accept reasonable capital volatility with no more than a 5% risk of capital loss over a 5-year period.

HSBC Private Bank (UK) Ltd, Goldman Sachs International and Waverton Investment Management Limited are responsible for the management of the Trust's investments. Monitoring of the investment performance takes place through regular investment reports and meetings. Investment performance results are reported and discussed at Trustee meetings and compared to industry benchmarks where applicable.

Investments are stated at market value, with realised and unrealised profits charged net to the statement of financial activities.

Reserves policy

The Trustees do not have a specific policy to hold unrestricted funds and will award future grants from available unrestricted reserves and from the expendable endowment to meet the charity's objectives. At the year end unrestricted funds were £nil, restricted funds were £2,500 and the expendable endowment fund stood at £41,957,489.

FUTURE PLANS

In 2022/2023, the Resolution Trust's ongoing funding commitments include:

- continued support of the work of the Resolution Foundation
- continued support of the charitable content of Prospect magazine
- continued support of West Youth Zone (Hammersmith and Fulham)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Resolution Trust was established as a Trust Fund on 14 December 2007 and registered as charity number 01123128 on 7 March 2008. The Charity is governed by its Trust deed which was amended on 4 January 2016.

On 2 November 2015, the Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the trustees of The Resolution Trust were appointed as its Directors. On 11 January 2016 the existing trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of The Resolution Trust (Trustee) Limited act in the capacity of trustees of The Resolution Trust and are listed above.

Recruitment and appointment of new trustees

The Trustees 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.

Under the terms of the amended Trust deed, the Corporate Trustee, Resolution Trust (Trustee) Ltd, has the power to appoint new trustees. Clive Cowdery is the sole company law member of the corporate trustee.

Organisational structure

The Trustees meet as necessary and not less than twice each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed a Chief Executive, Gavin Kelly in September 2015, who has day to day responsibility for all operational matters. In April 2019, Gavin Kelly's employment contract was amended in order for him to take up a formal part-time position at Resolution Foundation in addition to his role at Resolution Trust, so he can continue to oversee the pro-worker innovation work established by the Trust and now being further developed by the Resolution Foundation.

THE RESOLUTION TRUST

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Trustees are provided with appropriate induction and training when appointed taking account of the nature of the charity.

Key management remuneration

Key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustee of the entity. They comprise the Directors of Resolution Trust (Trustee) Ltd, the Chief Executive and the Director of Resources. The remuneration of the Chief Executive is set by the Trustees.

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 Chairman and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or expenses were paid in the year. Related party transactions are disclosed in the notes to these financial statements.

Risk management

The Trust has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the Chief Executive who takes responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and Chief Executive to ensure the Trust's independence and political neutrality are maintained.

The most significant external risk identified during the year was related to the Coronavirus Outbreak. During the year, we returned to working predominantly from our Westminster office, but there remained an ongoing risk that the pandemic would directly impact the health of the staff team and our ability to fulfil the Trust's charitable objectives. We continued to mitigate these risks primarily through employee consultation, communication and support, and through making changes to our events and meeting schedules. We also continued to monitor Charity Commission and other government guidance, maintained our Cyber Essentials accreditation to mitigate the increased risks of fraud and cybercrime, and implemented appropriate Health & Safety measures.

The most significant organisational risk identified by Trustees during the year was associated with finalising the transfer of a portion of the Trust's investment portfolio to new investment managers in order to avoid the single manager risk. Mitigating measures undertaken during the process included input from specialist investment management consultants who facilitated an extensive selection process, advised Trustees and oversaw the transition to the new portfolio framework. Internal procedures and reporting mechanisms have also been updated accordingly.

THE RESOLUTION TRUST

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1123128

Principal address

2 Queen Anne's Gate
London
SW1H 9AA

Trustees

On 2 November 2015 The Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the Trustees of The Resolution Trust were appointed as its Directors. On 11 January 2016 the existing Trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of the Resolution Trust (Trustee) limited act in the capacity of Trustees of The Resolution Trust and are listed below:

C Cowdery
C Alexandrou
B Meehan
A Cooper

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

THE RESOLUTION TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers and Investment Managers

Goldman Sachs International
25 Shoe Lane
London
EC4A 4AU

HSBC Private Bank (UK) Limited
8 Cork Street
London
W1S 3LJ

Waverton Investment Management Limited
16 Babmaes Street
London
SW1Y 6AH

THE RESOLUTION TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 24 July 2023 and signed on its behalf by:

Clive Cowdery – Director of The Resolution Trust (Trustee) Limited

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE RESOLUTION TRUST

Opinion

We have audited the financial statements of The Resolution Trust (the 'charity') 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 charity's affairs as at 30th September 2022 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 charity 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 charity'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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE RESOLUTION TRUST**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE RESOLUTION TRUST

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

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

- 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 charity.

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, 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 TRUSTEES OF
THE RESOLUTION TRUST**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 25th July 2023

THE RESOLUTION TRUST**STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM						
Investment income	2	<u>321,318</u>	<u>-</u>	<u>-</u>	<u>321,318</u>	<u>664,832</u>
EXPENDITURE ON						
Raising funds	3	<u>401,382</u>	<u>-</u>	<u>-</u>	<u>401,382</u>	<u>413,638</u>
Charitable activities	4					
Research and Education		<u>9,127,166</u>	<u>-</u>	<u>-</u>	<u>9,127,166</u>	<u>1,681,302</u>
Total		<u>9,528,548</u>	<u>-</u>	<u>-</u>	<u>9,528,548</u>	<u>2,094,940</u>
Net gains on investments		<u>-</u>	<u>-</u>	<u>3,735,109</u>	<u>3,735,109</u>	<u>6,959,279</u>
NET						
INCOME/(EXPENDITURE)		<u>(9,207,230)</u>	<u>-</u>	<u>3,735,109</u>	<u>(5,472,121)</u>	<u>5,529,171</u>
Transfers between funds	15	<u>9,207,230</u>	<u>-</u>	<u>(9,207,230)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>-</u>	<u>-</u>	<u>(5,472,121)</u>	<u>(5,472,121)</u>	<u>5,529,171</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>-</u>	<u>2,500</u>	<u>47,429,610</u>	<u>47,432,110</u>	<u>41,902,939</u>
TOTAL FUNDS CARRIED FORWARD						
		<u>-</u>	<u>2,500</u>	<u>41,957,489</u>	<u>41,959,989</u>	<u>47,432,110</u>

The notes form part of these financial statements

THE RESOLUTION TRUST**BALANCE SHEET**
30TH SEPTEMBER 2022

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	2022 Total funds £	2021 Total funds £
FIXED ASSETS						
Investments						
Investments	10	-	-	46,743,579	46,743,579	50,176,927
Social investments	11	-	-	-	-	39,968
		-	-	46,743,579	46,743,579	50,216,895
CURRENT ASSETS						
Debtors	12	-	-	3,023,848	3,023,848	20,000
Cash at bank and in hand		-	2,500	1,285,803	1,288,303	326,660
		-	2,500	4,309,651	4,312,151	346,660
CREDITORS						
Amounts falling due within one year	13	-	-	(4,095,741)	(4,095,741)	(3,131,445)
NET CURRENT ASSETS		-	2,500	213,910	216,410	(2,784,785)
TOTAL ASSETS LESS CURRENT LIABILITIES		-	2,500	46,957,489	46,959,989	47,432,110
CREDITORS						
Amounts falling due after more than one year	14	-	-	(5,000,000)	(5,000,000)	-
NET ASSETS		-	2,500	41,957,489	41,959,989	47,432,110
FUNDS						
Restricted funds	15				2,500	2,500
Endowment funds					41,957,489	47,429,610
TOTAL FUNDS					41,959,989	47,432,110

The financial statements were approved by the Board of Trustees and authorised for issue on 24 July 2023 and were signed on its behalf by:

Clive Cowdery – Director of The Resolution Trust (Trustee) Limited

The notes form part of these financial statements

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

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(6,528,131)</u>	<u>(4,599,717)</u>
Net cash used in operating activities		<u>(6,528,131)</u>	<u>(4,599,717)</u>
 Cash flows from investing activities			
Purchase of fixed asset investments		(22,936,194)	(22,889,757)
Sale of fixed asset investments		30,104,650	24,402,956
Interest received		<u>321,318</u>	<u>664,832</u>
Net cash provided by investing activities		<u>7,489,774</u>	<u>2,178,031</u>
Change in cash and cash equivalents in the reporting period		961,643	(2,421,686)
Cash and cash equivalents at the beginning of the reporting period		<u>326,660</u>	<u>2,748,346</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>1,288,303</u></u>	<u><u>326,660</u></u>

The notes form part of these financial statements

THE RESOLUTION TRUST

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

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

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(5,472,121)	5,529,171
Adjustments for:		
Gain on investments	(3,735,109)	(6,959,279)
Interest received	(321,318)	(664,832)
Loss on disposal of Social Investment	39,969	-
Increase in debtors	(3,003,848)	-
Increase/(decrease) in creditors	<u>5,964,296</u>	<u>(2,504,777)</u>
Net cash used in operations	<u><u>(6,528,131)</u></u>	<u><u>(4,599,717)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/21 £	Cash flow £	At 30/9/22 £
Net cash			
Cash at bank and in hand	<u>326,660</u>	<u>961,643</u>	<u>1,288,303</u>
	<u>326,660</u>	<u>961,643</u>	<u>1,288,303</u>
Total	<u><u>326,660</u></u>	<u><u>961,643</u></u>	<u><u>1,288,303</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, 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 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.

Donated services are valued at an estimate of the financial cost borne by the donor.

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 costs for processing grants and applications, including support to actual and potential applicants; costs associated with the management and administration of the Trust's activities; and governance costs which are incurred with the general running of the Trust as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Investments

Investments are a form of basic financial instrument and comprise investments in quoted 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.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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.

THE RESOLUTION TRUST

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

1. ACCOUNTING POLICIES - continued

Fund accounting

The expendable endowment funds are capital funds where normally only the income arising may be applied but for which the Trustees also have the power to spend the capital.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

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

2. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	374	-
Investment income – HSBC	170,376	613,976
Investment income - Goldman Sachs	70,645	-
Investment income - AMP	<u>79,923</u>	<u>50,856</u>
	<u>321,318</u>	<u>664,832</u>

3. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Portfolio management - HSBC	117,218	209,414
Portfolio management - AMP	(12,370)	204,224
Portfolio Management - Goldman Sachs	59,857	-
Portfolio management - Waverton	21,380	-
Portfolio management - Integrum	<u>215,297</u>	<u>-</u>
	<u>401,382</u>	<u>413,638</u>

THE RESOLUTION TRUST

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

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 5) £	Support costs (see note 6) £	Totals £
Research and Education	<u>8,980,611</u>	<u>146,555</u>	<u>9,127,166</u>

5. GRANTS PAYABLE

	2022 £	2021 £
Research and Education	<u>8,980,611</u>	<u>1,540,855</u>

The total grants paid to institutions during the year was as follows:

	2022 £	2021 £
Prospect Magazine	1,108,000	1,108,000
Resolution Foundation	7,539,968	95,420
Old Vic	100,000	300,000
Bristol Cultural Development Partnership	-	20,000
Save the Children	150,000	-
West Youth Zone	25,000	-
Warwick Academy	<u>45,078</u>	<u>-</u>
	<u>8,968,046</u>	<u>1,523,420</u>

In August 2019, the Resolution Trust committed to fund the Resolution Foundation for at least the next 3 years having awarded grants totalling £6,300,000 with effect from 1 October 2019. This commitment was recognised as expenditure in the year ending September 2019.

During the current year, the Trust paid £2,100,000 to the Foundation reflecting this annual commitment plus a donation in kind.

In June 2022, the Trust also committed to fund the Foundation for at least a further 3 years, awarding grants totalling £7,500,000 with effect from 1 October 2022. This commitment and the donation in kind were recognised as expenditure in the current year ending 30 September 2022.

THE RESOLUTION TRUST

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

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Research and Education	<u>125,728</u>	<u>20,827</u>	<u>146,555</u>

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

	2022 Research and Education £	2021 Total activities £
Wages	96,867	93,912
Social security	13,988	12,960
Pensions	6,781	6,574
Support charges	3,624	3,624
IT costs	3,349	3,016
Sundries	1,076	477
Staff training and expenses	43	-
Auditors' remuneration	4,320	3,200
Auditors' remuneration for non audit work	1,200	1,000
Accountancy and legal fees	<u>15,307</u>	<u>15,684</u>
	<u>146,555</u>	<u>140,447</u>

7. 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.

THE RESOLUTION TRUST

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

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	96,867	93,912
Social security costs	13,988	12,960
Other pension costs	<u>6,781</u>	<u>6,574</u>
	<u>117,636</u>	<u>113,446</u>

From June 2019, all Resolution Trust salaries have been paid by Resolution Foundation under the terms of shared employment contracts and a service level agreement between the two organisations. Resolution Trust's portion of the staff salaries are then repaid to the Resolution Foundation.

The total employee benefits paid to key management personnel during the year amounted to £117,636 (2021: £113,446)

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

	2022	2021
£70,001 - £80,000	<u>1</u>	<u>1</u>

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

	2022	2021
Total	<u>2</u>	<u>2</u>

On a Full Time equivalent basis, the average number of employees is 1 (2021: 1)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Investment income	<u>664,832</u>	<u>-</u>	<u>-</u>	<u>664,832</u>
EXPENDITURE ON				
Raising funds	413,638	-	-	413,638
Charitable activities				
Research and Education	<u>1,681,302</u>	<u>-</u>	<u>-</u>	<u>1,681,302</u>
Total	<u>2,094,940</u>	<u>-</u>	<u>-</u>	<u>2,094,940</u>

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
Net gains on investments	-	-	6,959,279	6,959,279
NET INCOME/(EXPENDITURE)	(1,430,108)	-	6,959,279	5,529,171
Transfers between funds	1,430,108	-	(1,430,108)	-
Net movement in funds	-	-	5,529,171	5,529,171
RECONCILIATION OF FUNDS				
Total funds brought forward	-	2,500	41,900,439	41,902,939
TOTAL FUNDS CARRIED FORWARD	-	2,500	47,429,610	47,432,110

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st October 2021	50,176,927
Additions	22,936,194
Disposals	(30,104,651)
Movement in Market value	3,735,109
At 30th September 2022	46,743,579
NET BOOK VALUE	
At 30th September 2022	46,743,579
At 30th September 2021	50,176,927

The listed investments are held in a mixed portfolio, mainly invested in shares, and managed by HSBC Private Bank (UK) Limited, Goldman Sachs International, Waverton Investment Management Limited and Integrum Holdings plus the AMP Capital Global Infrastructure Fund (now Digital Bridge) investment which is a limited partnership fund registered in Luxemburg.

	2022	2021
Fixed Interest	3,951,220	3,954,297
Equities	26,493,661	30,642,451
Alternative Investments	14,194,824	10,849,618
Cash	1,490,115	4,098,607
Funds	613,759	631,954
	<u>46,743,579</u>	<u>50,176,927</u>

THE RESOLUTION TRUST

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

10. FIXED ASSET INVESTMENTS - continued

The Trust is subject to certain investment risks:

- Credit risk, which is the risk that one party to a financial instrument will cause financial loss to the other by failing to discharge an obligation.
 - Market risk, which is the risk that the fair value of future cash flows of a financial asset will fluctuate because of:
 - Currency risk as a result of changes in foreign currency rates
 - Interest rate risk as a result of changes in market interest rates, or
 - Other price risk as a result of changes in market prices (other than because of currency or interest rate risk)
- and whether these changes affect all similar financial instruments traded in the market place or a particular financial instrument.

The Trust manages these investment risks by retaining expert advisers and operating an investment policy that provides a high degree of diversification of holdings within investment assets classes that are mainly quoted on recognised stock exchanges. All investments are carried at fair value. The basis of fair value is equivalent to the market value using the bid value.

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

	Listed investments £
Valuation in 2022	<u><u>46,743,579</u></u>

11. SOCIAL INVESTMENTS

The Social Investment held at the end of September 2021 is a minority shareholding in Poplar Technologies Limited (which aims to improve the living standards of low-to-middle income workers by building software that helps them become more empowered, autonomous and productive at work), made as part of the Trust's support of pro-worker innovation. Ownership of these shares was transferred to the Resolution Foundation during the year as a donation in kind to complete the transfer of all pro-worker innovation work and assets from the Resolution Trust to the Resolution Foundation.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	<u><u>23,848</u></u>	<u><u>20,000</u></u>
Amounts falling due after more than one year:		
Other debtors	<u><u>3,000,000</u></u>	<u><u>-</u></u>
Aggregate amounts	<u><u>3,023,848</u></u>	<u><u>20,000</u></u>

THE RESOLUTION TRUST**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	32,173	29,909
Other creditors	<u>4,063,568</u>	<u>3,101,536</u>
	<u>4,095,741</u>	<u>3,131,445</u>

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

	2022 £	2021 £
Other creditors	<u>5,000,000</u>	<u>-</u>

15. MOVEMENT IN FUNDS

	At 1/10/21 £	Net movement in funds £	Transfers between funds £	At 30/9/22 £
Unrestricted funds				
General fund	-	(9,207,230)	9,207,230	-
Restricted funds				
Accenture/BGV work	2,500	-	-	2,500
Endowment funds				
Endowment fund	47,429,610	3,735,109	(9,207,230)	41,957,489
TOTAL FUNDS	<u>47,432,110</u>	<u>(5,472,121)</u>	<u>-</u>	<u>41,959,989</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	321,318	(9,528,548)	-	(9,207,230)
Endowment funds				
Endowment fund	-	-	3,735,109	3,735,109
TOTAL FUNDS	<u>321,318</u>	<u>(9,528,548)</u>	<u>3,735,109</u>	<u>(5,472,121)</u>

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**15. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/10/20 £	Net movement in funds £	Transfers between funds £	At 30/9/21 £
Unrestricted funds				
General fund	-	(1,430,108)	1,430,108	-
Restricted funds				
Accenture/BGV work	2,500	-	-	2,500
Endowment funds				
Endowment fund	41,900,439	6,959,279	(1,430,108)	47,429,610
TOTAL FUNDS	<u>41,902,939</u>	<u>5,529,171</u>	<u>-</u>	<u>47,432,110</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	664,832	(2,094,940)	-	(1,430,108)
Endowment funds				
Endowment fund	-	-	6,959,279	6,959,279
TOTAL FUNDS	<u>664,832</u>	<u>(2,094,940)</u>	<u>6,959,279</u>	<u>5,529,171</u>

16. EMPLOYEE BENEFIT OBLIGATIONS

The Trust operates a defined contribution pension scheme through The Pensions Trust with contributions made by both the employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Trust. Pension costs charged represent contributions payable by The Resolution Trust to The Pensions Trust. Total pension costs in the current year amounted to £6,781 (2021: £6,574). At the year end £nil was due to The Pensions Trust (2021: £nil).

17. RELATED PARTY DISCLOSURES

One of the trustees of The Resolution Trust is a director and the sole member of Resolution Media Limited which in turn owns Prospect Publishing Limited. There is no mechanism for transfer of income, profit or assets of Resolution Media Limited directly or indirectly to its sole member/the trustee. The Trust's commitment to fund the charitable content of Prospect Magazine was taken by the independent trustees in June 2015. Funding is granted specifically for charitable content being primarily educational, which improves public understanding and promotes informed debate about economic and social sciences, and related subjects including the arts, sciences, heritage and culture. Monitoring procedures and legal protections are in place to ensure all funding is applied exclusively in furtherance of the Trust's charitable purposes and objectives, and for public benefit.

THE RESOLUTION TRUST

England & Wales - Charity number 1123128

Accounts

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021
FOR
THE RESOLUTION TRUST

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

THE RESOLUTION TRUST

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FOR THE YEAR ENDED 30TH SEPTEMBER 2021

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THE RESOLUTION TRUST

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

The trustees 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 objects of the Trust are to hold the Trust Fund and its income upon trust to apply them for all objects which are regarded as exclusively charitable under the law of England and Wales.

Significant activities

The Trustees ensure that all work undertaken is in line with the Trust's charitable objects and aims.

The Trust acts as catalyst, convenor and sponsor of work with a range of partners to promote shared growth and reforms that distribute power more widely across society. The Trust takes a specific interest in long-term problems that are often viewed as intractable due to the short-term nature of the political cycle. The approach taken is non-partisan, evidence-based and draws on international experience.

The Trust provides on going funding for the Resolution Foundation, a charitable organisation which promotes research and education of the public into the effect of economic, social and financial factors on the living standards of people benefiting from an income at or below the national average, and for the charitable content of Prospect Magazine as part of a wider strategy to support quality media and analysis in order to support debate on issues of national importance that may not be sufficiently addressed in the course of the political cycle.

Public benefit

The goal of the Trust is to fund projects that have a direct public benefit, often focused specifically on the prevention or relief of poverty through research and education. When planning the Charity's activities, the Trustees have regard to the Charity Commission's guidance on public benefit generally and guidance relating to public benefit and the advancement of education.

Grantmaking

The Trust fulfils its objectives and aims by providing grant funding to selected entities, primarily the Resolution Foundation.

THE RESOLUTION TRUST

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

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In 2020/21 the Trust primarily funded the Resolution Foundation in its goal to improve living standards for those on low-to-middle incomes by delivering change in areas where this income group is currently disadvantaged. The work that the Foundation produced in 2020/21 continued to make a substantial contribution to ensuring the issue of living standards remained firmly at the centre of public policy discussion across the political spectrum. The Foundation produces detailed economic and policy analysis on specific areas such as incomes and inequality; jobs, skills and pay; housing, wealth and debt; tax and welfare; public finances and intergenerational fairness - all crucial issues for low to middle income households, and continues to develop innovative new work that addresses longer-term challenges and identifies strategies for shifting away from a low pay, low productivity economy. During the year, the Foundation 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. The Foundation also continued to consider what short-term 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 prescribed policy solutions to support low-to-middle income households and the underlying health of the UK economy.

During the year, the Trust also financially supported a number of other charitable causes, including:

- the Old Vic's public fund supporting innovative theatre designed to promote political, social and personal change,
- the Bristol Cultural Development Partnership to support a range of core activities including the 'Festival of Economics' and the 'Festival of the Future of the City', and
- the charitable content of Prospect magazine.

FINANCIAL REVIEW

Financial position

The income to the charity comprises dividends and bank interest received of £664,832. After taking account of net surpluses on investments of £6,959,279, charitable grants awarded of £1,681,302 and running costs of the charity during the period, including investment management fees of £413,638, the financial statements show a capital endowment balance of £47,429,610 and restricted funds of £2,500. The endowment funds are expendable to meet the charity's objectives.

Investment policy and objectives

The Trustee's investment policy is to generate the highest possible returns over the long term, consistent with its risk appetite and appropriate protection for the capital of the Trust, to maximise the resources that can be expended on the Trust's charitable objectives. The Trust's policy is to accept reasonable capital volatility with no more than a 5% risk of capital loss over a 5-year period.

HSBC Private Bank (UK) Ltd, Goldman Sachs International, Waverton Investment Management Limited and AMP Capital Global Infrastructure Fund are responsible for the management of the Trust's investments. Monitoring of the investment performance takes place through regular investment reports and meetings. Investment performance results are reported and discussed at Trustee meetings and compared to industry benchmarks where applicable.

Investments are stated at market value, with realised and unrealised profits charged net to the statement of financial activities.

Reserves policy

The Trustees do not have a specific policy to hold unrestricted funds, and will award future grants from available unrestricted reserves and from the expendable endowment to meet the charity's objectives. At the year end unrestricted funds were £nil, restricted funds were £2,500 and the expendable endowment fund stood at £47,429,610.

THE RESOLUTION TRUST

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

FUTURE PLANS

In 2021/2022, the Resolution Trust's ongoing funding commitments include:

- continued support of the work of the Resolution Foundation
- continued support of the charitable content of Prospect magazine

Additional funding may be made available to support the work of charities whose activity and / or funding has been impacted by the pandemic.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Resolution Trust was established as a Trust Fund on 14 December 2007 and registered as charity number 01123128 on 7 March 2008. The Charity is governed by its Trust deed which was amended on 4 January 2016.

On 2 November 2015, the Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the trustees of The Resolution Trust were appointed as its Directors. On 11 January 2016 the existing trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of The Resolution Trust (Trustee) Limited act in the capacity of trustees of The Resolution Trust and are listed above.

Recruitment and appointment of new trustees

The Trustees 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.

Under the terms of the amended Trust deed, the Corporate Trustee, Resolution Trust (Trustee) Ltd, has the power to appoint new trustees. Clive Cowdery is the sole company law member of the corporate trustee.

Organisational structure

The Trustees meet as necessary and not less than twice each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed a Chief Executive, Gavin Kelly in September 2015, who has day to day responsibility for all operational matters. In April 2019, Gavin Kelly's employment contract was amended in order for him to take up a formal part-time position at Resolution Foundation in addition to his role at Resolution Trust, so he can continue to oversee the pro-worker innovation work established by the Trust and now being further developed by the Resolution Foundation.

Induction and training of new trustees

Trustees are provided with appropriate induction and training when appointed taking account of the nature of the charity.

Key management remuneration

Key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustee of the entity. They comprise the Directors of Resolution Trust (Trustee) Ltd, the Chief Executive and the Director of Resources. The remuneration of the Chief Executive is set by the Trustees.

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 Chairman and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or expenses were paid in the year. Related party transactions are disclosed in the notes to these financial statements.

THE RESOLUTION TRUST

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trust has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the Chief Executive who takes responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and Chief Executive to ensure the Trust's independence and political neutrality are maintained.

The most significant external risk identified during the year was related to the Coronavirus Outbreak which led to broad operational and management challenges due to the transition to, and the nature of, new working patterns, and the risk of a potential impact on the health, wellbeing and morale of the Trust's employees. We continued to mitigate these risks through both employee consultation and monitoring Charity Commission and other government guidance, amending internal policies and procedures as required. We also ensured our data security and internal processes were equipped to meet the increased risks of fraud and cybercrime.

The most significant organisational risk identified by Trustees during the year was associated with the review of the Trust's investment strategy and the risks associated with transferring a portion of the investment portfolio to new investment managers in order to avoid the single manager risk. Mitigating measures undertaken during the process included input from specialist investment management consultants who facilitated an extensive selection process, advised Trustees and oversaw the transition to the new portfolio framework.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1123128

Principal address

2 Queen Anne's Gate
London
SW1H 9AA

Trustees

On 2 November 2015 The Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the Trustees of The Resolution Trust were appointed as its Directors. On 1 January 2016 the existing Trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of the Resolution Trust (Trustee) limited act in the capacity of Trustees of The Resolution Trust and are listed below:

C Cowdery
C Alexandrou
B Meehan
A Cooper

Auditors

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

THE RESOLUTION TRUST

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

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Bankers and Investment Manager

HSBC Private Bank (UK) Limited
8 Cork Street
London
W1S 3LJ

AMP Capital Investors (UK) Limited
Level 6
Berkeley Square House
Berkeley Square
London
W1J 6BZ

Goldman Sachs International
25 Shoe Lane
London
EC4A 4AU

Waverton Investment Management Limited
16 Babmaes Street
London
SW1Y 6AH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity will continue in business.

THE RESOLUTION TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30TH SEPTEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 15 June 2022 and signed on its behalf by:

C Cowdery – Director of The Resolution Trust (Trustee) Limited

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE RESOLUTION TRUST

Opinion

We have audited the financial statements of The Resolution Trust (the 'charity') 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 charity's affairs as at 30th September 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 charity 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 charity'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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE RESOLUTION TRUST**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE RESOLUTION TRUST

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

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

- 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 charity.

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, 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 TRUSTEES OF
THE RESOLUTION TRUST**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chariot House Limited
Eligible to act as auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Date: 20 June 2022

THE RESOLUTION TRUST**STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM						
Investment income	2	664,832	-	-	664,832	844,325
EXPENDITURE ON						
Raising funds	3	413,638	-	-	413,638	541,657
Charitable activities	4					
Research and Education		1,681,302	-	-	1,681,302	1,485,574
Total		2,094,940	-	-	2,094,940	2,027,231
Net gains/(losses) on investments		-	-	6,959,279	6,959,279	(406,381)
NET INCOME/(EXPENDITURE)		(1,430,108)	-	6,959,279	5,529,171	(1,589,287)
Transfers between funds	15	1,430,108	-	(1,430,108)	-	-
Net movement in funds		-	-	5,529,171	5,529,171	(1,589,287)
RECONCILIATION OF FUNDS						
Total funds brought forward		-	2,500	41,900,439	41,902,939	43,492,226
TOTAL FUNDS CARRIED FORWARD		-	2,500	47,429,610	47,432,110	41,902,939

The notes form part of these financial statements

THE RESOLUTION TRUST**BALANCE SHEET**
30TH SEPTEMBER 2021

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Investments						
Investments	10	-	-	50,176,927	50,176,927	44,730,847
Social investments	11	-	-	39,968	39,968	39,968
		-	-	50,216,895	50,216,895	44,770,815
CURRENT ASSETS						
Debtors	12	-	-	20,000	20,000	20,000
Cash at bank and in hand		-	2,500	324,160	326,660	2,748,346
		-	2,500	344,160	346,660	2,768,346
CREDITORS						
Amounts falling due within one year	13	-	-	(3,131,445)	(3,131,445)	(3,536,222)
NET CURRENT ASSETS		-	2,500	(2,787,285)	(2,784,785)	(767,876)
TOTAL ASSETS LESS CURRENT LIABILITIES		-	2,500	47,429,610	47,432,110	44,002,939
CREDITORS						
Amounts falling due after more than one year	14	-	-	-	-	(2,100,000)
NET ASSETS		-	2,500	47,429,610	47,432,110	41,902,939
FUNDS						
Restricted funds	15				2,500	2,500
Endowment funds					47,429,610	41,900,439
TOTAL FUNDS					47,432,110	41,902,939

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 Cowdery – Director of The Resolution Trust (Trustee) Limited

The notes form part of these financial statements

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

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(4,599,717)</u>	<u>(3,088,527)</u>
Net cash used in operating activities		<u>(4,599,717)</u>	<u>(3,088,527)</u>
 Cash flows from investing activities			
Purchase of fixed asset investments		(22,889,757)	(14,116,733)
Sale of fixed asset investments		24,402,956	11,788,065
Interest received		<u>664,832</u>	<u>844,325</u>
Net cash provided by/(used in) investing activities		<u>2,178,031</u>	<u>(1,484,343)</u>
Change in cash and cash equivalents in the reporting period		(2,421,686)	(4,572,870)
Cash and cash equivalents at the beginning of the reporting period		<u>2,748,346</u>	<u>7,321,216</u>
Cash and cash equivalents at the end of the reporting period		<u><u>326,660</u></u>	<u><u>2,748,346</u></u>

The notes form part of these financial statements

THE RESOLUTION TRUST**NOTES TO THE CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	5,529,171	(1,589,287)
Adjustments for:		
(Gain)/losses on investments	(6,959,279)	406,381
Interest received	(664,832)	(844,325)
Decrease in creditors	<u>(2,504,777)</u>	<u>(1,061,296)</u>
Net cash used in operations	<u><u>(4,599,717)</u></u>	<u><u>(3,088,527)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/20 £	Cash flow £	At 30/9/21 £
Net cash			
Cash at bank and in hand	<u>2,748,346</u>	<u>(2,421,686)</u>	<u>326,660</u>
	<u>2,748,346</u>	<u>(2,421,686)</u>	<u>326,660</u>
Total	<u><u>2,748,346</u></u>	<u><u>(2,421,686)</u></u>	<u><u>326,660</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, 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.

Donated services are valued at an estimate of the financial cost borne by the donor.

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 costs for processing grants and applications, including support to actual and potential applicants; costs associated with the management and administration of the Trust's activities; and governance costs which are incurred with the general running of the Trust as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Investments

Investments are a form of basic financial instrument and comprise investments in quoted 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.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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.

THE RESOLUTION TRUST

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

1. ACCOUNTING POLICIES - continued

Fund accounting

The expendable endowment funds are capital funds where normally only the income arising may be applied but for which the Trustees also have the power to spend the capital.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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

2. INVESTMENT INCOME

	2021 £	2020 £
Investment income - HSBC	613,976	684,675
Investment income - AMP	<u>50,856</u>	<u>159,650</u>
	<u>664,832</u>	<u>844,325</u>

3. RAISING FUNDS

Investment management costs

	2021 £	2020 £
Portfolio management - HSBC	209,414	297,768
Portfolio management - AMP	<u>204,224</u>	<u>243,889</u>
	<u>413,638</u>	<u>541,657</u>

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**4. CHARITABLE ACTIVITIES COSTS**

	Grant funding of activities (see note 5) £	Support costs (see note 6) £	Totals £
Research and Education	<u>1,540,855</u>	<u>140,447</u>	<u>1,681,302</u>

5. GRANTS PAYABLE

	2021 £	2020 £
Research and Education	<u>1,540,855</u>	<u>1,343,000</u>

The total grants paid to institutions during the year was as follows:

	2021 £	2020 £
Prospect Magazine	1,108,000	1,108,000
Resolution Foundation	95,420	-
Old Vic	300,000	100,000
Ark Schools Coronavirus Appeal	-	125,000
Battersea	-	10,000
Bristol Cultural Development Partnership	<u>20,000</u>	<u>-</u>
	<u>1,523,420</u>	<u>1,343,000</u>

In August 2019, the Resolution Trust committed to fund the Resolution Foundation for at least a further 3 years having awarded grants totalling £6,300,000 with effect from 1 October 2019. This commitment was recognised as expenditure in the year ending September 2019. In the current year, the Trust paid £2,100,000 to the Foundation reflecting this annual commitment. An additional grant was awarded to Resolution Foundation during the year to reflect the extra demands created by the covid-19 pandemic

THE RESOLUTION TRUST

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

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Research and Education	<u>120,563</u>	<u>19,884</u>	<u>140,447</u>

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

	2021 Research and Education £	2020 Total activities £
Wages	93,912	105,209
Social security	12,960	14,519
Pensions	6,574	7,365
Support charges	3,624	3,624
IT costs	3,016	2,583
Sundries	477	1,210
Staff training and expenses	-	7
Auditors' remuneration	3,200	3,200
Auditors' remuneration for non audit work	1,000	1,000
Auditors' remuneration underprovision previous year	-	2,200
Accountancy and legal fees	<u>15,684</u>	<u>1,657</u>
	<u>140,447</u>	<u>142,574</u>

7. 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.

THE RESOLUTION TRUST

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

8. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	93,912	105,209
Social security costs	12,960	14,519
Other pension costs	<u>6,574</u>	<u>7,365</u>
	<u>113,446</u>	<u>127,093</u>

From June 2019, all Resolution Trust salaries have been paid by Resolution Foundation under the terms of shared employment contracts and a service level agreement between the two organisations. Resolution Trust's portion of the staff salaries are then repaid to the Resolution Foundation.

The total employee benefits paid to key management personnel during the year amounted to £113,446 (2020: £127,093)

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

	2021	2020
£70,001 - £80,000	1	
£80,001 - £90,000	<u>-</u>	<u>1</u>

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

	2021	2020
Total	<u>2</u>	<u>2</u>

On a Full Time equivalent basis, the average number of employees is 1 (2020: 1)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Investment income	844,325	-	-	844,325
EXPENDITURE ON				
Raising funds	541,657	-	-	541,657
Charitable activities				
Research and Education	1,485,574	-	-	1,485,574
	<u>2,027,231</u>	<u>-</u>	<u>-</u>	<u>2,027,231</u>
Total	2,027,231	-	-	2,027,231

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
Net gains/(losses) on investments	-	-	(406,381)	(406,381)
NET INCOME/(EXPENDITURE)	(1,182,906)	-	(406,381)	(1,589,287)
Transfers between funds	1,182,906	-	(1,182,906)	-
Net movement in funds	-	-	(1,589,287)	(1,589,287)
RECONCILIATION OF FUNDS				
Total funds brought forward	-	2,500	43,489,726	43,492,226
TOTAL FUNDS CARRIED FORWARD	-	2,500	41,900,439	41,902,939

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st October 2020	44,730,847
Additions	22,889,757
Disposals	(24,402,956)
Movement in Market value	6,959,279
At 30th September 2021	50,176,927
NET BOOK VALUE	
At 30th September 2021	50,176,927
At 30th September 2020	44,730,847

The listed investments are held in a mixed portfolio, mainly invested in shares, and managed by HSBC Private Bank (UK) Limited, Goldman Sachs International and Waverton Investment Management Limited plus the AMP Capital Global Infrastructure Fund investment which is a limited partnership fund registered in Luxembourg.

	2021	2020
Fixed Interest	3,954,297	10,495,741
Equities	30,642,451	24,591,871
Alternative Investments	10,849,618	7,708,089
Cash	4,098,607	1,022,818
Funds	631,954	912,328
	50,176,927	44,730,847

THE RESOLUTION TRUST

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

10. FIXED ASSET INVESTMENTS - continued

The Trust is subject to certain investment risks:

- Credit risk, which is the risk that one party to a financial instrument will cause financial loss to the other by failing to discharge an obligation.
- Market risk, which is the risk that the fair value of future cash flows of a financial asset will fluctuate because of:
 - Currency risk as a result of changes in foreign currency rates
 - Interest rate risk as a result of changes in market interest rates, or
 - Other price risk as a result of changes in market prices (other than because of currency or interest rate risk) and whether these changes affect all similar financial instruments traded in the market place or a particular financial instrument.

The Trust manages these investment risks by retaining expert advisers and operating an investment policy that provides a high degree of diversification of holdings within investment assets classes that are mainly quoted on recognised stock exchanges. All investments are carried at fair value. The basis of fair value is equivalent to the market value using the bid value.

Cost or valuation at 30th September 2021 is represented by:

	Listed investments £
Valuation in 2021	<u>50,176,927</u>

11. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
At 1st October 2020 and 30th September 2021	<u>39,968</u>
NET BOOK VALUE	
At 30th September 2021	<u>39,968</u>
At 30th September 2020	<u>39,968</u>

The Social Investment is a minority shareholding in Poplar Technologies Limited, a social investment made as part of the Trust's support of pro-worker innovation. Poplar Technologies Limited aims to improve the living standards of low-to-middle income workers by building software that helps them become more empowered, autonomous and productive at work.

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Other debtors	<u>20,000</u>	<u>20,000</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	29,909	67,493
Other creditors	<u>3,101,536</u>	<u>3,468,729</u>
	<u>3,131,445</u>	<u>3,536,222</u>

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

	2021	2020
	£	£
Other creditors	<u>-</u>	<u>2,100,000</u>

15. MOVEMENT IN FUNDS

	At 1/10/20 £	Net movement in funds £	Transfers between funds £	At 30/9/21 £
Unrestricted funds				
General fund	-	(1,430,108)	1,430,108	-
Restricted funds				
Accenture/BGV work	2,500	-	-	2,500
Endowment funds				
Endowment fund	41,900,439	6,959,279	(1,430,108)	47,429,610
TOTAL FUNDS	<u>41,902,939</u>	<u>5,529,171</u>	<u>-</u>	<u>47,432,110</u>

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2021**15. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	664,832	(2,094,940)	-	(1,430,108)
Endowment funds				
Endowment fund	-	-	6,959,279	6,959,279
TOTAL FUNDS	<u>664,832</u>	<u>(2,094,940)</u>	<u>6,959,279</u>	<u>5,529,171</u>

Comparatives for movement in funds

	At 1/10/19 £	Net movement in funds £	Transfers between funds £	At 30/9/20 £
Unrestricted funds				
General fund	-	(1,182,906)	1,182,906	-
Restricted funds				
Accenture/BGV work	2,500	-	-	2,500
Endowment funds				
Endowment fund	43,489,726	(406,381)	(1,182,906)	41,900,439
TOTAL FUNDS	<u>43,492,226</u>	<u>(1,589,287)</u>	<u>-</u>	<u>41,902,939</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	844,325	(2,027,231)	-	(1,182,906)
Endowment funds				
Endowment fund	-	-	(406,381)	(406,381)
TOTAL FUNDS	<u>844,325</u>	<u>(2,027,231)</u>	<u>(406,381)</u>	<u>(1,589,287)</u>

THE RESOLUTION TRUST

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

15. MOVEMENT IN FUNDS - continued

The 'WorkerTech' element of the Bethnal Green Ventures programme is to support new and viable organisations offering services and / or support to the UK's poorly served low-wage workforce.

16. EMPLOYEE BENEFIT OBLIGATIONS

The Trust operates a defined contribution pension scheme through The Pensions Trust with contributions made by both the employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Trust. Pension costs charged represent contributions payable by The Resolution Trust to The Pensions Trust. Total pension costs in the current year amounted to £6,574 (2020: £7,365). At the year end £nil was due to The Pensions Trust (2020: £nil).

17. RELATED PARTY DISCLOSURES

One of the trustees of The Resolution Trust is a director and the sole member of Resolution Media Limited which in turn owns Prospect Publishing Limited. There is no mechanism for transfer of income, profit or assets of Resolution Media Limited directly or indirectly to its sole member/the trustee. The Trust's commitment to fund the charitable content of Prospect Magazine was taken by the independent trustees in June 2015. Funding is granted specifically for charitable content being primarily educational, which improves public understanding and promotes informed debate about economic and social sciences, and related subjects including the arts, sciences, heritage and culture. Monitoring procedures and legal protections are in place to ensure all funding is applied exclusively in furtherance of the Trust's charitable purposes and objectives, and for public benefit.

THE RESOLUTION TRUST

England & Wales - Charity number 1123128

Accounts

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2020
FOR
THE RESOLUTION TRUST

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

THE RESOLUTION TRUST

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

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THE RESOLUTION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

The trustees 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the Trust are to hold the Trust Fund and its income upon trust to apply them for all objects which are regarded as exclusively charitable under the law of England and Wales.

Significant activities

The Trustees ensure that all work undertaken is in line with the Trust's charitable objects and aims.

The Trust acts as catalyst, convenor and sponsor of work with a range of partners to promote shared growth and reforms that distribute power more widely across society. The Trust takes a specific interest in long-term problems that are often viewed as intractable due to the short-term nature of the political cycle. The approach taken is non-partisan, evidence-based and draws on international experience.

The Trust provides on going funding for the Resolution Foundation, a charitable organisation which promotes research and education of the public into the effect of economic, social and financial factors on the living standards of people benefiting from an income at or below the national average, and for the charitable content of Prospect Magazine as part of a wider strategy to support quality media and analysis in order to support debate on issues of national importance that may not be sufficiently addressed in the course of the political cycle.

Public benefit

The goal of the Trust is to fund projects that have a direct public benefit, often focused specifically on the prevention or relief of poverty through research and education. When planning the Charity's activities, the Trustees have regard to the Charity Commission's guidance on public benefit generally and guidance relating to public benefit and the advancement of education.

Grantmaking

The Trust fulfils its objectives and aims by providing grant funding to selected entities, primarily the Resolution Foundation.

THE RESOLUTION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In 2019/20 the Trust primarily funded the Resolution Foundation in its goal to improve the well-being of people on low to middle incomes in the U.K. by delivering change in areas where this income group is currently disadvantaged. The work that the Foundation produced in 2019/20 continued to make a substantial contribution to ensuring the issue of living standards remained firmly at the centre of public policy discussion across the political spectrum. The Foundation produces detailed economic and policy analysis on specific areas such as incomes and inequality; jobs, skills and pay; housing, wealth and debt; tax and welfare; public finances and intergenerational fairness - all crucial issues for low to middle income households, and continues to develop innovative new work that addresses the longer-term challenges and identifies strategies for shifting away from a low pay, low productivity economy.

The Covid-19 pandemic dominated the second half of 2019-20 and the Trust's ongoing support enabled the Resolution Foundation to play a key role in explaining the emerging impacts on the economy, the labour market and household living standards and devising policy solutions to support low-to-middle income households and the underlying health of the UK economy. In particular the Resolution Foundation played an active role in making proposals for the design of the 'furlough' scheme (taken up by the government) as well as uplifts in support for low-income households (such as through Universal Credit).

In addition, the Trust has financially supported a variety of organisations including:

- Ark Schools to support activities designed to close learning gaps, address mental health issues and support digital access at home in light of the covid-19 pandemic,
- the Battersea Arts Centre to cover the cost of a young person's symposium,
- the Living Wage campaign coordinated by Citizen's UK,
- the Old Vic's pubic fund supporting innovative theatre designed to promote political, social and personal change,
- the charitable content of Prospect magazine,
- the 'WorkerTech' element of the Bethnal Green Ventures programme which supports new and viable organisations offering services and / or support to the UK's poorly served low-wage workforce.

Oversight for the continued support of pro-worker innovation including low paid workers, through partnerships such as the Bethnal Green Ventures 'workertech' scheme and sponsorship of Citizens UK Living Wage initiative was transferred to the Resolution Foundation during the year.

FINANCIAL REVIEW

Financial position

The income to the charity comprises dividends and bank interest received of £844,325. After taking account of net losses on investments of £406,381, charitable grants awarded of £1,485,574 and running costs of the charity during the period, including investment management fees of £541,657, the financial statements show a capital endowment balance of £41,900,439 and restricted funds of £2,500. The endowment funds are expendable to meet the charity's objectives.

Investment policy and objectives

The Trustee's investment policy is to generate the highest possible returns over the long term, consistent with its risk appetite and appropriate protection for the capital of the Trust, to maximise the resources that can be expended on the Trust's charitable objectives. The Trust's policy is to accept reasonable capital volatility with no more than a 5% risk of capital loss over a 5-year period.

HSBC Private Bank are responsible for the management of the Trust's investments. Monitoring of the investment performance takes place through regular investment reports and meetings with HSBC. Investment performance results are reported and discussed at Trustee meetings and compared to industry benchmarks where applicable.

Investments are stated at market value, with realised and unrealised profits charged net to the statement of financial activities.

Reserves policy

The Trustees do not have a specific policy to hold unrestricted funds, and will award future grants from available unrestricted reserves and from the expendable endowment to meet the charity's objectives. At the year end unrestricted funds were £nil, restricted funds were £2,500 and the expendable endowment fund stood at £41,900,439.

THE RESOLUTION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

FUTURE PLANS

In 2020/2021, the Resolution Trust's ongoing funding commitments include:

- continued support for the work of the Resolution Foundation
- continued support of the charitable content of Prospect magazine

Additional grant funding may be made available to contribute to the work of charities whose work and / or funding has been impacted by the pandemic.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Resolution Trust was established as a Trust Fund on 14 December 2007 and registered as charity number 01123128 on 7 March 2008. The Charity is governed by its Trust deed which was amended on 4 January 2016.

On 2 November 2015, the Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the trustees of The Resolution Trust were appointed as its Directors. On 11 January 2016 the existing trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of The Resolution Trust (Trustee) Limited act in the capacity of trustees of The Resolution Trust and are listed above.

Recruitment and appointment of new trustees

The Trustees 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.

Under the terms of the amended Trust deed, the Corporate Trustee, Resolution Trust (Trustee) Ltd, has the power to appoint new trustees. Clive Cowdery is the sole company law member of the corporate trustee.

Organisational structure

The Trustees meet as necessary, and not less than twice each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed a Chief Executive, Gavin Kelly in September 2015, who has day to day responsibility for all operational matters. In April 2019, Gavin Kelly's employment contract was amended in order for him to take up a formal part-time position at Resolution Foundation in addition to his role at Resolution Trust, so he can continue to oversee the pro-worker innovation work established by the Trust and now being further developed by the Resolution Foundation.

Induction and training of new trustees

Trustees are provided with appropriate induction and training when appointed taking account of the nature of the charity.

Key management remuneration

Key management personnel of the Trust are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustee of the entity. They comprise the Directors of Resolution Trust (Trustee) Ltd, the Chief Executive and the Director of Resources. The remuneration of the Chief Executive is set by the Trustees.

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 Chairman and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or expenses were paid in the year. Related party transactions are disclosed in the notes to these financial statements.

THE RESOLUTION TRUST

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trust has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the Chief Executive who takes responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and Chief Executive to ensure the Trust's independence and political neutrality are maintained.

The most significant external risk identified during the year was related to the Coronavirus Outbreak which led to broad operational and management challenges due to remote working and the risk of any potential impact on the health, wellbeing and morale of the Trust's employees. These risks were successfully mitigated through monitoring Charity Commission and other government guidance relating to the pandemic, and through amending managerial procedures and Health and Safety policies and practice in light of the changing demands of the external situation. We also ensured our data security and internal processes were equipped to meet the increased risks of fraud and cybercrime.

The most significant organisational risk identified by trustees during the year was associated with the transfer of the Trust's support of pro-worker innovation to the Resolution Foundation which could lead to brand confusion and the potential loss of charitable resources in failed ventures. These risks have been mitigated by consistency of oversight by Resolution Trust's CEO who has taken a part-time role at Resolution Foundation to lead the work and ensure the appropriate staffing, management and governance procedures are in place.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1123128

Principal address

2 Queen Anne's Gate
London
SW1H 9AA

Trustees

On 2 November 2015 The Resolution Trust (Trustee) Limited, company number 09852910, was incorporated and all the Trustees of The Resolution Trust were appointed as its Directors. On 1 January 2016 the existing Trustees of The Resolution Trust retired and The Resolution Trust (Trustee) Limited was appointed as the sole Corporate Trustee. The Directors of the Resolution Trust (Trustee) limited act in the capacity of Trustees of The Resolution Trust and are listed below:

C Cowdery
C Alexandrou
B Meehan
A Cooper

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

THE RESOLUTION TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30TH SEPTEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers and Investment Manager

HSBC Private Bank (UK) Limited
8 Cork Street
London
W1S 3LJ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

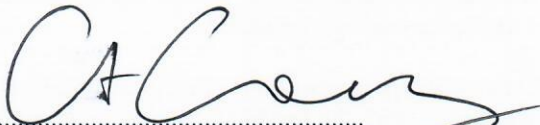
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on 30 June 2021 and signed on its behalf by:



.....
C Cowdery – Director of The Resolution Trust (Trustee) Limited

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE RESOLUTION TRUST

Opinion

We have audited the financial statements of The Resolution Trust (the 'charity') 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 charity's affairs as at 30th September 2020 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 charity 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 charity'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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE RESOLUTION TRUST

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chariot House Limited

Chariot House Limited

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

44 Grand Parade

Brighton

East Sussex

BN2 9QA

Date:

5 July 2021

THE RESOLUTION TRUST**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	-	-	-	-	31,774
Investment income	3	844,325	-	-	844,325	930,560
Total		844,325	-	-	844,325	962,334
EXPENDITURE ON						
Raising funds	4	541,657	-	-	541,657	271,087
Charitable activities	5					
Research and Education		1,485,574	-	-	1,485,574	8,979,723
Total		2,027,231	-	-	2,027,231	9,250,810
Net gains/(losses) on investments		-	-	(406,381)	(406,381)	1,144,003
NET INCOME/(EXPENDITURE)		(1,182,906)	-	(406,381)	(1,589,287)	(7,144,473)
Transfers between funds	15	1,182,906	-	(1,182,906)	-	-
Net movement in funds		-	-	(1,589,287)	(1,589,287)	(7,144,473)
RECONCILIATION OF FUNDS						
Total funds brought forward		-	2,500	43,489,726	43,492,226	50,636,699
TOTAL FUNDS CARRIED FORWARD		-	2,500	41,900,439	41,902,939	43,492,226

The notes form part of these financial statements

THE RESOLUTION TRUST**BALANCE SHEET**
30TH SEPTEMBER 2020

	Notes	Unrestricted fund £	Restricted fund £	Endowment fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS						
Investments	11	-	-	44,770,815	44,770,815	42,848,527
CURRENT ASSETS						
Debtors	12	-	-	20,000	20,000	20,000
Cash at bank and in hand		-	2,500	2,745,846	2,748,346	7,321,216
		-	2,500	2,765,846	2,768,346	7,341,216
CREDITORS						
Amounts falling due within one year	13	-	-	(3,536,222)	(3,536,222)	(2,497,517)
NET CURRENT ASSETS		-	2,500	(770,376)	(767,876)	4,843,699
TOTAL ASSETS LESS CURRENT LIABILITIES		-	2,500	44,000,439	44,002,939	47,692,226
CREDITORS						
Amounts falling due after more than one year	14	-	-	(2,100,000)	(2,100,000)	(4,200,000)
NET ASSETS		-	2,500	41,900,439	41,902,939	43,492,226
FUNDS						
Restricted funds	15				2,500	2,500
Endowment funds					41,900,439	43,489,726
TOTAL FUNDS					41,902,939	43,492,226

The financial statements were approved by the Board of Trustees and authorised for issue on 30 June 2021 and were signed on its behalf by:



C Cowdery – Director of The Resolution Trust (Trustee) Limited

The notes form part of these financial statements

THE RESOLUTION TRUST**CASH FLOW STATEMENT****FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(3,088,526)</u>	<u>(3,766,238)</u>
Net cash used in operating activities		<u>(3,088,526)</u>	<u>(3,766,238)</u>
 Cash flows from investing activities			
Purchase of fixed asset investments		(14,116,733)	(14,284,535)
Sale of fixed asset investments		11,788,064	14,123,104
Interest received		<u>844,325</u>	<u>930,560</u>
Net cash (used in)/provided by investing activities		<u>(1,484,344)</u>	<u>769,129</u>
Change in cash and cash equivalents in the reporting period		(4,572,870)	(2,997,109)
Cash and cash equivalents at the beginning of the reporting period		<u>7,321,216</u>	<u>10,318,325</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>2,748,346</u></u>	<u><u>7,321,216</u></u>

The notes form part of these financial statements

THE RESOLUTION TRUST

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,589,287)	(7,144,473)
Adjustments for:		
Losses/(gain) on investments	406,381	(1,144,004)
Interest received	(844,325)	(930,560)
(Decrease)/increase in creditors	<u>(1,061,295)</u>	<u>5,452,799</u>
Net cash used in operations	<u><u>(3,088,526)</u></u>	<u><u>(3,766,238)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/19 £	Cash flow £	At 30/9/20 £
Net cash			
Cash at bank and in hand	<u>7,321,216</u>	<u>(4,572,870)</u>	<u>2,748,346</u>
	<u>7,321,216</u>	<u>(4,572,870)</u>	<u>2,748,346</u>
Total	<u><u>7,321,216</u></u>	<u><u>(4,572,870)</u></u>	<u><u>2,748,346</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, 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.

Donated services are valued at an estimate of the financial cost borne by the donor.

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 costs for processing grants and applications, including support to actual and potential applicants; costs associated with the management and administration of the Trust's activities; and governance costs which are incurred with the general running of the Trust as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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.

The expendable endowment funds are capital funds where normally only the income arising may be applied but for which the Trustees also have the power to spend the capital.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**1. ACCOUNTING POLICIES - continued****Pension costs and other post-retirement benefits**

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

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations in kind	-	<u>31,775</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	-	967
Investment income - HSBC	684,675	929,592
Investment income - AMP	<u>159,650</u>	-
	<u>844,325</u>	<u>930,559</u>

4. RAISING FUNDS**Investment management costs**

	2020	2019
	£	£
Portfolio management - HSBC	297,768	271,087
Portfolio management - AMP	<u>243,889</u>	-
	<u>541,657</u>	<u>271,087</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Research and Education	<u>1,343,000</u>	<u>142,574</u>	<u>1,485,574</u>

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**6. GRANTS PAYABLE**

	2020 £	2019 £
Research and Education	<u>1,343,000</u>	<u>8,698,115</u>

The total grants paid to institutions during the year was as follows:

	2020 £	2019 £
Prospect Magazine	1,108,000	1,522,000
Resolution Foundation	-	6,945,000
Life Beat	-	5,000
BGV	-	101,115
Citizens UK	-	10,000
Old Vic	100,000	100,000
Labour Xchange	-	15,000
Ark Schools Coronavirus Appeal	125,000	-
Battersea	<u>10,000</u>	<u>-</u>
	<u>1,343,000</u>	<u>8,698,115</u>

In August 2019, the Resolution Trust committed to fund the Resolution Foundation for at least a further 3 years having awarded grants totalling £6,300,000 with effect from 1 October 2019. This commitment was recognised as expenditure in the year ending September 2019. In the current year, the Trust paid £2,100,000 to the Foundation reflecting this annual commitment.

7. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Research and Education	<u>134,517</u>	<u>8,057</u>	<u>142,574</u>

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

	2020 Research and Education £	2019 Total activities £
Wages	105,209	185,853
Social security	14,519	25,066
Pensions	7,365	13,010
Support charges	3,624	3,556
IT costs	2,583	1,317
Sundries	1,210	7,368
Staff training and expenses	7	333
Auditors' remuneration	3,200	2,000
Auditors' remuneration for non audit work	1,000	1,000
Auditors' remuneration underprovision previous year	2,200	-
Donated staff time	-	31,774
Accountancy and legal fees	<u>1,657</u>	<u>10,148</u>
	<u>142,574</u>	<u>281,425</u>

THE RESOLUTION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH SEPTEMBER 2020

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.

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	105,209	185,853
Social security costs	14,519	25,066
Other pension costs	<u>7,365</u>	<u>13,010</u>
	<u>127,093</u>	<u>223,929</u>

From June 2019, all Resolution Trust salaries have been paid by Resolution Foundation under the terms of shared employment contracts and a service level agreement between the two organisations. Resolution Trust's portion of the staff salaries are then repaid to the Resolution Foundation.

The total employee benefits paid to key management personnel during the year amounted to £127,093 (2019: £210,153)

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

	2020	2019
£80,001 - £90,000	1	
£150,001 - £160,000	<u>-</u>	<u>1</u>

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

	2020	2019
Total	<u>2</u>	<u>2</u>

On a Full Time equivalent basis, the average number of employees is 1 (2019: 1)

THE RESOLUTION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	31,775	-	-	31,775
Investment income	930,559	-	-	930,559
Total	962,334	-	-	962,334
EXPENDITURE ON				
Raising funds	271,087	-	-	271,087
Charitable activities				
Research and Education	8,878,609	101,115	-	8,979,724
Total	9,149,696	101,115	-	9,250,811
Net gains on investments	-	-	1,144,004	1,144,004
NET INCOME/(EXPENDITURE)	(8,187,362)	(101,115)	1,144,004	(7,144,473)
Transfers between funds	8,187,362	-	(8,187,362)	-
Net movement in funds	-	(101,115)	(7,043,358)	(7,144,473)
RECONCILIATION OF FUNDS				
Total funds brought forward	-	103,615	50,533,084	50,636,699
TOTAL FUNDS CARRIED FORWARD	-	2,500	43,489,726	43,492,226

11. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1st October 2019	42,828,527	20,000	42,848,527
Additions	14,116,733	-	14,116,733
Disposals	(12,141,903)	-	(12,141,903)
Movement in Market value	191,946	19,968	211,914
Movement in cash held	(264,456)	-	(264,456)
At 30th September 2020	44,730,847	39,968	44,770,815
NET BOOK VALUE			
At 30th September 2020	44,730,847	39,968	44,770,815
At 30th September 2019	42,828,527	20,000	42,848,527

THE RESOLUTION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH SEPTEMBER 2020

11. FIXED ASSET INVESTMENTS - continued

The listed investments are held in a mixed portfolio, mainly invested in shares, and managed by HSBC Private Bank (UK) Limited except the AMP Capital Global Infrastructure Fund investment which is a limited partnership fund registered in Luxembourg.

	2020	2019
Fixed Interest	10,495,741	11,077,775
Equities	24,591,871	19,665,726
Alternative Investments	7,708,089	9,741,608
Cash	1,022,818	1,287,273
Funds	<u>912,328</u>	<u>1,056,145</u>
	<u>44,730,847</u>	<u>42,828,527</u>

The Trust is subject to certain investment risks:

- Credit risk, which is the risk that one party to a financial instrument will cause financial loss to the other by failing to discharge an obligation.
- Market risk, which is the risk that the fair value of future cash flows of a financial asset will fluctuate because of:
 - Currency risk as a result of changes in foreign currency rates
 - Interest rate risk as a result of changes in market interest rates, or
 - Other price risk as a result of changes in market prices (other than because of currency or interest rate risk) and whether these changes affect all similar financial instruments traded in the market place or a particular financial instrument.

The Trust manages these investment risks by retaining expert advisers and operating an investment policy that provides a high degree of diversification of holdings within investment assets classes that are mainly quoted on recognised stock exchanges. All investments are carried at fair value. The basis of fair value is equivalent to the market value using the bid value.

The Unlisted Investment is a minority shareholding in Poplar Technologies Limited, a social investment made as part of the Trust's support of pro-worker innovation. Poplar Technologies Limited aims to improve the living standards of low-to-middle income workers by building software that helps them become more empowered, autonomous and productive at work.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other debtors	<u>20,000</u>	<u>20,000</u>

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2020****13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	67,493	205,242
Other creditors	<u>3,468,729</u>	<u>2,292,275</u>
	<u>3,536,222</u>	<u>2,497,517</u>

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

	2020 £	2019 £
Other creditors	<u>2,100,000</u>	<u>4,200,000</u>

15. MOVEMENT IN FUNDS

	At 1/10/19 £	Net movement in funds £	Transfers between funds £	At 30/9/20 £
Unrestricted funds				
General fund	-	(1,182,906)	1,182,906	-
Restricted funds				
Accenture/BGV work	2,500	-	-	2,500
Endowment funds				
Endowment fund	43,489,726	(406,381)	(1,182,906)	41,900,439
TOTAL FUNDS	<u>43,492,226</u>	<u>(1,589,287)</u>	<u>-</u>	<u>41,902,939</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	844,325	(2,027,231)	-	(1,182,906)
Endowment funds				
Endowment fund	-	-	(406,381)	(406,381)
TOTAL FUNDS	<u>844,325</u>	<u>(2,027,231)</u>	<u>(406,381)</u>	<u>(1,589,287)</u>

THE RESOLUTION TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020**15. 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	-	(8,187,362)	8,187,362	-
Restricted funds				
Accenture/BGV work	103,615	(101,115)	-	2,500
Endowment funds				
Endowment fund	50,533,084	1,144,004	(8,187,362)	43,489,726
TOTAL FUNDS	<u>50,636,699</u>	<u>(7,144,473)</u>	<u>-</u>	<u>43,492,226</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	962,333	(9,149,695)	-	(8,187,362)
Restricted funds				
Accenture/BGV work	-	(101,115)	-	(101,115)
Endowment funds				
Endowment fund	1	-	1,144,003	1,144,004
TOTAL FUNDS	<u>962,334</u>	<u>(9,250,810)</u>	<u>1,144,003</u>	<u>(7,144,473)</u>

The 'WorkerTech' element of the Bethnal Green Ventures programme is to support new and viable organisations offering services and / or support to the UK's poorly served low-wage workforce

THE RESOLUTION TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

16. EMPLOYEE BENEFIT OBLIGATIONS

The Trust operates a defined contribution pension scheme through The Pensions Trust with contributions made by both the employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Trust. Pension costs charged represent contributions payable by The Resolution Trust to The Pensions Trust. Total pension costs in the current year amounted to £7,365 (2019: £13,010). At the year end £nil was due to The Pensions Trust (2019: £nil).

17. RELATED PARTY DISCLOSURES

One of the trustees of The Resolution Trust is a director and the sole member of Resolution Media Limited which in turn owns Prospect Publishing Limited. There is no mechanism for transfer of income, profit or assets of Resolution Media Limited directly or indirectly to its sole member/the trustee. The Trust's commitment to fund the charitable content of Prospect Magazine was taken by the independent trustees in June 2015. Funding is granted specifically for charitable content being primarily educational, which improves public understanding and promotes informed debate about economic and social sciences, and related subjects including the arts, sciences, heritage and culture. Monitoring procedures and legal protections are in place to ensure all funding is applied exclusively in furtherance of the Trust's charitable purposes and objectives, and for public benefit.

THE RESOLUTION TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations in kind	-	31,775
Investment income		
Deposit account interest	-	967
Investment income - HSBC	684,675	929,592
Investment income - AMP	<u>159,650</u>	<u>-</u>
	<u>844,325</u>	<u>930,559</u>
Total incoming resources	844,325	962,334
EXPENDITURE		
Investment management costs		
Portfolio management - HSBC	297,768	271,087
Portfolio management - AMP	<u>243,889</u>	<u>-</u>
	541,657	271,087
Charitable activities		
Travel & hotels	-	183
Grants to institutions	<u>1,343,000</u>	<u>8,698,115</u>
	1,343,000	8,698,298
Support costs		
Management		
Wages	105,209	185,853
Social security	14,519	25,066
Pensions	7,365	13,010
Support charges	3,624	3,556
IT costs	2,583	1,317
Sundries	1,210	7,368
Staff training and expenses	<u>7</u>	<u>333</u>
	134,517	236,503
Governance costs		
Auditors' remuneration	3,200	2,000
Auditors' remuneration for non audit work	1,000	1,000
Auditors' remuneration underprovision previous year	2,200	-
Donated staff time	-	31,774
Carried forward	6,400	34,774

This page does not form part of the statutory financial statements

THE RESOLUTION TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30TH SEPTEMBER 2020

	2020 £	2019 £
Governance costs		
Brought forward	6,400	34,774
Accountancy and legal fees	<u>1,657</u>	<u>10,148</u>
	<u>8,057</u>	<u>44,922</u>
 Total resources expended	 <u>2,027,231</u>	 <u>9,250,810</u>
 Net expenditure before gains and losses	 (1,182,906)	 (8,288,476)
 Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(406,381)</u>	<u>1,144,003</u>
 Net expenditure	 <u>(1,589,287)</u>	 <u>(7,144,473)</u>

This page does not form part of the statutory financial statements