

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 Cowderly 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	401,382	-	-	401,382	413,638
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)		(9,207,230)	-	3,735,109	(5,472,121)	5,529,171
Transfers between funds	15	<u>9,207,230</u>	<u>-</u>	<u>(9,207,230)</u>	<u>-</u>	<u>-</u>
Net movement in funds		-	-	(5,472,121)	(5,472,121)	5,529,171
RECONCILIATION OF FUNDS						
Total funds brought forward		-	2,500	47,429,610	47,432,110	41,902,939
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>
		<hr/>	<hr/>
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>664,832</u>
EXPENDITURE ON				
Raising funds	413,638	-	-	413,638
Charitable activities				
Research and Education	<u>1,681,302</u>	-	-	<u>1,681,302</u>
Total	<u>2,094,940</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.