

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.

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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.

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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

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.

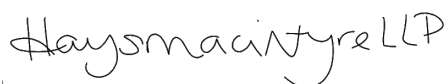
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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

		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
	Note					
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
	<hr/>	<hr/>
	385,382	385,382
	<hr/>	<hr/>

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>

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NOTES TO THE FINANCIAL STATEMENTS
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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>

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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>

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**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 £	<i>Total funds 2022 £</i>
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 £	<i>Total funds 2022 £</i>
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
	<u>14,160</u>	<u>5,520</u>

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	2	2

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).

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**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)
	<hr/>
At 30 September 2023	39,572,887 <hr/>
 Net book value	
At 30 September 2023	39,572,887 <hr/>
At 30 September 2022	46,743,579 <hr/>

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>

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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

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

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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.