



HELPING HOMELESS AND VULNERABLE PEOPLE SINCE 1860

Trustees' Annual Report and Financial Statements for the year ended 31 March 2019

Providence Row

Registered and Principal Office:
The Dellow Centre
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Company number 07452798
Charity number 1140192

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@Providence_Row



/ProvidenceRow

Key Information about the Charity

Board of Trustees

Elizabeth Canning (Chair)
Rita Chakraborty
Simon Cribbens
Bishop Nicholas Hudson
Sister Evelyn Gallagher
Linda McHugh
Gavin Mullen
Jonathan Rhodes
Richard Solomon (Honorary Treasurer)
Paul Strange

Patron

His Grace the Duke of Norfolk

Honorary Vice Presidents

Fr. Peter Harris
Dr Daniel Regan MBE, OStJ, KSG
Mr Richard Sermon

Chief Executive Officer & Company Secretary

Tom O'Connor

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Letter from our Chair

Welcome to the 2018/2019 Annual Report for Providence Row.

2018/19 has been another year of progress for Providence Row. Our staff and volunteers have delivered more services, with improved quality to more people, who are in need of our help.

2018/19 has also been an important year in terms of moving the organisation onto a stronger footing from which to deliver effective services, geared towards the needs of the people we serve.

As usual, there have been some truly inspiring moments in the past 12 months, for example;

We are incredibly proud that our roof top garden won two gold medals and an "outstanding" prize at the prestigious 2018 London in Bloom Awards. Additionally, Providence Row was chosen to participate in the renowned annual nationwide Open Garden Squares Weekend, welcoming a record 184 visitors. While it is lovely to win awards the serious purpose behind having a garden is to develop skills and qualifications as well as supplying vegetables for our kitchen to provide wholesome meals for the homeless.

As we implement our five year strategy, details of which can be found in the CEO's report, we have a new initiative to address the mental health challenges of rough sleepers via our new Outreach Psychotherapy programme. This is becoming very successful in reaching those who for various reasons have not or could not in the past access our services.

Finally, Tower Hamlets Councillor Victoria Obaze, who has become the Speaker of Tower Hamlets council, has chosen Providence Row as one of her nominated charities. During the coming year Tower Hamlets will hold a number of fundraising events in support of Providence Row. We are thrilled to have been chosen by Councillor Obaze and look forward to collaborating with her in our mission to tackle the root causes of homelessness.

These celebratory moments are important, but we must not forget our everyday work with the people we support and the inspiring progress that they make in their daily lives. This work goes on every day and has done so for the last 160 years. We are proud at Providence Row to continue to serve those in need, sadly a need which has increased recently but which has never gone away.

We are investing in services as we see the need around us increasing and we are also committed to make the Dellow Centre a welcoming place to come to and a decent place for all our staff and supporters to work. You will see in the Finance report that our reserves have fallen but this is being done in a managed way to support our future provision of services. I commend the accounts to you.

I would like to thank all of our friends and supporters for their continued involvement in making us a charity that truly changes lives.

Our work would not be possible without your generosity. I am especially grateful to my fellow trustees who continue to give their expertise, commitment and time to Providence Row.

With very best wishes

Elizabeth Canning

Chair

Message from our CEO

Dear Friends,

It is obvious that the scourge of homelessness is increasing in our society. I often hear people say,

'How can I help? I don't know what to do.' I joined Providence Row because I saw an organisation that really is making a difference not just by helping people to leave behind a life on the streets but also by supporting them to build a new future with hope and self-respect. We are very aware of the uniqueness and dignity of everyone especially in their time of greatest need and we strive always to tailor support to each individual.

It has been a momentous year for Providence Row with more than 1,800 of the most vulnerable people being supported by a wide range of services. I am also delighted to report that we developed our new 2019-2024 framework for change, 'Building a Community of Support' with the involvement of clients, staff, volunteers and stakeholders. This is an ambitious programme and I am confident that we are in a strong position to achieve the priorities we have set.

As we build a community in which everyone feels welcome and valued, we shall be growing our services with a primary focus on supporting those most in need and least likely to access services elsewhere. This growth will be driven by a commitment to serve more people and to provide more of the services they need the most.

Recently Ian said to me:

'I was sleeping rough when I came to Providence Row last year. I stayed because I was made to feel welcome and part of the community. My life is now completely different. I have gained qualifications in IT, food hygiene and health and safety which led to work experience at a hotel. I am also a peer mentor and I am helping people who are experiencing what I went through. I never thought all this would be possible.'

I feel privileged every day to speak with so many people at Providence Row who, like Ian, are addressing huge challenges with courage and determination. Almost everyone who accesses our services has been isolated and disconnected from their communities. I am proud to see that the welcome which is so much at the heart of our work is clearly in evidence. Many people who approached us at a time of great vulnerability in their lives are now being accompanied on a journey of recovery and we shall support them until they decide our services are no longer required. I passionately believe this approach is the best way for us to support people's sustained recovery.

The kindness and generosity of our supporters makes our work possible and we shall rely more than ever on this support as look to the future. Thank you so much for all you do. You are very much part of the Providence Row community. Together we can support many more people to renew their hope and build a future away from the streets.

Tom O'Connor
CEO

ABOUT US

Vision

Everyone has a safe home and a community in which to belong.

Mission

To support and accompany more people who are homeless or at risk of homelessness on their journey to recovery, especially those who are most vulnerable and least likely to access services elsewhere.

To offer a range of services that support people from times of crisis through to when support is no longer needed.

Our values

- Compassion
- Empowerment
- Inclusiveness
- Justice
- Respect

Why we are needed

320,000 people in the UK and 170,000 people in London are affected by homelessness* including an estimated 4,677 sleeping on streets in England on any one night**

This is caused by:

- Isolation
- Substance misuse
- Relationship breakdown
- Criminal record
- Mental and physical health issues
- Lack of affordable housing
- Welfare reform
- Literacy and numeracy challenges

*Homelessness in Great Britain. The numbers behind the story (Shelter, November 2018)

**Ministry of Housing, Communities & Local Government Rough Sleeping Statistics Autumn 2018, England (25 February 2019)

OUR PLANS FOR THE FUTURE – BUILDING A COMMUNITY OF SUPPORT

To address the root causes of homelessness, it is essential to ensure that people are connected to and belong within communities.

We shall build an inviting and welcoming community in which people experience acceptance and a sense of belonging. No one will be turned away. Ensuring this warm welcome will be core to all services we offer. People will be supported to move on from our services when they are ready and will always be welcomed back and offered ongoing support.

Our community of support will help people to address the isolation and loneliness that can prevent their sustained recovery. We shall support them to participate in their current communities, to connect with new communities and to build confidence in their own talent and skills.

People will indicate that their experience of being made welcome and belonging whilst accessing our services has been a significant factor in addressing their homelessness and achieving a sustained recovery.

Our priorities:

1. Growing our services to meet increasing needs
2. Going out into the community to reach those in need and provide services
3. Working with the whole person and tailoring support to individuals
4. Complementing and working in partnership with other agencies
5. Inspiring excellence in our staff and volunteers
6. Building a robust infrastructure to support our work
7. Generating income to achieve our vision

The scandal of homelessness continues to increase in our communities and Providence Row is determined to reflect the deeply held belief that everyone should be treated with dignity and respect. We are now very well placed to accompany many more people on their path to recovery and a brighter future away from the streets.

Growth of our Rise social enterprise bakery

Our social enterprise Rise Bakery continues to thrive and we plan to significantly grow its operation over the coming years remaining always focused on the benefits for our service users.

Celebrating 160 years of tackling the root causes of homelessness

2020 will mark our 160th anniversary and we shall plan a number of special events to commemorate this important milestone.

OUR ACHIEVEMENTS

During the year 1,886 clients accessed Providence Row for support. This is an increase of 11% on last year's figure of 1,692.

Our Learning, Enterprise and Training Team continued to work with our clients to provide a range of activities supporting local people to access education, training, employment and volunteering opportunities.

193 people engaged in the Learning Programme and 137 people engaged with our Training and Employment Scheme. Our Recovery and Progression team continued to provide vital support. This included addressing mental health and substance misuse issues and offering a range of activities to promote well-being.

Our referral and outreach programme (Reset) commissioned by the London Borough of Tower Hamlets Drug and Alcohol Action Team continued to show very positive outcomes. 230 referrals into treatment were made with 147 of these commencing structured treatment.

Our Routes to Roots programme works in partnership with the Royal London Hospital in Tower Hamlets to prevent patients at risk of homelessness being discharged onto the streets. This service has undoubtedly helped to save lives, and in 2018/19 supported 71 people to find positive outcomes.

We continued to build positive relationships with all our clients, supporting them to build their confidence as they access services and planned for a safe future away from the streets.

HIGHLIGHTS OF THE YEAR

A New Outreach Psychotherapist Service

This is an initiative to address the mental health challenges of rough sleepers who have not or cannot approach us for support. It reaches out to those who have the most complex needs many of whom are excluded from accessing other services.

Working with the Tower Hamlets Street Outreach Response Team (SORT) our psychotherapist meets people on the streets, in parks, in cafes and in churches supporting them to address issues affecting their recovery.

The London Homeless Charities Group and TAP

Providence Row was selected to support the London Mayor's initiative to tackle rough sleeping and to be a member of the London Homeless Charities Group – a coalition of 22 charities working with homeless people across the capital.

Severe Weather Emergency Protocol (SWEP)

We ran a Winter Crash Pad during the coldest nights of the winter. This included bed spaces for people who were referred to us from Tower Hamlets Street Outreach Response Team (SORT).

The aim of the service was to not only get entrenched rough sleepers off the streets at a time when they are most vulnerable to death and physical harm from severe weather, but also to use that opportunity to move them into suitable accommodation as soon as possible.

This provision ran for 62 days during the winter period and offered:

- 15 temporary bed spaces throughout the SWEP
- Food
- Homelessness assessments
- Access to a nurse and prescription service
- Immigration advice
- Support from a Psychologist
- Access to a vet
- Access to mental health support
- Access to outreach workers

A new 5 year strategic framework

During the year clients, volunteers, staff and stakeholders contributed to a strategic review that set our new 5 year strategic framework 'Building a Community of Support'.

'It was great to be involved in planning the future of our services. The way we want to move forward is really good. And it's not just talk. That's why I'm still here.'

(Pete – Peer mentor and former service user)

'Being involved in developing our framework has been a tangible example of inclusiveness. It gives me reassurance that we shall build a sense of community to really empower people and support them on their journeys to success.'

(Nadia – member of staff)

OUR SUPPORTERS AND FUNDERS

Providence Row's work is only made possible by our fantastic community of staff, supporters, funders and volunteers. Not only do they provide vital funding for our services but also volunteers in our centre, providing hands-on support in our activities and sessions working in partnership with individuals, companies and other charities enhances the services we are able to offer to people affected by homelessness.

Our Staff

During the year the charity employed an average of 34 staff (average monthly headcount), of whom 7.4 were part-time staff (2017/18: 35.9 average monthly headcount, of whom 6.3 were part-time). No significant changes are expected to the size of the staff team in the near future.

Our Supporters and Funders

Our supporters are our lifeblood; whether it's a regular gift, a one-off donation or fundraising activities, every single pound donated is much needed and appreciated.

Our Volunteers

Our volunteering and peer mentoring schemes continued to grow throughout the year, which helped enhance the capacity and quality of our services.

Our volunteers are the backbone of what we do and help us shape our future. Our volunteering and peer mentoring project:

- Helps the people we work with meet new people and build skills, confidence and a new network of friends.
- Creates a welcoming, safe place for people experiencing very tough times.
- Gives people the chance to learn about homelessness, breaking down misconceptions and helping to build relationships with the local community.

During the year, we trained 15 peer mentors (people who have themselves experienced homelessness, substance misuse and mental health issues) and we are proud that they all have been absorbed into different volunteering roles within the charity. They truly represent a positive recovery model for our clients.

We also recruited and trained over 50 community volunteers, which offer a wide mix of people for our clients to interact with, helping them rebuild their confidence and return to being a part of society.

We also welcomed 434 volunteers from 23 local businesses, who helped to support us by assisting with cooking and serving lunch and maintaining our garden, as well as with sessions such as English and IT.

Our charity is governed by a committed board of trustees who generously give their time and expertise to ensure good governance.

Companies

We are incredibly grateful for the long term support of our company partners who fundraised £224,000 for us last year through a range of events and activities.

Trusts and Foundations

Our private and institutional grant makers are a vital source of committed multi-year funding that allows us to plan ahead for our programmes and services. They supported us with £394,003 of grants during the year (2018: £280,734).

Communities

Thanks to the continued support from a number of community groups we raised £40,329 (2018: £34,821). Our supporters in the community include: the Catholic Church, the Sisters of Mercy, St. Mary Moorfields, as well as other religious and non-religious groups and schools.

Individuals

Our individual donors have once again made a crucial difference to the lives of the people we support. Thanks to the support of our individuals we raised £56,715 (2018: £54,357).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure of the charity

Providence Row is a private company limited by guarantee and not having a share capital, and was incorporated on 26 November 2010 (company number 07452798). It was registered as a charity on 2 February 2011 (charity number 1140192). Providence Row is the corporate successor to the unincorporated charity known as Providence Row Charity (PRC) (charity number 207454), which was originally established in 1860. The directors of Providence Row are its trustees for the purposes of charity law. Providence Row became operational as an incorporated charitable company on 1 April 2011 and on the same date a Charity Commission Scheme appointed Providence Row as the sole trustee of PRC.

Governance

The Memorandum of Association and Articles of Association of Providence Row form the governing documents of the charity. Providence Row is governed by a Board of Trustees, which is made up of:

- up to four Nominated Trustees
- up to six Elected Trustees
- up to four Appointed Trustees

Nominated Trustees are nominated to serve on the Board by the Roman Catholic Archbishop of Westminster (two Trustees), the Superior General of the Union of the Sisters of Mercy (one Trustee) and the Congregational Leader of the Institute of Our Lady of Mercy (one Trustee) and their appointment is subject to approval by the Trustees. Nominated Trustees serve for three years.

Elected Trustees must be appointed at the annual general meeting by means of election by those qualified to vote at the meeting. One third of Elected Trustees must retire by rotation at the annual general meeting, those who have been longest in office since their last appointment or re-appointment being subject to retirement by rotation.

Appointed Trustees are appointed for a renewable term of three years by a decision of the Trustees.

The Trustees may appoint one of their number to be the Chair of the Trustees for such a term of office as they determine and may at any time remove him or her from that office. The Chief Executive Officer has been appointed as the Secretary to the charity. Trustees review the skills and experience of the Board

members annually and have adopted the NCVO Code of Good Governance. The Trustees may at their discretion establish procedures and criteria for inviting individual donors to become 'Associate members' of the charity with the right to vote at the annual general meeting. There are currently no 'Associate members' qualified to vote at the 2019 annual general meeting.

The Trustees are the only members of the charitable company. On appointment each Trustee completes an entry in the register of members (which Trustees must sign). They receive a copy of the charity's governing documents, a role description and a copy of the annual report and financial statements. New Trustees meet with the Chair of the Trustees, and the Chief Executive arranges their induction to the organisation.

ORGANISATIONAL STRUCTURE, MANAGEMENT AND KEY RELATIONSHIPS

The Trustees meet as a full board every quarter (although a meeting of the Board of Trustees may be held at any time, subject to the Articles of Association). In addition, there are five subcommittees of the Board:

- Finance
- Fundraising
- Services
- Remuneration
- Property

The subcommittees have been established by the Board of Trustees with appropriate delegated authorities and they report regularly to the Board on their deliberations and decisions. The Remuneration Committee meets annually to consider the report and recommendations of the Chief Executive in relation to staff remuneration. The remuneration of the Chief Executive and of the other members of the Leadership Team (see below) is considered separately by the Remuneration Committee in the absence of the Chief Executive. External market benchmarks are taken into consideration in relation to all staff remuneration decisions, focussing on pay levels in other social care providers of a similar nature, geographical location and size run on a voluntary basis. The Remuneration Committee submits all of its recommendations to the Board for approval.

The composition of the subcommittees is entirely at the discretion of the Trustees and the Board of Trustees may from time to time invite suitable individuals with valuable expertise to sit on the subcommittees as co-opted members.

The Chief Executive attends meetings of the Board of Trustees (with other senior staff as appropriate) and submits for consideration and approval an annually updated strategy for the charity and a work programme to implement it. Following formal approval of the strategy by the Trustees, the Chief Executive reports regularly to the Trustees on its implementation. The Trustees formally review the organisational strategy and performance / outcomes against objectives at least once a year. The Chief Executive and Head of Finance further present an annual budget to the Trustees for their consideration and approval.

In accordance with charity law, decisions relating to disposals of land (including sales, leases, grants of easements and releases of rights of light) are made by the Trustees following the procedures set down in the Charities Act, statutory regulation and guidance issued by the Charity Commission. The Board of Trustees determines the charity's reserves policy, based on recommendations from the Finance Subcommittee.

The Chief Executive has formed a Leadership Team consisting of the Chief Executive, the Director of Services, the Director of Finance & Resources and the Director of Fundraising. The role of the Leadership

Team is to assist the Chief Executive in implementing the strategic plan within the approved annual budget.

The charity has an ongoing relationship with Providence Row Housing Association (PRHA) which was established by Providence Row in 1970 to provide residential accommodation. PRHA is now fully independent of Providence Row and leases part of the Dellow Centre property, consisting of offices and 58 units of accommodation, which it manages as a hostel under the London Borough of Tower Hamlets Supporting People Framework.

The charity's other key relationships include the Sisters of Mercy (the Union of the Sisters of Mercy of Great Britain and the Institute of Our Lady of Mercy), the London Borough of Tower Hamlets and the Corporation of the City of London. The relationship with the Sisters of Mercy is a formal arrangement with powers to nominate Trustees to the Board. The charity is very grateful for the continued support of the Sisters of Mercy and we are committed to ensuring that the legacy of the Sisters is reflected in the ongoing work of the charity for the long term. In addition, the charity works with a number of other charities and agencies.

FINANCIAL SUMMARY 2018/19

Overview of results

The charity recorded a deficit of £308,736 before net gains on investments of £30,031. This compares to deficit of £72,102 before unrealised gains on revaluation of investment property of £164,520 and before net unrealised losses on investments of £15,062 in 2018.

Income

Total income for 2018/19 was £1,886,983 (2017/18: £1,757,717).

Income	2018/19		2017/18	
	£'000	% of total	£'000	% of total
Donations	428.7	22.7%	408.0	23.2%
Donated goods, facilities and services	21.6	1.1%	2.1	0.1%
Legacies	8.8	0.5%	169.7	9.7%
Charitable activities (<i>see below</i>)	1,045.6	55.4%	850.0	48.4%
Other trading activities	44.6	2.4%	36.2	2.1%
Investment income	312.7	16.6%	266.7	15.2%
Other income	25.0	1.3%	25.0	1.4%
Total	1,887.0	100.0%	1,757.7	100.0%

Income from charitable activities	2018/19		2017/18	
	£'000	% of total	£'000	% of total
Local authority contracts	537.7	51.4%	439.8	51.7%
Performance related grants	284.2	27.3%	226.5	26.7%
Bakery sales	22.4	2.1%	23.1	2.7%
Rents from the Dellow Centre leases	191.6	18.3%	160.3	18.9%
Other	9.7	0.9%	0.2	0.0%
Total	1,045.6	100.0%	850.0	100.0%

Total income in the year increased by £129,266 or 7.4% on the previous year (2017/18: £1,757,717). This increase was mainly due to:

- An increase of £97,854 in income from local authority contracts due to the new services being provided in the year (the Severe Weather Emergency Protocol, Winter Crash Pad and Outreach psychotherapist).
- Increases of £40,160 of donations income and £113,269 in respect of income from trusts and foundations
- A decrease of £160,900 in respect of legacy income. We received £8,757 of legacy income in the year (2018: £169,657), which is lower than 2018 due to the unpredictable nature of legacy income.

Expenditure

Total expenditure for 2018/19 was £2,195,719 (2017/18: £1,829,819)

Expenditure	2018/19		2017/18	
	£'000	% of total	£'000	% of total
Costs of raising donations and legacies	456.9	20.8%	241.6	13.2%
Costs of other trading activities	14.5	0.6%	16.3	0.8%
Costs of investment management	181.6	8.3%	204.2	11.2%
Charitable activities (<i>see below</i>)	1,542.7	70.3%	1,364.9	74.6%
Other costs	-	-	2.8	0.2%
Total	2,195.7	100.0%	1,829.8	100.0%

Expenditure on charitable activities	2018/19		2017/18	
	£'000	% of total	£'000	% of total
Advice and Support / Resource Centre	699.4	45.3%	548.9	40.3%
Recovery and Progression	513.3	33.3%	450.9	33.0%
Trainee Schemes, Food & Garden	220.2	14.3%	209.4	15.3%
Providence Row Bakery	64.4	4.2%	84.3	6.2%
Non-investment properties let in furtherance of charitable purposes	45.4	2.9%	71.4	5.2%
Total	1,542.7	100.0%	1,364.9	100.0%

Total expenditure in the year increased by £365,900 or 20.0% (2017/18: £1,829,819). The main reasons for the increase in expenditure are:

- An increase in the cost of raising donations and legacies of £215,329, which results from an investment in a larger fundraising team in order to grow our future charitable income.
- An increase in expenditure on charitable activities of £177,798 due to an increase in the number of services provided in the year.

FINANCIAL REVIEW

Investment policy and objectives

The charity's appetite for risk in relation to the Endowment fund reflects the long term nature of the charity's investment horizon. The Endowment fund exists to generate sustainable income in perpetuity; for this reason the Endowment fund is focused on a diversified portfolio of unitised equity related investments, managed by the charity's investment advisors. The primary objective of the investment

strategy is to preserve the long-term real value of the charity's permanent endowment, whilst providing a good level of income which may be deployed by the charity to further its objectives. The Trustees apply a policy of 'Responsible Investment' and we expect our investment managers to engage with companies on social, environmental and business ethics issues and to exercise voting rights in line with the policy. The Trustees have decided not to take an exclusionary approach to particular categories of investment.

The greater part of the charity's investible cash resources, which are outside the Endowment fund, are managed by its investment advisors and are invested in a range of deposits with a view to balancing the desire for yield on the investments with the ability to access liquid resources as needed. However, it should be noted that in the prevailing market environment of recent years it has become increasingly difficult to make cash deposits on terms other than 'instant access' or up to 30 days' notice, and the financial rewards for doing so are also limited. The charity does not hold any cash deposits with maturities in excess of three months, and has instructed its investment advisors to adopt a cautious approach, investing our resources across a number of different banking institutions with investment grade credit ratings and, in the case of overseas or offshore deposit takers, benefiting from a full guarantee from a UK parent bank with a credit rating of at least A- (Fitch/S&P).

Investment performance against objectives

Over the 12 month period to 31 March 2019, the charity's Endowment fund generated an overall positive return of £47,920 or 6.4% (2017/18: £1,002 or 0.1%), incorporating investment income of £23,999, net unrealised gains of £30,031 and management fees of £6,110.

The charity's managed cash deposit portfolio generated interest income in the year of £10,957 (2017/18: £5,801), equivalent to a return on average balances over the year of 0.7% (2017/18: 0.5%). In view of the continuing low interest rate environment, the charity expects its interest income to remain at a similarly low level over the coming year.

The charity's investment property generated income of £277,747 during the year, an increase of 16% over the comparative figure for 2017/18 of £239,287. Direct costs of investment property management in 2018/19 (before allocated support costs) totalled £140,447 (2017/18: £178,121).

Principal risks and risk management

The Trustees have considered and reviewed the major risks to which the charity is exposed and are satisfied that systems and procedures have been established to manage these risks. The risks identified and reviewed are those which, if they occurred, would have a major impact on some or all of the following areas: governance; operations; finances; environmental or external factors such as public opinion or relationships with funders; compliance with law and regulation.

The Chief Executive together with the Leadership Team produces a risk register for the organisation and reports to the Board of Trustees on a quarterly basis on the major risks to the organisation which have been identified, and on measures in place (or planned) in order to manage and mitigate those risks.

We recognise that in our work we are exposed to significant risks relating to the safeguarding of vulnerable adults, and a failure to respond to changes in the external environment could endanger lives as well as our reputation. To manage this risk, procedures are in place in respect of both staff and clients. These processes are included in a range of policies, in particular: Safeguarding Adults; Health and Safety; Fire Safety; Personal Safety, and Lone Working.

The charity's largest single source of recurring income is from the London Borough of Tower Hamlets. Local authority budgets continue to be placed under considerable pressure by public sector financing constraints and uncertain future levels of local authority contract and grant income represent a key risk for the charity. In order to address this risk, we continue to increase our capacity and experience in public sector tendering, impact monitoring and reporting and generation of income from a wide variety

of sources. As a result, the Trustees consider that the risk to the charity of a large reduction in local authority contract income has been significantly mitigated in the short to medium term, although they remain conscious that this risk to the charity's operations remains high beyond the periods covered by the newly awarded contracts noted above.

Income from voluntary sources such as individuals, trusts (including performance-related grants) and companies typically makes up over a third of our annual income (excluding legacies). The Trustees recognise that the current fundraising climate is very challenging, with increased competition for funds, a negative media portrayal of the sector and a new generation of donors whose giving habits are hard to predict. To mitigate this risk the charity has invested in developing a Fundraising strategy in order to attract a variety of funding, in particular from individual giving, community funding and trusts and foundations. We shall invest in the development of a range of fundraising income streams to generate revenue and donations from individuals and organisations that share our values.

The charity owns a number of property assets, and the ownership and management of these properties involves a number of significant risks:

- The charity's main premises, the Dellow Centre complex, is a substantial purpose-built property on the Gunthorpe Street / Wentworth Street site owned by the charity, and the effective management of this and of the charity's Activity Centre on the same site represents a considerable operational and financial commitment. In particular, as it is now over 20 years since the Dellow Centre was originally constructed, and we have plans to invest in improvements to the building over the next two years.
- Providence Row's investment property, Sherrington Mews, is a commercial property containing twelve light industrial and office units immediately adjacent to the Dellow Centre. The property represents a source of income and in order to ensure that the investment holds its value Providence Row has appointed a professional letting agent to manage the property on its behalf. The Property Subcommittee will also closely monitor the management of Sherrington Mews and report thereon to the Board and, where appropriate, to the Finance Subcommittee.

The effects of Brexit, although unclear at this time, also represent a risk to Providence Row. The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Charity's activities, members, suppliers and the wider economy. One potential risks for the UK as a whole includes economic recession, which could in turn lead to an increase in the number of homeless people in London (our clients), combined with a potential income loss for the charity as our current supporters look to make savings. We are mitigating this risk already via our fundraising strategy which is looking to grow and diversify our income. It is also possible that the value of our property and investments could be adversely affected. At this time however the precise effects are still unclear, but we continue to monitor our financial position in order that we can react quickly if necessary.

REVIEW OF RESERVES AND RESERVES POLICY

Providence Row reviews its reserves policy each year in line with its evolving strategic outlook and operating environment and in order to ensure that the policy continues to reflect the underlying risks facing the charity and the level of reserves judged necessary to protect its core services to clients and to safeguard its long-term sustainability and independence.

Providence Row holds restricted funds (or 'special trusts') in accordance with donors' express requirements and the terms of grants or appeals. In addition, the charity has established designated (unrestricted) funds for planned future requirements in accordance with the strategic plan and three year financial forecasts. The creation of a designated fund does not legally restrict the Trustees' discretion in how to apply the unrestricted funds which have been earmarked.

As at 31 March 2019 the charity held total funds of £12,202,751 (2018: £12,481,456), comprising the restricted endowment fund, restricted income funds and unrestricted funds.

The Trustees have determined that the previously agreed medium-term target level of free reserves of £1,000,000 should remain. At 31 March 2019, the actual level of free reserves was £676,538, (2018: £1,040,630). The free reserves balance has reduced in 2019 due to the deficit in the year and the addition of fixed assets. The deficit largely results from an increase in the cost of raising donations and legacies as we have invested in a larger fundraising team in order to grow and diversify our income streams. The results of this investment are expected to be realised from 2020 and to continue to be realised and grow over the next two to three years. The results of the fundraising strategy will be closely monitored to ensure success, but in the short term the reserves are likely to remain below the target.

The Trustees will continue to review the target level of free reserves annually to take into account changing circumstances, revised financial forecasts and evolving challenges and opportunities facing the charity. The target level of free reserves is therefore expected to change over time.

Movements on the funds held by the charity during the period under review and an analysis of the charity's net assets between the funds held are summarised in notes 15 to 18 to the financial statements.

TRUSTEES' RESPONSIBILITIES STATEMENT

The law applicable to charities in England and Wales requires the Trustees to prepare the annual report and financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgments 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 operation

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with the Companies Act 2006. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

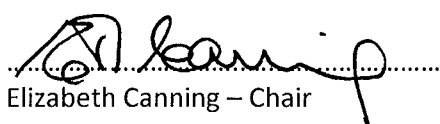
The Trustees are not aware of any relevant audit information that has not been disclosed to the charity's auditors. The Trustees have taken all the steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

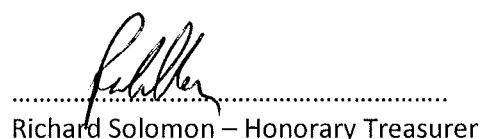
Auditors

Mazars LLP acted as auditors during the period under review and have signified their willingness to continue in office. A resolution proposing their re-appointment will be put to the annual general meeting.

These financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime.

Approved by the Trustees on 10th October 2019 and signed on their behalf by


Elizabeth Canning – Chair


Richard Solomon – Honorary Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE ROW

Opinion

We have audited the financial statements of Providence Row (the 'charity') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Trustees' view on the impact of Brexit is disclosed on page 15.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the charity's activities, suppliers and the wider economy.

We considered the impact of Brexit on the charity as part of our audit procedures, applying a standard firm wide approach to the uncertainty associated with the charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the charity and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern

basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Annual Report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

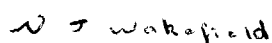
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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 auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Name: Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date: 29 October 2019

FINANCIAL STATEMENTS

Statement of Financial Activities for the year ended 31 March 2019 (incorporating an income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2019 £	Total Funds 2018 £
Income and Expenditure						
Income from:						
Donations		431,840	18,400	-	450,240	410,080
Legacies		8,757	-	-	8,757	169,657
<i>Sub-total: Donations and legacies</i>	2a	440,597	18,400	-	458,997	579,737
Charitable activities	2b	213,964	831,682	-	1,045,646	850,012
Other trading activities	2c	44,636	-	-	44,636	36,233
Investments	2d	312,704	-	-	312,704	266,735
Other	2e	25,000	-	-	25,000	25,000
Total income		1,036,901	850,082	-	1,886,983	1,757,717
Expenditure on:						
<i>Raising funds</i>						
Raising donations and legacies		(439,886)	(17,001)	-	(456,887)	(241,648)
Other trading activities		(14,012)	(542)	-	(14,554)	(16,357)
Investment management		(174,991)	(495)	(6,110)	(181,596)	(204,157)
<i>Sub-total: Raising funds</i>		(628,889)	(18,038)	(6,110)	(653,037)	(462,162)
<i>Charitable activities</i>						
Advice and Support / Resource Centre		(333,580)	(365,797)	-	(699,377)	(548,844)
Recovery and Progression		(233,930)	(279,415)	-	(513,345)	(450,897)
E&T: Trainee Schemes, Food & Garden		(143,774)	(76,471)	-	(220,245)	(209,425)
E&T: Providence Row Bakery		(61,977)	(2,396)	-	(64,373)	(84,344)
Property let for charitable purposes		(45,141)	(201)	-	(45,342)	(71,374)
<i>Sub-total: Charitable activities</i>		(818,402)	(724,280)	-	(1,542,682)	(1,364,884)
Other		-	-	-	-	(2,773)
Total expenditure	3	(1,447,290)	(742,318)	(6,110)	(2,195,719)	(1,829,819)
Net gains / (losses) on investments						
Unrealised gains on investment property	8	-	-	-	-	164,520
Net gains / (losses) on other investments	9, 15	-	-	30,031	30,031	(15,062)
Net (expenditure) / income		(410,390)	107,764	23,921	(278,705)	77,356
Net movement in funds		(410,390)	107,764	23,921	(278,705)	77,356
Reconciliation of funds						
Total funds brought forward		9,191,642	2,543,433	746,381	12,481,456	12,404,100
Total funds carried forward		8,781,252	2,651,197	770,302	12,202,751	12,481,456

All of the above results relate to continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities above. Movements in funds are disclosed in Notes 15 – 18 of the financial statements.

Providence Row - Helping homeless and vulnerable people since 1860
Trustees' Annual Report and Financial Statements for the Year Ended 31 March 2019

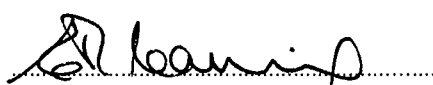
Registered company number: 07452798
Charity number: 1140192


Balance Sheet as at 31 March 2019

	NOTES	Total funds 2019		Total funds 2018	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	7	5,589,055		5,539,094	
Investment property	8	4,770,244		4,770,000	
Other Investments	9	1,534,164		1,852,728	
Total Fixed Assets		11,893,463		12,161,822	
Current Assets					
Debtors	10	657,955		398,067	
Cash at bank and in hand		12,340		157,645	
Total Current Assets		670,295		555,712	
Liabilities					
Creditors: Amounts falling due within one year	11,13	(312,366)		(217,908)	
Net Current Assets		357,929		337,804	
Total Assets less Current Liabilities		12,251,392		12,499,626	
Creditors falling due after more than one year	12	(48,641)		(18,170)	
Total Net Assets	18	12,202,751		12,481,456	
The Funds of the Charity					
Endowment Fund	15	770,302		746,381	
Restricted Income Funds	16				
Tangible fixed asset fund: Restricted		2,352,000		2,408,000	
Other restricted income funds		299,197		135,433	
		2,651,197		2,543,433	
Unrestricted Funds	17				
Tangible fixed asset fund: Unrestricted		3,237,055		3,131,094	
Fixed asset fund: Investment Property		1,556,353		1,556,109	
Revaluation Reserve: Investment Property		3,213,891		3,213,891	
Cyclical Maintenance and repairs fund		34,348		186,851	
Other designated reserves		63,067		63,067	
Free Reserves					
Contingency fund: Charity running costs		676,538		850,000	
General Funds		-		190,630	
Total Free Reserves		676,538		1,040,630	
		8,781,252		9,191,642	
Total Charity Funds	18	12,202,751		12,481,456	

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

The financial statements on pages 21 to 42 were approved by the Board of Trustees on 10th October 2019 and signed on its behalf by:


Elizabeth Canning – Chair


Richard Solomon – Honorary Treasurer

The notes on pages 24 to 42 form an integral part of these financial statements

Statement of Cash Flows for the year ended 31 March 2019

	Notes	Total Funds 2019 £	Total Funds 2018 £
a) Reconciliation of net (expenditure) / income to net cash flow from operating activities			
<i>Net (expenditure) / income for the year (as per the statement of financial activities)</i>		(278,705)	77,356
Adjustments for:			
Income relating to donated goods capitalised as tangible fixed assets	2a,7	(2,697)	-
Depreciation charges	3,7	123,049	112,608
Unrealised gains on investment property	8	-	(164,520)
Net (gains) / losses on other investments	9	(30,031)	15,062
Dividends, interest and rents from investments per the SOFA		(312,704)	(266,735)
Investment management costs per the SOFA		181,596	204,157
(Increase) in debtors (operating activities)		(259,888)	(130,311)
Increase / (Decrease) in creditors (operating activities)		124,929	(2,042)
Net cash (used in) / provided by operating activities		(454,451)	(154,425)
	Notes	Total Funds 2019 £	Total Funds 2018 £
b) Statement of Cash Flows			
Net cash (used in) operating activities		(454,451)	(154,425)
Cash flows from investing activities:			
Dividends, interest and rents from investments per the SOFA		312,704	266,735
Decrease in debtors (investing activities)		-	725
Investment management costs per the SOFA		(181,596)	(204,157)
(Decrease) in creditors (investing activities)		-	(1,711)
Purchase of property, plant and equipment	7	(170,313)	(211,202)
Disposal of property, plant and equipment	7	-	449
Capital additions to investment property	8	(244)	(55,480)
Net cash (used in) investing activities		(39,449)	(204,641)
Change in cash and cash equivalents in the year		(493,900)	(359,066)
Cash and cash equivalents at the beginning of the year		1,257,308	1,616,374
Cash and cash equivalents at the end of the year		763,408	1,257,308
	Notes	Total Funds 2019 £	Total Funds 2018 £
c) Analysis of Cash and Cash Equivalents			
Cash at bank and in hand		12,340	157,645
Investments: Notice deposits (3 months or less)	9	742,666	1,091,752
Investments: Cash held in endowment fund (capital)	9	8,402	7,911
Total cash and cash equivalents		763,408	1,257,308

Notes to the Financial Statements

For the year ended 31 March 2019

1 Accounting Policies

a. Basis of accounting

The financial statements have been prepared on the going concern basis and under the historical cost convention as modified by the revaluation of investments or as otherwise stated in the relevant accounting policy notes. There are no material uncertainties about Providence Row's ability to continue as a going concern. Providence Row is a public benefit entity.

The financial statements have been prepared in accordance with:

- The reporting requirements of the Companies Act 2006;
- The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (Charities SORP (FRS 102)), issued by the Charity Commission and the Office of the Scottish Charity Regulator in 2014 in their role as the joint SORP-making body and applicable to the financial statements of relevant charities for reporting periods beginning on or after 1 January 2015.

Incorporation and transfer of charitable undertaking at 31 March 2011

Providence Row was incorporated on 26 November 2010. Providence Row is the corporate successor to the unincorporated charity known as Providence Row Charity (PRC) (charity number 207454). (PRC was known as 'Providence Row Night Refuge and Home' until it changed its name on 21 January 2003.) With the exception of funds held on permanent endowment, the assets, liabilities, employees, operations and activities of PRC were transferred to Providence Row with effect from midnight on 31 March 2011. Providence Row became operational as an incorporated charitable company on 1 April 2011.

Also on 1 April 2011 a Charity Commission Scheme appointed Providence Row as the sole trustee of PRC. PRC continues in existence to hold the charity's permanent endowment and to receive any legacies bequeathed to PRC after 31 March 2011. Although PRC continues to hold legal title to the endowment fund assets, from an accounting perspective PRC is considered to hold these assets only as custodian for its corporate successor, due to the corporate trusteeship established by the Charity Commission Scheme. As a consequence of the constitutional arrangements (corporate trusteeship of Providence Row in relation to PRC), the financial statements of Providence Row have been prepared on the basis that they aggregate its own assets, results and activities with those of PRC. For this reason the endowment fund appears on the statutory balance sheet of Providence Row, and legacy income of PRC and investment income arising from the endowment fund are shown within Providence Row's Statement of Financial Activities (SOFA).

b. Income

Income is recognised in the SOFA when a transaction or other event (e.g. a gift) results in an increase in the charity's assets or a reduction in its liabilities. Income is recognised only when the following criteria are met:

- Entitlement: control over the rights or other access to the economic benefit has passed to the charity;
- Probable: it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity; and
- Measurement: the monetary value or amount of the income and relevant costs incurred can be measured reliably.

In the case of a donation, entitlement usually arises immediately on its receipt. In the case of a grant, evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to the charity. However, some grants contain terms or conditions that must be met before the charity has entitlement to the resources. Where grants specify a time period within which the funds must be spent

and the funds are received before the start of that period, then the income is deferred and only released to income at the start of the relevant period.

Grant funding agreements may contain conditions that specify the particular activities, goods or services to be provided by the charity within the scope of its charitable activities (performance-related grants). Income derived from performance-related grants is included within the SOFA heading 'Income from charitable activities' rather than 'Income from donations and legacies'. However, simply because a grant is restricted to a particular purpose of the charity does not mean that it should be recognised as a performance-related grant. Unrestricted and restricted grants that are not subject to performance-related conditions are included within the SOFA heading 'Income from donations and legacies'.

Gift Aid recoverable from HMRC in relation to donations is included in income on an accruals basis where there is a valid Gift Aid declaration from the donor.

Donated goods, facilities and services are recognised as income when brought into use by the charity. They are included in income at an amount equivalent to their estimated value to the charity, where this can be quantified, and an equivalent amount is included in the appropriate cost line, or (in the case of tangible assets) capitalised if appropriate. The only amounts included for donated services are those provided in a professional capacity. No amounts are included in the financial statements for services donated by volunteers. Details of the contribution made by volunteers can be found in the Report of the Trustees.

Evidence of entitlement to a legacy exists when the charity has sufficient evidence, after the death of the benefactor, that a gift has been left to it and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Recognition of the legacy income is also affected by the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Receipt of a legacy is normally judged to meet the probability criterion when:

- There has been grant of probate;
- The executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- Any conditions attached to the legacy are either within the control of the charity or have been met.

Where the charity has entitlement to a legacy but the criteria for income recognition have not been met (e.g. due to uncertainty as to the amount of the payment) then the legacy is treated as a contingent asset (and is disclosed in the notes to the financial statements if material) until the criteria for income recognition are met.

Income from fundraising events, where the income is not a simple gift or donation but rather a payment in exchange for supplying goods or services to raise funds for the charity, is recognised when the event takes place and is included within the SOFA heading 'Income from other trading activities'.

Income from the sale of goods is recognised at the time of supply of goods to the buyer, provided receipt of the income is probable.

Income from contracts for the supply of services is recognised with the delivery of the contracted service.

Interest on funds held on deposit is recognised when receivable and the amount can be measured reliably. Dividend income is recognised when its receipt is probable and the amount receivable can be measured reliably. Dividends are accrued when the charity's right as shareholder to receive payment is established.

Rental income from property leases is recognised when it is receivable in accordance with the terms of the relevant leases, provided receipt of the income is probable. The aggregate cost of lease incentives (e.g. rent free periods or periods of concessionary reduced rents) is recognised as a reduction to the rental income over the full contractual term of the lease on a straight-line basis.

c. Expenditure

All expenditure is accounted for on an accruals basis and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is reported in the financial statements on an activity basis, as required by Charities SORP (FRS 102). This involves identifying the total cost of an activity, including direct, shared and indirect (or support) costs. Charities SORP (FRS 102) identifies three high-level categories of a charity's activities: (i) expenditure on raising funds; (ii) expenditure on charitable activities, and (iii) other expenditure. These broad categories are further analysed between their significant components.

Support costs, which are not directly attributable to activities for raising funds or charitable activities, are allocated to those categories on a basis consistent with the use of resources. The bases on which support costs have been allocated are set out in note 3 'Expenditure'. Support costs include:

- Governance costs;
- Costs of the Finance function, including financial accounting, banking, budgeting, payroll management and day-to-day financial administration;
- Human resources management, office, general and administration costs;
- Costs of central information technology resources and telecommunications;
- Property costs relating to premises used by the charity for its own activities, including buildings management;
- Senior general management (where not allocated as a direct cost to specific activities) and other central costs; and
- Depreciation charges in relation to tangible fixed assets.

Governance costs are those associated with the governance arrangements of the charity, including external audit, general legal advice for the trustees (fees for legal advice specifically relating to investment property are included in investment management costs) and costs associated with constitutional and statutory requirements and ensuring proper public accountability (e.g. the costs of preparing statutory financial statements). Governance costs include any costs associated with the strategic as opposed to day-to-day management of the charity's activities and the cost of charity employees in respect of their time when involved in and preparing for meetings with trustees.

Costs of raising donations and legacies

Costs of raising donations and legacies are those incurred in seeking voluntary donations, gifts and grants of a general nature and the costs of general marketing and communications to raise the profile of the charity, together with the costs of administration related to legacies left to the charity. It excludes costs associated with applying for performance-related grants or negotiating contracts to provide services, which are included within the costs of the relevant charitable activities.

Other trading activities

This category includes the costs of fundraising events (where income is raised for the charity in exchange for supplying goods and services), non-charitable trading activities and costs of property temporarily surplus to operational requirements which is let or licensed to other users.

Investment management costs

Investment management costs include the costs of:

- Portfolio management and administration of investment funds and cash deposits; and
- The costs of managing the charity's investment property, including property repairs and maintenance charges, vacant property rates, utility charges, insurance, security, managing agents' fees, letting agents' fees, legal fees related to the property and staff costs.

Property let in furtherance of charitable purposes

This category covers expenditure incurred in relation to those parts of the Dellow Centre property let on short-term leases to (i) Providence Row Housing Association (PRHA) in respect of the Dellow Hostel and (ii) On Purpose in respect of offices on the 2nd floor of the Dellow Centre. PRHA is a Charitable Housing Association. Under the terms of its lease, PRHA uses the premises for charitable purposes as a hostel for those in housing need and by means of funding from the London Borough of Tower Hamlets (LBTH).

Providence Row considers that the services and facilities provided by this tenant from the premises let to them are compatible with and complementary to its own charitable purposes and activities. Consequently the rent received and other charges recovered from this tenant are included in the charity's 'Income from charitable activities' (see note 2b) and the expenditure incurred by the charity in relation to these parts of our buildings is classified as 'expenditure on charitable activities' (see note 3).

d. Tangible fixed assets

(i) Freehold land and buildings

Freehold land and buildings transferred from PRC on 31 March 2011, other than assets in the course of construction at that date, are stated at fair value on the date of transfer less depreciation charged since the transfer. Freehold buildings in use are depreciated on a straight line basis over a period of 50 years from the date of transfer. Freehold properties let to tenants on long term leases in respect of which Providence Row receives rental income are depreciated on a straight line basis over the remaining terms of the respective leases.

In the case of freehold land and buildings in use by the charity, fair value was ascertained, based on professional advice, as 'Market Value', defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the case of freehold properties let to tenants on long-term leases, fair value was determined based on a discounted cash flow analysis of expected future rental income under the existing lease terms and assumptions relating to future levels of inflation, potential outcomes of rent reviews and other factors where applicable.

The Activity Centre on the Gunthorpe Street/Wentworth Street site was under construction at the date of transfer and was brought on to the balance sheet of Providence Row at that date on the basis of historical cost of construction and related capitalised professional costs. Construction was completed in November 2011 and the building is subject to depreciation over a period of 50 years from 1 January 2012.

Included within 'Freehold land and buildings in use' are the capitalised costs of the full replacement and resurfacing of the flat roof of the charity's main Gunthorpe Street / Wentworth Street premises (the Dellow Centre complex) undertaken during 2014-15. The costs of the new roof are being depreciated on a straight line basis over 25 years.

Freehold land is not depreciated.

ii) Other tangible fixed assets

Other categories of tangible fixed assets are depreciated on a straight line basis so as to write off their original cost over their estimated useful lives, as follows:

Office furniture and equipment	- 4 years
Computer equipment	- 3 years
Plant & mechanical equipment	- 10 years

Tangible fixed assets are capitalised if their initial cost (or, in the case of donated goods, the value to the charity – see note 1c above) is £500 or greater.

e. Fixed asset investments

Investment property assets are measured initially at cost and subsequently shown in the balance sheet at their fair value at the reporting date and are not depreciated. Changes in value of investment property arising in the period are shown in the SOFA under the heading 'Net gains / (losses) on investments' and are reflected in the 'Revaluation reserve: Investment property' (Unrestricted funds). 'Fair value' means the amount for which an asset could be exchanged, a liability settled or an equity instrument granted between knowledgeable, willing parties in an arm's length transaction.

The investment property was valued by an independent firm of professional surveyors as at 31 March 2015 (the first year end following acquisition), again as at 31 March 2016, due to significant changes to the

tenancies and market conditions during the year (see note 8 for further details) and again as at 31 March 2018. It is the policy of the charity henceforward to commission an independent professional valuation of the investment property every five years for accounting purposes, subject to a review in the intervening years in case of significant changes to the occupancy of the property, the tenancies or market conditions.

Investments in quoted collective investment funds are shown in the balance sheet at market value (bid price). Realised gains and losses are accounted for by reference to the sale proceeds and either the market value at the previous balance sheet date, or the cost of purchase, if later. Unrealised gains and losses are calculated by comparing the market value at the previous balance sheet date, or cost of purchase, if later, to the year-end valuation. Any gain or loss arising in the period is taken to the SOFA under the heading 'Net gains / (losses) on investments'. All gains and losses are dealt with as part of the funds to which they relate.

Fixed asset investments include cash deposits (both in instant access accounts and on deposits with a range of maturity dates) which the charity intends to hold as part of its on-going investment activities for more than one year from the reporting date.

f. Fund accounting

i) Endowment fund

The endowment fund represents investments, the capital of which forms the permanent endowment of the charity and must be retained and invested. Only the income from this fund is available to be used for general charitable purposes (as an addition to unrestricted funds). The assets of the endowment fund are held by Providence Row Charity (see note 1a for further information on the basis of accounting for the endowment fund assets). The investments of the endowment fund are included within 'Fixed Assets: Other Investments' (see note 9, 'Other Investments').

ii) Restricted income funds

Restricted income funds can only be used for particular purposes (within the objects of the charity) specified by the donor or grantor or the terms of an appeal.

iii) Designated funds - unrestricted

Designated funds are unrestricted funds of the charity set aside out of the general funds by the Trustees for specific purposes or projects for the furtherance of particular aspects of the charity's objects, but over which the Trustees retain full discretion.

iv) General funds - unrestricted

These comprise the funds which are available to be used for any purpose within the charity's objects.

g. Pension costs

The amounts charged to the SOFA for defined contribution pension arrangements represent the employer contributions payable in the period.

h. Operating leases

Rentals paid under operating leases are charged to the SOFA on a straight line basis over the term of the lease.

i. Taxation

Irrecoverable VAT is not separately analysed and is charged to the SOFA when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Tax recoverable from voluntary income received under Gift Aid is recognised when the related income is receivable.

j. Subsidiaries

Providence Row Charity (charity number 207454), of which Providence Row became the sole trustee following the transfer of charitable undertaking, is a subsidiary of Providence Row. Following the transfer of charitable undertaking, the assets, results and activities of Providence Row Charity are aggregated into the financial statements of Providence Row (see note 1a above).

2 Income

a. Income from donations and legacies*

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Individuals	56,715	-	56,715	54,357
Corporate donors	208,757	5,000	213,757	257,894
Community	40,329	-	40,329	34,821
Gift Aid reclaimed	8,129	-	8,129	6,742
Donated goods, facilities and services	21,575		21,575	2,070
Grants from trusts and foundations	96,335	13,400	109,735	54,196
<i>Sub-total: Donations</i>	431,840	18,400	450,240	410,080
Legacies	8,757	-	8,757	169,657
Total income from donations and legacies	440,597	18,400	458,997	579,737

* The individual income categories above exclude donated goods, facilities and services, which are shown separately and analysed further in the table below.

The category of 'Corporate donors' includes individuals whose connection with Providence Row derives primarily from their employer's relationship with the charity. Donations in this category from individuals during the period totalled £106,177, none of which was in restricted income (2018: £83,551 none of which was in restricted income).

'Community' donations include gifts from religious communities, churches, schools and local community groups. This category also includes income from individuals participating in external community events such as sponsored runs.

Donated goods, facilities and services are broken down by type in the table below (all income within this category is included within unrestricted funds):

	2019 £	2018 £
Donated furniture, electronic and computer equipment, catering equipment capitalised as tangible fixed assets	2,697	-
Food and kitchen equipment	7,297	400
Other goods donated for client use	6,361	1,420
Pro bono legal advice to the charity	4,700	-
Other donated services	520	250
Total donated goods, facilities and services	21,575	2,070

In accordance with Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements. However, as set out in more detail in the Report of the Trustees, our volunteers make a vital contribution to the work of the charity, including corporate volunteers, Welcome Area volunteers and general volunteers within the main service teams, Finance and Resources and Fundraising.

b. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
London Borough of Tower Hamlets (LBTH): Advice & Support - Rough Sleepers Services	-	294,127	294,127	195,000
LBTH Drug & Alcohol Action Team: Substance misuse Worker & Needle Exchange, Women's Service	-	163,786	163,786	198,914
City of London: Recovery & Progression Service	-	65,810	65,810	16,000
<i>Sub-total: Local Authority Contracts for Services</i>	-	523,723	523,723	409,914
Performance-related grants - Public Sector	-	13,966	13,966	29,921
Performance-related grants - Trusts & Foundations	-	284,268	284,268	226,538
Rise Bakery sales	22,387	-	22,387	23,108
Rents and charges from non-investment properties let in furtherance of charitable purposes	191,577	-	191,577	160,316
Income from other charitable activities	-	9,725	9,725	215
Total income from charitable activities	213,964	831,682	1,045,646	850,012

Income from government sources is summarised in the table below:

	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Local Authority Contracts for Services (see above)	-	523,723	523,723	409,914
East London NHS Foundation Trust	-	10,498	10,498	22,046
London Homeless Charities Group	-	3,468	3,468	7,875
Total income from government sources	-	537,689	537,689	439,835

c. Income from other trading activities

	2019 Total £	2018 Total £
Other trading activities	5,304	380
Income from letting and licensing of property held primarily for functional use but temporarily surplus to operational requirements (inc. room hire)	39,332	35,853
Total income from trading activities	44,636	36,233

All of the income in the table above was included in unrestricted funds.

d. Investment income

	2019 Total £	2018 Total £
Rent and charges from commercial tenants at investment property (Sherrington Mews)	277,747	239,287
Dividend and interest income from other investments	34,957	27,448
Total investment income	312,704	266,735

All of the income in the table above was included in unrestricted funds.

e. Other income

	2019 Total £	2018 Total £
Ground rents from non-investment freehold property let on long leases	25,000	25,000
Total other income	25,000	25,000

All of the income in the table above was included in unrestricted funds.

3 Expenditure

	Direct costs £	Support Costs £	2019 Total £	2018 Total £
Raising Funds				
Raising donations and legacies	307,950	148,937	456,887	241,648
Other trading activities	9,810	4,744	14,554	16,357
Investment management	162,032	19,564	181,596	204,157
<i>Sub-total: costs of raising funds</i>	479,792	173,245	653,037	462,162
Charitable activities				
Advice and Support / Resource Centre	471,394	227,984	699,378	548,844
Recovery and Progression	346,004	167,341	513,345	450,897
Trainee Schemes, Food & Garden	148,449	71,796	220,245	209,425
Providence Row Bakery	43,388	20,984	64,372	84,344
Non-investment properties let in furtherance of charitable purposes	40,457	4,885	45,342	71,374
<i>Sub-total: costs of charitable activities</i>	1,049,692	492,990	1,542,682	1,364,884
Other expenditure	-	-	-	2,773
Total expenditure	1,529,484	666,235	2,195,719	1,829,819

Costs of providing the breakfast service are included within 'Trainee Schemes, Food & Garden' rather than 'Advice and Support / Resource Centre'. The former category also includes our Employability programmes.

Providence Row - Helping homeless and vulnerable people since 1860
Trustees' Annual Report and Financial Statements for the Year Ended 31 March 2019

Support Costs

Support costs can be analysed as follows:

	Governance £	Finance £	HR / Office Admin £	IT / Telecoms £	Property (Own Use) £	Other Central £	Depreciation £	2019 Total £	2018 Total £
Raising Funds									
Raising donations and legacies	16,132	14,011	13,170	7,042	31,540	38,487	28,555	148,937	70,138
Other trading activities	514	445	420	224	1,005	1,226	910	4,743	4,034
Investment management	8,488	7,371	-	3,705	-	-	-	19,564	17,712
<i>Sub-total: costs of raising funds</i>	25,134	21,827	13,590	10,971	32,545	39,713	29,465	173,245	91,884
Charitable activities									
Advice and Support / Resource Centre	24,694	21,446	20,161	10,779	48,280	58,912	43,712	227,984	159,301
Recovery and Progression	18,126	15,740	14,798	7,912	35,438	43,243	32,084	167,340	130,871
Trainee Schemes, Food & Garden	7,777	6,753	6,349	3,395	15,204	18,553	13,765	71,796	60,785
Providence Row Bakery	2,273	1,974	1,856	991	4,444	5,423	4,023	20,983	24,481
Non-investment properties let in furtherance of charitable purposes	2,119	1,840	-	926	-	-	-	4,886	40,077
<i>Sub-total: costs of charitable activities</i>	54,989	47,753	43,164	24,003	103,366	126,131	93,584	492,989	415,515
Other expenditure	-	-	-	-	-	-	-	-	2,773
Total expenditure	80,123	69,580	56,754	34,974	135,911	165,844	123,049	666,235	510,172

Support costs are allocated to the different activities of the charity based on the proportion of direct costs attributable to the relevant activities, as follows:

- Governance, Finance, IT/Telecoms: split between all activities of the charity in proportion to direct costs of the activities;
- HR/Office Administration costs, Property (Own Use), Other Central costs: split between all activities of the charity except for investment management and non-investment property let to tenants, in proportion to direct costs;
- Depreciation charges: buildings depreciation charges are allocated to 'non-investment properties let in furtherance of charitable purposes' in relation to the physical share of the Dellow Centre let to relevant tenants; the remainder of buildings depreciation and depreciation of other tangible fixed assets is allocated to the activities of the charity (except investment management) in proportion to direct costs.

4 Staff Costs and Employee Benefits	2019	2018
	£	£
Wages and salaries (inc accrual for unpaid annual leave)	1,033,344	972,823
Employers National Insurance contributions (social security costs)	101,525	94,480
Employer's contribution to defined contribution pension schemes	20,043	13,958
Agency staff (including agency fees)	223,668	43,329
Insurance premiums: group life assurance and employee personal accident	3,830	2,319
Termination payments and related fees	14,270	-
Total	1,396,680	1,126,909

No member of the Board of Trustees was paid any remuneration or received any other benefits for their services as a trustee or from an employment with the charity or a related entity during the year (2018: none). No Trustee received reimbursement of expenses incurred for services provided to the charity during the year (2018: none). Details of transactions with connected parties of trustees are disclosed in note 19.

During the year there was one employee whose total employee benefits (excluding employer pension costs) fell within the banding £70,000 to £79,999 (2018: one employee in the band £60,000 – 69,999). Employer payments in the year to a defined contribution pension scheme in respect of this employee totalled £806 (2018: £261).

The key management personnel of the charity consists of the Trustees and the Leadership Team. Total employee benefits received by the charity's key management personnel (excluding trustees) during the year were £264,101 (2018: £207,577).

There was one termination payment in the year of £14,270 paid in compensation for loss of office. This was funded by the charity's general reserves.

5 **Staff Numbers**

The average monthly head count (number of staff employed) in the twelve month period ending 31 March 2019, analysed between full-time and part-time staff, was:

	2019	2018
Full-time staff	26.6	29.6
Part-time staff	7.4	6.3
Total Average Head Count	34.0	35.9

The average monthly number of full-time equivalent employees in the twelve month period ending 31 March 2019, analysed by activity, was:

Activity	2019	2018
Fundraising, communications, marketing	6.3	3.3
Charitable activities	21.4	25.9
Support, central, investment management	3.6	3.4
Total Average Head Count	31.3	32.6

6 Amounts Payable to the Auditors

	2019 £	2018 £
Audit fee:		
Current Year	13,500	12,728
Prior Year (overprovision)	-	20
Total	13,500	12,748

No other services were provided by the auditors during the year (2018: none).

7 Tangible Fixed Assets

	Freehold land and buildings in use £	Freehold properties let on long leases £	Office furniture and equipment £	Computer equipment £	Plant and mechanical equipment £	Total £
Cost or 'Fair Value' on incorporation						
Balance at 31 March 2018	5,458,168	300,000	122,634	34,991	239,698	6,155,491
Additions	103,970	-	6,898	13,970	48,172	173,010
Disposals	-	-	-	-	-	-
Balance at 31 March 2019	5,562,138	300,000	129,532	48,961	287,870	6,328,501
Accumulated Depreciation						
Balance at 31 March 2018	477,625	15,000	64,773	31,536	27,463	616,397
Charge for the year	75,239	2,143	10,098	6,859	28,710	123,049
Disposals	-	-	-	-	-	-
Balance at 31 March 2019	552,864	17,143	74,871	38,395	56,173	739,446
Net book value						
At 31 March 2018	4,980,543	285,000	57,861	3,455	212,235	5,539,094
At 31 March 2019	5,009,274	282,857	54,661	10,566	231,697	5,589,055

'Freehold land and buildings in use' at 31 March 2019 includes £2,000,000 of land that is not depreciated (2018: £2,000,000).

8 Investment Property

	2019 Cost £	2019 Fair Value £	2018 Cost £	2018 Fair Value £
Balance at beginning of the year	1,556,109	4,770,000	1,500,629	4,550,000
Add: Additions at cost	244	244	55,480	55,480
Unrealised gain on revaluation	-	-	-	164,520
Balance at end of the year	1,556,353	4,770,244	1,556,109	4,770,000

The charity's investment property was last valued as at 31 March 2018 by an independent valuer, BNP Paribas Real Estate Advisory & Property Management UK Ltd, a professional firm of Chartered Surveyors external to Providence Row with extensive experience in the location and class of property being valued. The independent valuer's report was prepared in accordance with the Royal Institute of Chartered Surveyors' 'RICS Valuation – Professional Standards' (the Red Book). The valuation was based primarily on the comparable method of valuation having regard to the capital value rates per square foot achieved for similar recent transactions in the area. Appropriate adjustments were made to reflect the strength of location, tenant covenant, prospects for alternative uses, specification and size of the property in relation to comparable evidence. The valuation was checked for reasonableness by capitalising rental income from existing tenants and prospective rental income in relation to vacant units at appropriate net equivalent yield rates. The resulting valuation per the independent valuer's report of £4,770,000. The property is carried at a value of £4,770,244 as at 31 March 2019 following capital expenditure on the refurbishment of the bathrooms in 2017/18.

The value of the investment property was assessed to have not significantly changed in the year to 31 March 2019 using data obtained from the House Prices Index for the London region.

9 Other Investments

	2019 Cost £	2019 Market Value £	2018 Cost £	2018 Market Value £
Unitised investments held within Endowment fund				
Balance at beginning of the year	520,119	753,065	515,436	770,315
Less: Disposals	-	-	(19,343)	(26,214)
Add: Acquisitions	-	-	24,026	24,026
Net gains / (losses) on revaluation	-	30,031	-	(15,062)
Balance at end of the year	520,119	783,096	520,119	753,065
Cash deposits at end of the year				
Notice deposits (3 months or less)	742,666	742,666	1,091,752	1,091,752
Cash held in Endowment fund (capital account)	8,402	8,402	7,911	7,911
Total cash deposits at end of the year	751,068	751,068	1,099,663	1,099,663
Total other deposits at end of the year	1,271,187	1,534,164	1,619,782	1,852,728

10 Debtors

	2019	2018
	£	£
Long term debtors (receivable after more than one year)		
Rent deposits held by agents	48,641	18,171
Short term debtors		
Trade debtors	274,357	84,966
Rent deposits held by agents	16,622	11,767
Other debtors (legacies)	110,000	145,636
Prepayments	41,347	52,679
Accrued income	166,741	83,248
Staff loans	247	1,600
Total Debtors	657,955	398,067

11 Creditors: Amounts Falling Due Within One Year

	2019	2018
	£	£
Trade creditors	49,721	24,254
Tax and social security	32,689	24,571
Rent deposits held from commercial tenants	5,974	11,767
Grant payments received on account	8,872	40,724
Holiday pay accrual	3,966	9,368
Other accruals	38,341	33,175
Deferred income	172,803	74,049
Total	312,366	217,908

12 Creditors: Amounts Falling Due After More Than One Year

	2019	2018
	£	£
Rent deposits held from commercial tenants	48,641	18,170
Total	48,641	18,170

13 Deferred income

	2019 £	2018 £
Balance brought forward at 31 March 2018	74,049	34,401
Amounts deferred	787,125	392,941
Amounts released	(688,371)	(353,293)
Balance carried forward at 31 March 2019	<u>172,803</u>	<u>74,049</u>

14 Operating Leases

The table below sets out the future minimum lease payments under non-cancellable operating leases for the periods shown:

	2019 £	2018 £
<i>Office Equipment</i>		
Within one year	4,728	2,064
In one to two years	666	3,956
	<u>5,394</u>	<u>6,020</u>

15 Endowment Fund

	Balance 31 March 2018 £	Investment managem't fees charged £	Unrealised gains on investments £	Balance 31 March 2019 £
Permanent Endowments				
Endowment fund	746,381	(6,110)	30,031	<u>770,302</u>

The Endowment fund represents investments, the capital of which forms the permanent endowment of the charity; only the income from the investments is available to be used for general charitable purposes (as an addition to unrestricted funds).

16 Restricted Income Funds

	Balances 31 March 2018 £	Income £	Expenditure £	Balances 31 March 2019 £
Tangible fixed asset fund: Restricted	2,408,000	-	(56,000)	2,352,000
Advice & Support				
LBTH: Rough Sleepers Services Contract / Safe Connections (NFNO)	(97)	305,852	(227,594)	78,161
Marie Celeste Samaritan Society: Hospital Discharge Project	195	39,772	(37,754)	2,213
St. Mungos	7,875	3,468	(11,343)	-
National Zatah Foundation	160	-	-	160
City of London (City Hub)	-	49,810	(24,389)	25,421
Recovery & Progression				
Learning Programme				
Big Lottery Fund	10,849	139,806	(100,705)	49,950
Sage	4,000	-	(1,052)	2,948
ELFT	22,047	10,498	(11,059)	21,486
Other Activities				
LB Tower Hamlets DAAT: RESET, Woman's Service	16,434	163,786	(137,803)	42,417
City of London: RPS	-	16,000	-	16,000
Merchant Taylor's Company: Mental Health	6,000	-	(6,000)	-
Worshipful Company of Cutlers	500	-	(500)	-
Nelsons: homeopathy service	2,720	6,400	(5,760)	3,360
Oak Foundation	8,296	50,040	(42,514)	15,822
Rhododendron Trust	1,000	-	(1,000)	-
Santander UK Foundation	-	4,000	(1,070)	2,930
Training & Employment				
Streetsmart	12,278	20,000	(21,835)	10,443
Esmée Fairbairn Foundation: Grow, Cook, Eat	-	-	-	-
City Bridge Trust	4,790	-	(3,440)	1,350
Streets of London	10,000	-	(10,000)	-
Young Philanthropists' Syndicate at PWC	84	-	-	84
Souter	4,000	-	-	4,000
Shanly Foundation	2,500	-	(2,500)	-
Tradeweb	10,000	-	(10,000)	-
The Charlotte Bonham-Carter Charitable Trust	-	3,500	(3,500)	-
XL Catlin	-	5,000	-	5,000
Leathersellers Company	-	11,250	(10,000)	1,250
Sir Jules Thorn Charitable Trust	-	750	(750)	-
The N Smith Charitable Settlement	-	750	(750)	-
The Christadelphian Samaritan Fund	-	400	-	400
Eleanor Hamilton Educational Trust	-	3,000	-	3,000
Oliver Stanley Charitable Trust	-	1,000	-	1,000
Social Enterprise inc. Providence Row Bakery ('Rise Bakery')				
City Bridge Trust Stepping Stones grant	6,596	-	-	6,596
Individual donors and corporate gifts	5,206	-	-	5,206
Comic Relief	-	15,000	(15,000)	-
Total Restricted Income Funds	2,543,433	850,082	(742,318)	2,651,197

17 Unrestricted Funds

	Balances 31 March 2018 £	Income £	Expenditure £	Net transfers between funds £	Balances 31 March 2019 £
Tangible fixed asset fund: Unrestricted	3,131,094	-	(67,049)	173,010	3,237,055
Fixed asset fund: Investment Property	1,556,109	-	-	244	1,556,353
Revaluation reserve: Investment Property	3,213,891	-	-	-	3,213,891
Cyclical maintenance and repairs fund	186,851	-	(117)	(152,386)	34,348
Other designated funds	63,067	-	-	-	63,067
Free Reserves					
Contingency fund: Charity running costs	850,000	-	-	(173,462)	676,538
General funds	190,630	1,036,901	(1,380,125)	152,594	-
Sub-total: Free Reserves	1,040,630	1,036,901	(1,380,125)	(20,868)	676,538
Total Unrestricted Funds	9,191,642	1,036,901	(1,447,291)	-	8,781,252

The balances on the unrestricted reserves are made up as follows:

Tangible fixed asset fund: Unrestricted

This fund represents the carrying value of the charity's tangible fixed assets whose original acquisition or costs of construction were financed by unrestricted funds (or where the terms of a restricted grant or donation have been met once the asset has been acquired and the Trustees have accordingly transferred the corresponding amount from restricted funds). This includes part of the carrying value of freehold properties at the charity's main Gunthorpe Street/Wentworth Street site (the Dellow Centre complex) and the Activity Centre at the same site.

Fixed asset fund: Investment Property / Revaluation reserve: Investment Property

These two funds together represent the fair value of the charity's investment property, Sherrington Mews (formerly known as the Gunthorpe Street Workshops).

In accordance with regulations made under the Companies Act 2006 and the requirements of Charities SORP (FRS 102), a separate revaluation reserve is disclosed in relation to revaluation gains on the property, i.e. the difference between (i) the cost of the property when first recognised plus the value of capitalised additions at cost and (ii) the assessed fair value of the property at the end of the reporting period.

Cyclical maintenance and repairs fund

The Trustees have determined that there should be sufficient funds available in the future for major capital repairs to the charity's buildings and planned maintenance and replacement of associated plant and equipment, as well as to provide a contingency reserve for potential major risks such as mechanical breakdown or structural defects impacting on property, plant and equipment.

The net decrease in the Cyclical maintenance and repairs fund during the year of £152,386 represents a transfer to the 'Tangible fixed asset fund: Unrestricted' relating to the replacement of the shower facilities and toilets in the Dellow Centre.

Other designated funds

The opening balance of £63,067 represents the balances on several funds. An amount of £50,000 was set aside as at 31 March 2016 in respect of legacy income recognised as receivable during the year where payment has not yet been received from the estate as at the date on which these financial statements have been authorised for issue. Since the timing of receipt of this legacy is not yet certain, the Trustees decided to transfer this amount into a designated fund in order to separate it from the charity's free reserves which are required to be backed by cash. As at the balance sheet date payment has not been received but the commercial properties from which this legacy is derived have been sold. In addition, there is the residue of the legacy which was set aside to cover the costs of a new Senior Personal Adviser role and the residue of a generous donation made by the Sisters of Mercy.

During the financial year the fund was not utilised.

Contingency fund: Charity running costs

In order to protect the charity against significant unplanned variability in operating cash flow and in particular to prevent disruption of services to beneficiaries in the event of unexpected falls in income levels, the Trustees have set aside a contingency reserve whose value is determined with reference to the following factors:

- Forecasts for future years' income and the level of risk and variability attaching to each category of income
- The costs of running each of our services and areas of activity, and the degree of commitment or flexibility in relation to each area of expenditure
- The potential impact of any sudden reduction in income and the minimum time period over which the charity would aim to be able to finance each of our core services in the absence of new external income
- Changes to the level of commercial risks facing the charity following the acquisition of Sherrington Mews in 2014
- A contingency for redundancy costs

The fund was £850,000 as at 31 March 2018, and has been reduced by £173,462 in the year. This movement represents expenditure incurred which was unfunded by the other reserves.

General funds

The General funds together with the Contingency fund (see above) represent the free reserves of the charity, i.e. those unrestricted funds, backed by cash (including cash deposit investments) which have not been designated (or 'earmarked') for a specific short or medium term purpose or otherwise as set out in relation to the remaining designated funds in the section above. The general reserve was £190,630 at the beginning of the year, but this has been used in the year to fund the element of the operating deficit which is not funded by any other reserves.

18 Analysis of Net Assets Between Funds

	Tangible fixed assets	Investment property	Other investments	Current assets less total liabilities	Total 31 March 2019
	£	£	£	£	£
Endowment Fund	-	-	770,302		770,302
Restricted income funds					
Tangible fixed asset fund: Restricted	2,352,000	-	-	-	2,352,000
Other restricted funds	-	-	-	299,197	299,197
Unrestricted funds					
Tangible fixed asset fund: Unrestricted	3,237,055	-	-	-	3,237,055
Fixed asset fund: Investment Property	-	1,556,353	-	-	1,556,353
Revaluation fund: Investment Property	-	3,213,891	-	-	3,213,891
Cyclical maintenance and repairs	-	-	34,348	-	34,348
Other designated funds	-	-	63,067	-	63,067
Contingency fund	-	-	666,447	10,091	676,538
General funds	-	-	-	-	-
	5,589,055	4,770,244	1,534,164	309,288	12,202,751

19 Related Party Transactions

During the year the charity received donations from Trustees and related parties (including the Sisters of Mercy of the Union of Great Britain and the Institute of Our Lady of Mercy) totalling £12,000 (2018: £12,000). When Providence Row was founded in 1860, it was to the Sisters of Mercy of the Union of Great Britain and the Institute of Our Lady of Mercy that the founder turned to run the operation. Since incorporation in 2011 the Union and the Institute have the right to appoint one trustee each to the Board of Trustees.