

REGISTERED COMPANY NUMBER: 05588883 (England and Wales)
REGISTERED CHARITY NUMBER: 1114839

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

FOR

THE RESOLUTION FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

THE RESOLUTION FOUNDATION

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Page
Report of the Trustees	1 to 13
Report of the Independent Auditors	14 to 17
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 35

THE RESOLUTION FOUNDATION

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

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30th September 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

THE RESOLUTION FOUNDATION

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Resolution Foundation is an independent think-tank focused on improving living standards for those on low-to-middle incomes. Our reputation for rigorous analytical work that results in effective policy solutions places us at the forefront of the UK debate on economic and social policy. We work across a wide range of economic policy making and are a leading UK authority on securing widely-shared economic growth.

Recognised as a home of real expertise on a range of policy issues, we draw on a core team of experts as well as established external relationships with top national and international economists, academics and policy experts and we continue to inform public debate and engage with key decision makers in government, the private sector, and civil society. We hold a regular programme of events, hosting diverse speakers from academia, the voluntary sector and business, and politicians from across the political spectrum.

The objects of the charity (as set out in the Memorandum and Articles of Association and amended by resolution on 26 May 2006 and 28 November 2019 in accordance with Article 36 of the Company's Articles of Association) are 1) to promote research and the education of the public into the economic and social sciences including, but without prejudice to the generality, the effect of economic, social and financial factors on the living standards at all stages of life of people benefiting from an income at or below the national average; and 2) to the extent resources of the charity are not required for object 1, to prevent and relieve poverty and to advance such other exclusively charitable purposes as the trustees see fit, including, but without prejudice to the generality, through social investment projects.

Our public benefit goal is to improve outcomes for people on low-to-middle incomes. We do this by undertaking original research and economic analysis to understand the challenges facing low-to-middle income households today. Engaging with policy makers and other key stakeholders, we develop practical and effective policy proposals to tackle the issues we identify and bring about change.

Our Focus

We define the low-to-middle income group as the poorer half of the non-pensioner population but excluding families in which no-one is in work (who often face specific challenges). We 'equivalise' household income prior to establishing 'low-to-middle income' and 'higher income' groups, in order to account for the different living standards associated with various household compositions. As such, couples with no children are classed as low-to-middle income if their combined disposable income (before housing costs) is below £29,300 a year and at least one partner is in work: while a single adult would need an income below £19,500 to qualify and a couple with two young children would need an income below £41,000.

By these definitions, there were nine million low-to-middle income families in the UK in 2019-20 including over 13 million adults and over seven million children. As each includes at least one working adult, they are not the poorest in society, but can struggle to get by and have felt the full impact of housing market challenges, insecure work and reductions in social security, as well as the financial crisis, Covid-19 and big changes in the cost of living. Despite these needs low-to-middle income households have been overlooked in debates about equality and economic opportunity.

THE RESOLUTION FOUNDATION

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

Our Approach

The Foundation prides itself on analytical rigour, and we strive to achieve standards of excellence in all our work. This commitment is matched by dedication to our core purpose, working to improve the living standards of those on low to middle incomes. These twin pillars of rigour and purpose underpin everything we do. We also aim to ensure our approach is:

Focused - we concentrate our attention and resources on a cohesive range of projects to achieve the greatest impact.

Practical - our policy solutions are derived from robust research and analysis and are practical and achievable.

Influential - we engage with key stakeholders and policy.

Independent - we are independent and non-partisan in our approach; we pursue policy issues on their merit and ability to improve outcomes for low to middle income households.

Flexible - we adapt our working style to suit the particular needs of each project and are outcome oriented not process driven.

Clear - we use a range of methods to convey our ideas and our communication style is clear, concise and direct.

Our Funding

The Resolution Foundation is primarily funded by the Resolution Trust. We are also grateful for support from additional organisations including Accenture (UK) Ltd, Citizens UK, Economic and Social Research Council, Family Building Society, Friends Provident Foundation, the Health Foundation, Joseph Rowntree Foundation, Lloyds Bank, the Nuffield Foundation, abrdn Financial Fairness Trust (formerly Standard Life Foundation), Trust for London, and Ufi VocTech Trust, which have enabled us to pursue work during the year. We are committed to transparency and list all organisations from whom we receive a contribution of £3,000 and over in the notes of this report. Small additional sums are also received as donations or payment for ad hoc activity like speaking engagements.

Public benefit

The Trustees confirm they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and guidance relating to public benefit and the advancement of education specifically. The Trustees ensure that all work undertaken is in line with the Foundation's charitable objects and aims.

THE RESOLUTION FOUNDATION

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

STRATEGIC REPORT

Achievement and performance

Charitable activities

The charity's key objectives for 2021/2022 were:

- o To retain a clear focus on living standards via robust and primarily quantitative analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- o To consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and ensure robust economic growth that benefits all sections of society;
- o To inform public and policy debate on our response to the Covid-19 and cost of living crisis by documenting its impacts on the labour market and living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy;
- o To consolidate our move into new research areas of net zero, trade, firms and places.

Our key achievements included:

Covid-19

We continued our collaboration with The Health Foundation and YouGov, with another bespoke survey in October 2021 to monitor how the crisis is affecting households' wellbeing, labour market outcomes, incomes and family finances, looking specifically at outcomes after the ending of the Job Retention Scheme. As government restrictions eased through 2022, we focused on how young people were faring, given they tend to suffer more during downturns. As part of the Economy 2030 project, we also looked at the lasting impacts of the pandemic on businesses, and on geographical inequalities within the UK.

Cost of living and energy prices

The unexpected development during the year was rising inflation, which began before the Russian invasion of Ukraine in February 2022, but dominated the news from that point on, as energy prices soared. We produced several reports on the impact of high household energy prices, and we analysed the Government's repeated policy announcements. We also explored the benefits of a social tariff scheme as a way to target the worst-affected households.

Incomes and inequality

Our annual flagship Living Standards Outlook set out what current economic forecasts and existing policies imply for families across the income distribution. In Spring 2022, a key focus was on the likely impact of high inflation, and on how using a lagged measure of inflation to increase most benefit rates means the real value of benefits fell considerably in 2022-23. Our Living Standards Audit took a long view of what has happened to household incomes in Britain over recent decades, what has driven periods of growth and stagnation, and the lessons that need to be learned if Britain is to return to stronger income growth in the decade ahead.

Job, skills and pay

We have continued to study the enforcement of labour market regulations, including examining the importance that preserving a firm's reputation has on its tendency to comply. Our three-year Health Foundation-funded Young People's Future Health Inquiry continues to examine the relationship between young people's employment and their mental health and wellbeing through reports on employment trajectories over the Covid-19 period and longer-term trends in youth worklessness. We also produced our annual Low Pay Britain report and calculated the Living Wage rates for the Living Wage Foundation, alongside substantial work on the post-pandemic labour market.

Housing, wealth and debt

Our long-term housing work used new Wealth and Assets survey data to identify how far away from home ownership many of the UK's young people are today. We analysed England's housing stock in greater depth, in part to understand how housing quality affects energy usage (and relatedly fuel poverty) but also to highlight how homes are increasingly at risk of flooding as the climate warms. Our quarterly Housing Outlook provided an opportunity to look at a number of timely issues such as whether transaction tax holidays in the pandemic period were necessary; what rising inflation meant for social rents; and whether private renters were getting less for their money than in the past. In the third Wealth Audit, as part of our collaboration with abrdn Financial Fairness Trust, we used newly-available data on differences in wealth across groups to understand the complicated picture of wealth inequality in the UK, the impact it has had on people's lives, and its implications for households as the cost of living crisis intensified. We also published research on intergenerational wealth transfers, in collaboration with the Family Building Society, using a mixed methods approach to uncover some of the motivations and impacts of such transfers.

Tax and welfare

In late 2021, we analysed the cut in the UC taper rate. Work in 2022 focused on how the small rise in benefits in April 2022 was exacerbating the cost of living crisis for benefit recipients, and on how well compensated were those facing high energy bills. As part of our Economy 2030 work, we assessed how the UK's social security system will help or hinder the country get through a decade of economic change.

Firms and productivity

We have established RF as an authority on the analysis of UK firms and productivity, a subject area in which relatively little high-quality policy work has previously been done in the UK. This was largely done through the Firms stream of the Economy 2030 Inquiry, with papers published on the extent, location and drivers of low productivity growth in the UK and the relative strengths of UK firms in different tradable sectors of the economy. We have been in close touch with the Decision Maker Panel (Bank of England, Nottingham and Stanford), the Productivity Institute (Manchester) and the Project on Innovation and Diffusion (LSE), as well as the growth-focused parts of the Civil Service.

Places and spatial inequalities

The UK has (on many metrics) significant and (frequently) stubborn spatial inequalities. We researched how economic change has affected different places in the UK over recent decades to establish where this leaves us at the start of the 2020s. Specifically, we employed innovative data to establish how and why household incomes vary across the country; how people experience their places and what is important to them about where they live; and the extent to which place plays a role in explaining productivity gaps in the UK.

Intergenerational Centre

We published our third annual Intergenerational Audit at the start of this year, covering employment patterns among older workers, the demographic implications of the Covid-19 crisis, and an intergenerational assessment of how incomes and household balance sheets have changed since the onset of the pandemic. We started a five-year ESRC-funded project in collaboration with the University of Southampton, University of St Andrews, and University of Oxford, to innovate understanding of intergenerational relations and population change; re-think intergenerational connections for post-Brexit/Covid society; and produce novel science that will drive policy thinking towards improving the lives of individuals, families, communities and businesses,

Macroeconomic Policy Unit

As we emerged from the pandemic we continued to produce our regular Macroeconomic Policy Outlook to monitor progress of the recovery and the drivers of increases in inflation. In addition, we developed our distributional analysis for the impact of inflation, providing regular updates of the differential impacts of high inflation across income groups, and published reports ahead of, and in response to, all major fiscal events, including Autumn Budget 2021 and the Spring Statement in March 2022. We also produced analysis of the long-term fiscal pressures facing the Government and the options to address them in the decade ahead.

Net zero

This new area of work focused on the implications of the transition to a net zero carbon economy for low-to-middle-income families. A major report for the Economy 2030 project considered how families will face up to these challenges, looking at four aspects of household consumption - home heating, surface transport, diets and flying - and evaluated where government policies are currently lacking and how policy makers should address the challenges to come as net zero policy enters a new phase.

Trade in the aftermath of Brexit

We also established a new area of work on Brexit and trade, including publishing key reports that set out our agenda focussing on how trade has shaped wider economic change in the past and the possible impacts of leaving the EU. We reviewed the impact of Brexit on people, places and firms, and provided an updated assessment of the potential economic impacts of the final trading arrangement agreed with the EU. Finally, we provided an assessment of the economic consequences of the current overarching trade policy strategy and of the potential impact of agreements that were signed during the last year.

The Economy 2030 project

The Economy 2030 project published a major piece of research in July 2022 (Stagnation Nation) focused on the underlying causes of the economic stagnation seen over the past 15 years. It prosecuted an argument that Britain's twin problems of low growth and high inequality have spelled a disaster for low to middle income households, and that a proper economic strategy for the UK is needed to address these problems over the 2020s. We also began the next phase of the project, involving publishing policy papers and staging a programme of events, including a day-long conference organised in partnership with the Centre for Economic Performance at the London School of Economics.

Ventures

The Workertech Partnership continued to deliver investments and ecosystem building activities, with support from our funding partners. This included making two pre-seed stage direct investments, and developing an impact measurement framework for the programme, as well as additional research. We joined industry groups including ImpactVC and the British Private Equity & Venture Capital Association to continue to learn and develop our impact investing practices. We also explored the potential for the creation of a larger social impact fund to follow on from this programme.

THE RESOLUTION FOUNDATION

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

STRATEGIC REPORT

Financial review

Financial position

The Financial statements show incoming resources for the year of £3,285,540 with resources expended in the year of £3,010,643..

The incoming resources to the charity comprise donations from the Resolution Trust which was established by Sir Clive Cowdery in 2007 and provides ongoing funding for the Resolution Foundation. Other incoming resources include donations and payments from charitable trusts and other organisations for project specific work, bank interest received in the year, an administration fee for work carried out on behalf of the Resolution Trust and other miscellaneous donations and payments for ad hoc activity like speaking engagements.

In June 2022, the Trustees of the Resolution Trust agreed minimum funding for the Foundation of £2,500,000 for 2022/2023, £2,500,000 for 2023/2024, and £2,500,000 for 2024/2025.

At 30 September 2022, the Charity had free reserves totalling £1,406,857. In addition, funds held for restricted purposes amounted to £161,232.

Reserves policy

The Trustees have received as part of their funding commitment from the Resolution Trust a commitment that the Trust will meet any costs associated with the winding up of the Resolution Foundation. In addition to the Trust's commitment, the Trustees of the Foundation consider it wise to maintain a level of reserves commensurate with covering immediate commitments. As such, the Trustees consider the optimal level of free reserves to be approximately £600,000 and will seek to manage income and expenditure prudently in order to deliver that level of free reserves

STRATEGIC REPORT

Future plans

The charity's key objectives for 2022/2023 are:

- o To retain a clear focus on living standards via robust and primarily quantitative analysis, all with a clear purpose of improving outcomes for low-to-middle income households;
- o To consider what changes are needed to policies, structures and institutions so that the UK can navigate better the changes required to react to Brexit, Covid-19 and the move to net zero, and ensure robust economic growth that benefits all sections of society;
- o To inform public and policy debate on the country's response to the cost of living crisis by documenting its impacts on living standards, and prescribing policy solutions to support low-to-middle income households and the underlying health of the UK economy;
- o To consolidate our move into new research areas of net zero, trade, firms and places.

Cost of living (and energy prices)

We will continue to assess Government policy interventions on the cost of living and energy prices, and contribute to public debate by providing frequent commentary and analysis, including focusing on the key decision on uprating benefits in April 2023. A new partnership with The Health Foundation will allow us to field 3 large-scale surveys during the year to learn about how families are coping with rising costs, and the impact on their health and financial resilience.

Incomes and inequality

We will continue to publish our annual flagship Living Standards Outlook in the spring (setting out what current economic forecasts and existing policies imply for families across the income distribution), and Living Standards Audit in the summer (assessing recent trends in and prospects for living standards). We will also do a deep dive into various measures of living standards for working-age people with disabilities.

Job, skills and pay

Early 2023 will see us bring our labour market enforcement programme to a close, drawing together updated UK analysis and contributions from five international partners into a final report. We will also continue our work on the Health Foundation-funded Young People's Future Health Inquiry, examining how employment and health outcomes for young people vary by place, followed by work focused on policy interventions to help young people flourish at work. The first half of this year will see major labour-market reports for the Economy 2030 Inquiry on the topics of raising both the wage floor and the floor for non-wage terms through regulation, and how to improve the bargaining power of workers above these floors through new labour-market institutions. We will then develop a new programme of work on the labour market that is likely to examine high-frequency volatility in pay, especially among the low paid, and the fundamental drivers of within-country wage inequality across countries and over time. We will also continue to produce our currently monthly and quarterly labour products.

Housing, wealth and debt

We will continue to explore the interface between housing and net zero with a policy paper on home insulation. Moreover, as the cost of living crisis continues, we plan to investigate which families are struggling most with their housing costs using two waves of a bespoke survey, and how families can be best-protected from rising housing costs if our second-tier cities were to become more productive. We will produce the first of our new Wealth-in-Focus pieces as part of our renewed collaboration with abrdn Financial Fairness Trust, building on our Covid-19 work and addressing gaps in wealth across key characteristics, including gender, ethnicity and across regions and countries of the UK.

STRATEGIC REPORT

Future Plans (continued)

Tax and welfare

As part of our Economy 2030 work, we will assess how both the UK's social security system and the tax system can best contribute to a world where the UK has both higher growth and falling inequality; we will also look at reforming the UK's welfare system so that it can better protect workers from employment shocks. We will look at the role that discretion should play in the UK's welfare system, and at how the increasing overlap between UC and the withdrawal of Child Benefit is leading to some truly penal marginal deduction rates.

Firms and productivity

We will publish two major reports in this area focused on boosting business investment, and improving the dynamism and efficiency of UK firms.

Places and spatial inequalities

With spatial inequalities still high on the public policy agenda, we will research what some individual UK cities need to do in the UK to become more productive given their current starting positions. Working directly with officials in the cities, we will establish what a service-led model of growth could look like, what is needed to achieve growth of that nature, and who would most or least benefit as a result.

Intergenerational Centre

As part of a five-year ESRC-funded project, we will publish our fourth annual Intergenerational Audit, which will provide an intergenerational assessment of how incomes and household balance sheets have and will change over the course of the cost of living crisis. It will cover how higher inflation and higher interest rates will impact the living standards of different generations. We will also collaborate on a report with researchers from the Nuffield Politics Research Centre, University of Oxford, using new survey data to explore intergenerational views, conflict and policy preferences.

Macroeconomic Policy Unit

As the cost of living crisis continues to shape our economy and policy, we will use our regular Macroeconomic Policy Outlook to analyse the impact of high inflation on the economy and what it means for policy. Providing analysis ahead of, and in response to, major fiscal events, will remain a key part of our work in this area. This will include Autumn Statement 2022 and the Spring Budget in March 2023. We will analyse how to use public investment to ensure a high-investment decade ahead, and also produce new research on how the Government can think about evolving the monetary policy framework in order to ensure that macroeconomic policy can provide adequate support in future recessions.

Net zero

This work will continue to focus on the implications of the transition to a net zero carbon economy for low-to-middle-income families. In addition to our work on energy prices and policy, we will consider how policy makers could square up to one of the hardest parts of the UK's transition to a net zero economy: insulating the nation's homes. A major report will consider how best to move the UK to a system of road pricing, as revenues from fuel duty dry up.

Trade in the aftermath of Brexit

We will publish a report setting out the implications of possible government trade strategies and establish what a growth promoting trade strategy would need to prioritise, including how the UK could improve its current trading relationship with the EU. We will monitor and assess how the UK economy has adapted to new trade barriers, including how trade has been impacted and the implications for domestic economic activity, workers and productivity. We will also focus on how the aftermath of the Covid-19 lockdowns has impacted global supply chains and the implications for the UK economy.

THE RESOLUTION FOUNDATION

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

STRATEGIC REPORT

Future Plans (continued)

The Economy 2030 project

The Economy 2030 project will conclude with a book-length Final Report, scheduled for release at a major event in late 2023. This will build on the findings of Stagnation Nation (the project's Interim Report), synthesising approximately 20 reports and developing an economic strategy supported by detailed policy recommendations designed to address low growth and high inequality.

Ventures

The Workertech Partnership will continue to 2023, and will continue to deliver investments and ecosystem building activities, with support from our funding partners. This will include making pre-seed stage direct investments, supporting our portfolio with impact management and delivering a final impact report for the programme, as well as additional research. We will also develop a larger social impact fund with partners to follow on from this programme.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Resolution Foundation was incorporated on 11 October 2005 as a company limited by guarantee and was registered as a charity on 24 June 2006, the Charity is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The Trustees (who are also the directors of the charitable company for the purposes of company law), are a self-appointing body with each Trustee initially appointed for a three-year term. New Trustees can be nominated by any existing Trustee and are appointed according to relevant skills and experience.

Organisational structure

Trustees attend regular meetings where progress, strategy and plans are discussed. They are also sent relevant documentation including research reports and minutes of meetings. The Trustees meet as necessary and not less than three times each year, and all key decisions affecting the Charity are made at these meetings. The Trustees appointed Torsten Bell (Chief Executive) in September 2015 who has day to day responsibility for all operational matters. The Right Hon. Lord David Willets (President of the Advisory Council and Intergenerational Centre) was appointed in June 2015 and Gavin Kelly (Chief Executive 2010-2015) re-joined the executive team as Chair in April 2019.

Induction and training of new trustees

Trustees are given an in-depth introduction to the organisation and the role of Trustees through a formal induction process and meetings with the Chair of Trustees and the Chief Executive.

Key management remuneration

The key management personnel of the Foundation are those persons having authority and responsibilities for planning, directing and controlling the activities of the entity, directly or indirectly, including any Trustees of the entity. For the Foundation, they comprise the Chair, the President of the Advisory Council and Intergenerational Centre, the Chief Executive, the Deputy Chief Executive, the Director of Communications and the Director of Resources. The remuneration of the Chair, the President of the Advisory Council and Intergenerational Centre, and the Chief Executive is set by the Trustees. All other staff salaries are set by the senior management team. Salaries are benchmarked using comparisons with charities in similar labour markets both by geography and issue areas, taking into account factors including inflation and the Foundation's financial position. The Foundation is an accredited Living Wage employer. All our staff and contractors are paid at least the Living Wage which is an hourly rate set and updated annually, based on the cost of living.

THE RESOLUTION FOUNDATION

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

Trustees are required to disclose all relevant interests, register them with the Chief Executive and withdraw from decisions where a conflict of interest arises. All Trustees give of their time freely and no Trustee remuneration or travel expenses were paid during the year. The Trustees who acted during the year are those listed in this report. Related party transactions are disclosed in the notes to these financial statements.

Risk management

The Trustees acknowledge their responsibility for establishing a risk management system and are satisfied that appropriate systems and procedures have been established to identify and manage the major risks faced by the Charity.

The Foundation has a risk management strategy in place. The risk register is reviewed annually by the board of Trustees and continually monitored by the senior management team who take responsibility for implementation of the policies and procedures identified to mitigate risks. In addition, risk reviews are undertaken regularly by the Trustees and senior management team to ensure the Foundation's operational rigour, attachment to purpose and independence are maintained.

The most significant external risk identified during the year was related to the Coronavirus Outbreak. While our core funding arrangements remained unaffected, and we returned to working predominantly from our Westminster office, there remained an ongoing risk that the pandemic would directly impact the health of the staff team and our ability to fulfil the Foundation's charitable objectives. We continued to mitigate these risks primarily through employee consultation, communication and support, and through making changes to our public events and external meeting schedules. We also continued to monitor Charity Commission and other government guidance, amending internal policies and procedures as required, maintained our Cyber Essentials accreditation to mitigate the increased risks of fraud and cybercrime, and implemented appropriate Health & Safety measures, including updating our Disaster Management Plan. Additionally, our research and communications strategy was amended in light of external events to ensure we emphasised the changing needs of low to middle income households.

The most significant organisational risk identified was the ongoing delivery of the Economy 2030 Inquiry, a collaboration between the Resolution Foundation and the Centre for Economic Performance at the London School of Economics, funded by the Nuffield Foundation. The risks involved in undertaking a large externally funded project with a high-profile external partner include the management and operational challenges of coordinating research across two organisations. There were also additional risks associated with delivering major objectives for the Economy 2030 Inquiry while ensuring we continued with our ongoing work. Failure to respond adequately to the ongoing Cost of Living crisis would result in reputational damage, have a detrimental impact on the Foundation's wider work plan, and potentially impact our ability to fulfil our charitable objective and contribute to improved outcomes for low to middle income households. To mitigate these risks, we ensured appropriate strategic and managerial project oversight procedures remained in place. Liaison with the external funder and project partner continues to be prioritised, and internal processes have been amended and established as required.

THE RESOLUTION FOUNDATION

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05588883 (England and Wales)

Registered Charity number

1114839

Registered office

2 Queen Anne's Gate
London
SW1H 9AA

Trustees

C J Alexandrou
P N Butler
C A Cowdery Chairman
P T Stevens Treasurer
V Alakeson (resigned 11/2/2022)
A Turner

Company Secretary

T Bell

Senior Statutory Auditor

John Thacker FCA DChA

Auditors

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Bankers

Natwest Bank plc
St Paul's Branch
Juxon House
98 St Paul's Churchyard
London
EC4M 8BU

United Trust Bank Ltd

80 Haymarket
London
EC4M 6YH

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

THE RESOLUTION FOUNDATION

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Chariot House Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18th April 2023 and signed on the board's behalf by:

C A Cowdery - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RESOLUTION FOUNDATION**

Opinion

We have audited the financial statements of The Resolution Foundation (the 'charitable company') for the year ended 30th September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th September 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RESOLUTION FOUNDATION**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RESOLUTION FOUNDATION**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- Companies Act 2006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE RESOLUTION FOUNDATION**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Thacker FCA DChA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date: 26th April 2023

THE RESOLUTION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,203,901	1,024,362	3,228,263	2,695,292
Investment income	3	1,583	-	1,583	1,014
Other income	4	<u>55,694</u>	<u>-</u>	<u>55,694</u>	<u>39,763</u>
Total		<u>2,261,178</u>	<u>1,024,362</u>	<u>3,285,540</u>	<u>2,736,069</u>
 EXPENDITURE ON					
Charitable activities	5				
Research and Education		<u>2,010,211</u>	<u>1,000,432</u>	<u>3,010,643</u>	<u>2,765,246</u>
NET INCOME/(EXPENDITURE)		250,967	23,930	274,897	(29,177)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,155,890</u>	<u>137,302</u>	<u>1,293,192</u>	<u>1,322,369</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,406,857</u>	<u>161,232</u>	<u>1,568,089</u>	<u>1,293,192</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE RESOLUTION FOUNDATION (REGISTERED NUMBER: 05588883)

BALANCE SHEET
30TH SEPTEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Social investments	11	-	237,486	237,486	142,517
CURRENT ASSETS					
Debtors	12	1,703,736	-	1,703,736	972,605
Cash at bank		<u>440,399</u>	<u>161,232</u>	<u>601,631</u>	<u>1,216,336</u>
		2,144,135	161,232	2,305,367	2,188,941
CREDITORS					
Amounts falling due within one year	13	<u>(587,278)</u>	<u>(237,486)</u>	<u>(824,764)</u>	<u>(888,266)</u>
NET CURRENT ASSETS		<u>1,556,857</u>	<u>(76,254)</u>	<u>1,480,603</u>	<u>1,300,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,556,857	161,232	1,718,089	1,443,192
CREDITORS					
Amounts falling due after more than one year	14	<u>(150,000)</u>	-	<u>(150,000)</u>	<u>(150,000)</u>
NET ASSETS		<u>1,406,857</u>	<u>161,232</u>	<u>1,568,089</u>	<u>1,293,192</u>
FUNDS	17				
Unrestricted funds				1,406,857	1,155,890
Restricted funds				<u>161,232</u>	<u>137,302</u>
TOTAL FUNDS				<u>1,568,089</u>	<u>1,293,192</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 18th April 2023 and were signed on its behalf by:

C A Cowdery - Trustee

The notes form part of these financial statements

THE RESOLUTION FOUNDATION

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(493,819)</u>	<u>461,962</u>
Net cash (used in)/provided by operating activities		<u>(493,819)</u>	<u>461,962</u>
Cash flows from investing activities			
Purchase of social investments		(122,469)	(142,517)
Interest received		<u>1,583</u>	<u>1,014</u>
Net cash used in investing activities		<u>(120,886)</u>	<u>(141,503)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(614,705)	320,459
Cash and cash equivalents at the beginning of the reporting period		<u>1,216,336</u>	<u>895,877</u>
Cash and cash equivalents at the end of the reporting period		<u>601,631</u>	<u>1,216,336</u>

The notes form part of these financial statements

THE RESOLUTION FOUNDATION

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

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

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	274,897	(29,177)
Adjustments for:		
Investment loss	27,500	-
Interest received	(1,583)	(1,014)
Increase in debtors	(731,131)	(104,474)
(Decrease)/increase in creditors	<u>(63,502)</u>	<u>596,627</u>
Net cash (used in)/provided by operations	<u>(493,819)</u>	<u>461,962</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/21 £	Cash flow £	At 30/9/22 £
Net cash			
Cash at bank	<u>1,216,336</u>	<u>(614,705)</u>	<u>601,631</u>
	<u>1,216,336</u>	<u>(614,705)</u>	<u>601,631</u>
Debt			
Debts falling due after 1 year	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>
	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>
Total	<u>1,066,336</u>	<u>(614,705)</u>	<u>451,631</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, including taking into account any potential impact of the Covid-19 pandemic, and on that basis the charity is considered to be a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations are recognised as income in the year in which the donor states the funds should be expended. Where no such statement is made the income is recognised in the year in which it is receivable.

Income received in advance for the provision of a specified service is deferred until the criteria for income recognition are met.

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs comprise of costs associated with the management and administration of the charity and governance costs which are incurred in connection with the general running of the charity as opposed to the management and administration of its activities. They include costs relating to constitutional and statutory requirements.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are those where there are no externally imposed restrictions and are available for use at the discretion of the Trustees for expenditure on its objects or appropriated to reserves for internally designated purposes.

THE RESOLUTION FOUNDATION

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

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Investments

Investments are a form of basic financial instrument and comprise investments in equity instruments which are initially recognised at their transaction value and are subsequently measured at their fair value as at the balance sheet date. Changes in fair value are recognised in the Statement of Financial Activities. Quoted stocks and shares are included in the Balance Sheet at the current market price quoted on a recognised stock exchange as at the reporting date.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Grants	<u>3,228,263</u>	<u>2,695,292</u>

Resolution Trust are committed to fund the Foundation for at least a further three years having awarded grants totalling £7,500,000 with effect from 1 October 2022.

THE RESOLUTION FOUNDATION

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

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Resolution Trust	2,039,969	2,100,420
Aviva	2,000	18,000
Citizens UK	22,500	-
ESRC Southampton	28,500	-
Evershed's Sutherland	3,000	-
Family Building Society	45,000	-
Federation of Small Businesses	-	6,000
Lloyds Bank PLC	41,300	-
McDonald's UK	5,000	-
Nuffield Foundation	726,877	302,400
Other Grants	1,779	9,780
Standard Life	25,000	82,000
The Health Foundation	148,985	48,415
Unbound Philanthropy	-	40,000
Ventures funders	<u>138,353</u>	<u>88,277</u>
	<u>3,228,263</u>	<u>2,695,292</u>

	2022	2021
	£	£
Income deferred to future years		
Ventures Funders	<u>645,380</u>	<u>582,652</u>

Total funding held in the year in respect of Ventures is as follows:

Accenture	-	300,000
Resolution Trust	100,000	100,000
Joseph Rowntree Foundation	-	150,000
Ufi VocTech Trust	60,000	75,000
Friends Provident Foundation	8,581	13,595
Trust for London	<u>32,500</u>	<u>32,334</u>
	<u>201,081</u>	<u>670,929</u>

THE RESOLUTION FOUNDATION

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

3. INVESTMENT INCOME

	2022	2021
	£	£
Bank Interest	<u>1,583</u>	<u>1,014</u>

4. OTHER INCOME

	2022	2021
	£	£
Administration charges	4,944	4,944
Miscellaneous income	<u>50,750</u>	<u>34,819</u>
	<u>55,694</u>	<u>39,763</u>

Miscellaneous income in 2022 and 2021 consists of payment for projects and articles including:

	2022	2021
	£	£
HMRC	3,750	-
Aviva	-	12,000
Citizens UK	24,000	10,000
Guardian/Observer	5,299	-
Natwest	16,000	-
Federation for Small Business	-	6,000
Others	<u>1,701</u>	<u>6,819</u>
	<u>50,750</u>	<u>34,819</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Research and Education	<u>2,947,873</u>	<u>62,770</u>	<u>3,010,643</u>

THE RESOLUTION FOUNDATION

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

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Research and Education	<u>52,043</u>	<u>10,727</u>	<u>62,770</u>

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

	2022 Research and Education £	2021 Total activities £
Other operating leases	5,172	5,172
IT support and supplies	28,007	49,562
Insurance	3,632	4,813
Remote working equipment and costs	-	97
Postage and stationery	1,061	1,594
Memberships and subscriptions	3,521	3,021
Photocopier charges	1,901	51
Payroll and finance support	3,803	3,197
Travel	4,946	904
Auditors' remuneration	9,750	5,880
Sundries	<u>977</u>	<u>861</u>
	<u>62,770</u>	<u>75,152</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	9,750	5,880
Other operating leases	5,172	5,172
Operating leases - property	<u>179,440</u>	<u>179,440</u>

THE RESOLUTION FOUNDATION

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

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30th September 2022 nor for the year ended 30th September 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th September 2022 nor for the year ended 30th September 2021.

9. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	1,768,451	1,589,227
Social security costs	216,738	185,460
Other pension costs	<u>122,472</u>	<u>112,039</u>
	<u>2,107,661</u>	<u>1,886,726</u>

Key management personnel

The total employee benefits paid to key management personnel during the year amounted to £706,899 (2021: £699,536).

Average Number of employees

The average number of employees on a full time equivalent basis was 26 (2021: 26).

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

	2022	2021
Total	<u>30</u>	<u>30</u>

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

	2022	2021
£60,001 - £70,000	2	1
£70,001 - £80,000	2	1
£80,001 - £90,000	2	2
£100,001 - £110,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	<u>1</u>	<u>1</u>
	<u>9</u>	<u>7</u>

THE RESOLUTION FOUNDATION

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,033,779	661,513	2,695,292
Investment income	1,014	-	1,014
Other income	<u>39,763</u>	<u>-</u>	<u>39,763</u>
Total	<u>2,074,556</u>	<u>661,513</u>	<u>2,736,069</u>
EXPENDITURE ON			
Charitable activities			
Research and Education	<u>1,831,809</u>	<u>933,437</u>	<u>2,765,246</u>
NET INCOME/(EXPENDITURE)	242,747	(271,924)	(29,177)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,155,890</u>	<u>137,302</u>	<u>1,293,192</u>

11. SOCIAL INVESTMENTS

	Programme related investments equity £
MARKET VALUE	
At 1st October 2021	142,517
Additions	122,469
Revaluations	<u>(27,500)</u>
At 30th September 2022	<u>237,486</u>
NET BOOK VALUE	
At 30th September 2022	<u>237,486</u>
At 30th September 2021	<u>142,517</u>

THE RESOLUTION FOUNDATION

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

11. SOCIAL INVESTMENTS - continued

Investments comprise the following:

	2022	2021
	£	£
Subtap Limited	30,016	30,016
Poplar Technologies Limited	69,969	30,001
Career Ear	30,000	-
Ikigai Data	25,001	-
Social Innovation Camp	<u>82,500</u>	<u>82,500</u>
	<u>237,486</u>	<u>142,517</u>

Social Innovation Camp comprises support for TaskHer (£27,500), RECit (£27,500) and Hera/Talia (£27,500) via Bethnal Green Ventures.

The charity has a commitment for up to a further 6 tranches of £27,500 before 31st August 2023.

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

	Equity
	£
Valuation in 2022	<u>237,486</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	871,523	583,197
Other debtors	150,000	150,000
Prepayments and accrued income	<u>682,213</u>	<u>239,408</u>
	<u>1,703,736</u>	<u>972,605</u>

THE RESOLUTION FOUNDATION

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

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	131,607	134,255
Social security and other taxes	-	58,269
Accruals and deferred income	645,380	642,938
Accrued expenses	<u>47,777</u>	<u>52,804</u>
	<u>824,764</u>	<u>888,266</u>

The rate of recognition of Deferred Income into the SoFA, depends on the rate of expenditure

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

	2022	2021
	£	£
Other loans (see note 15)	<u>150,000</u>	<u>150,000</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>150,000</u>	<u>150,000</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	317,093	317,093
Between one and five years	<u>224,691</u>	<u>541,784</u>
	<u>541,784</u>	<u>858,877</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2022****17. MOVEMENT IN FUNDS**

	At 1/10/21 £	Net movement in funds £	At 30/9/22 £
Unrestricted funds			
General fund	1,155,890	250,967	1,406,857
Restricted funds			
Unbound Philanthropy - Precarious workers	60,490	(27,574)	32,916
J P Morgan - Financial health and resilience	37,954	(19,500)	18,454
Standard Life - Wealth audit	38,858	(9,655)	29,203
Health Foundation Securing High Quality Work	-	80,659	80,659
	<u>137,302</u>	<u>23,930</u>	<u>161,232</u>
TOTAL FUNDS	<u>1,293,192</u>	<u>274,897</u>	<u>1,568,089</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,261,178	(2,010,211)	250,967
Restricted funds			
Unbound Philanthropy - Precarious workers	-	(27,574)	(27,574)
J P Morgan - Financial health and resilience	-	(19,500)	(19,500)
Standard Life - Wealth audit	25,000	(34,655)	(9,655)
RF Ventures - Workertech Partnership	27,500	(27,500)	-
Nuffield Foundation - Economy 2030	726,877	(726,877)	-
Family Building Society - Intergenerational Transfers	45,000	(45,000)	-
Health Foundation Securing High Quality Work	123,985	(43,326)	80,659
Health Foundation - Impact of COVID-19 on Employment, Debt and Health	25,000	(25,000)	-
ESRC - Intergenerational Centre	28,500	(28,500)	-
Citizens UK - Living Pension	22,500	(22,500)	-
	<u>1,024,362</u>	<u>(1,000,432)</u>	<u>23,930</u>
TOTAL FUNDS	<u>3,285,540</u>	<u>(3,010,643)</u>	<u>274,897</u>

THE RESOLUTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2022****17. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/10/20 £	Net movement in funds £	At 30/9/21 £
Unrestricted funds			
General fund	913,143	242,747	1,155,890
Restricted funds			
Unbound Philanthropy - Precarious workers	50,602	9,888	60,490
J P Morgan - Financial health and resilience	286,315	(248,361)	37,954
Standard Life - Wealth audit	3,880	34,978	38,858
Health Foundation - Securing high quality work	<u>68,429</u>	<u>(68,429)</u>	<u>-</u>
	<u>409,226</u>	<u>(271,924)</u>	<u>137,302</u>
TOTAL FUNDS	<u><u>1,322,369</u></u>	<u><u>(29,177)</u></u>	<u><u>1,293,192</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,074,556	(1,831,809)	242,747
Restricted funds			
Unbound Philanthropy - Precarious workers	40,000	(30,112)	9,888
Nuffield Foundation - Intergenerational Audit	48,694	(48,694)	-
J P Morgan - Financial health and resilience	-	(248,361)	(248,361)
Standard Life - Wealth audit	70,000	(35,022)	34,978
Health Foundation - Securing high quality work	3,416	(71,845)	(68,429)
RF Ventures - Workertech Partnership	88,277	(88,277)	-
Resolution Trust - COVID support	100,420	(100,420)	-
Nuffield Foundation - Economy 2030	253,706	(253,706)	-
Health Foundation - Impact of COVID-19 on Employment, Debt and Health	22,000	(22,000)	-
Health Foundation - Informing the Recovery	<u>35,000</u>	<u>(35,000)</u>	<u>-</u>
	<u>661,513</u>	<u>(933,437)</u>	<u>(271,924)</u>
TOTAL FUNDS	<u><u>2,736,069</u></u>	<u><u>(2,765,246)</u></u>	<u><u>(29,177)</u></u>

17. MOVEMENT IN FUNDS - continued

Citizens UK - Living Pension

The research quantifies how many low-paid workers saving now are on track for a 'Living Pension' in retirement and how many will be living on less. Using ASHE data, this research considers the current pension contributions being made by employees and employers in order to understand the scale of the potential problems ahead, and the scale of the uplift needed to ameliorate it.

ESRC - Intergenerational Centre

A five-year ESRC-funded project in collaboration with the University of Southampton, University of St Andrews, and University of Oxford, to innovate understanding of intergenerational relations and population change; re-think intergenerational connections for post-Brexit/Covid society; and produce novel science that will drive policy thinking towards improving the lives of individuals, families, communities and businesses,

Family Building Society - Intergenerational Transfers

A research project focused on the effects that gifts and inheritances have on the living standards and choices of British families, especially the impact that inheritances and gifts have on the lifetime living standards of young adults. The project also unpacks the indirect behavioural effects intergenerational transfers have on younger and older people's decisions around work, consumption, saving, living situations and social care.

Health Foundation - Impact of COVID-19 on employment, debt and health

This project, in collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, considered the impact of COVID-19 on employment, debt and health, and explored individuals' experience of the pandemic.

Health Foundation - Informing the recovery in 2021

This project in collaboration with the Health Foundation, an independent charity committed to bringing about better health and health care for people in the UK, included primary data collection and focused on understanding COVID-19's impact on the labour market, incomes and inequalities.

Health Foundation - Securing high quality work for young adults

This three-year project, supported by the Health Foundation who are committed to bringing about better health and health care for people in the UK, focuses on the impact of poor quality work on young people and the difficulties they face in accessing high quality work.

JPM Chase Foundation - Financial Health and Resilience across Europe

The purpose of the grant is to provide rigorous insight into the challenge of financial resilience among low-to-middle income households across a range of European countries; and scope the role that financial inclusion labs, or alternative policy interventions, could play in pioneering new high-impact solutions to this problem.

Lloyds Bank - Youth Home Ownership

Owning one's home is an enduring preference for the majority of families in the UK, but today's young people face a more serious set of hurdles to overcome than previous generations if they want to turn that desire into reality. This project explored how the home ownership fortunes of those aged 25 to 34 have changed over time

Nuffield Foundation - Economy 2030

The Economy 2030 Inquiry, a collaboration with the Centre for Economic Performance (CEP) at the London School of Economics (LSE), funded by the Nuffield Foundation, is a three year project which aims to address the question of economic change in light of the impact of Covid-19, the exit from the EU and the need to transition towards a Net Zero future.

17. MOVEMENT IN FUNDS - continued

Nuffield Foundation - Intergenerational Audit

The grant focuses on advancing and updating analysis of the living standards of different generations in a range of areas, including novel research on multiple property ownership, the impact of housing costs on labour market mobility, and on the long-term scarring effects of starting out in low-paid and insecure work. The project assesses policy developments from an intergenerational perspective and aims to make analytical and policy assessment tools and findings related to generational outcomes available to the wider research and policy community.

Standard Life (now abrdrn Financial Fairness Trust) - Wealth in 21st Century Britain

This project aims to increase understanding of and engagement with the role of wealth in 21st Century Britain, with the objective of improving policy making in the 2020s. Its defining features are a long term and rigorous analytical focus on wealth trends with active engagement in policy debates, particularly around wealth accumulation and taxation.

Unbound Philanthropy - Precarious Worker / Labour Market Enforcement

This research programme explores labour market enforcement in the UK - especially for those at the bottom end of the labour market - and aims to put labour market enforcement more firmly on the policy agenda. The programme launched with a review of secondary data to establish the nature and scale of labour market violations, and then proceeded to explore two specific areas (minimum wage non-compliance and auto-enrolment) in depth.

RF Ventures - Workertech Partnership

The Workertech Partnership is a three year programme of social investment, in collaboration with Accenture, Friends Provident Foundation, the Joseph Rowntree Foundation, Trust for London and Ufi VocTech Trust, aimed at supporting the growth of new innovative start-ups seeking to change the world of work for the better.

18. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution pension scheme through The Pensions Trust with contributions being made by both employer and employees at variable rates. The assets of the scheme are held separately from those of The Resolution Foundation. Pension costs charged represent contributions payable by the Foundation to the Trust. Total pension costs in the current year amounted to £122,472 (2021: £112,039. At the year end £nil was due to the Trust (2021: £nil).

THE RESOLUTION FOUNDATION

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

19. RELATED PARTY DISCLOSURES

One of the trustees of the Foundation is the sole director of Resolution Service Management Ltd. The Foundation signed a five year lease with Resolution Service Management Ltd for new premises in November 2015. In December 2019, the Foundation signed a five year lease with Resolution Service Management Ltd which cancelled the November 2015 lease in favour of co-terminus leases for their existing premises and an additional floor within the same building. The decision was taken by the independent trustees after considering market value and the benefits to the Foundation given the facilities and location.

20. COMPANY STATUS

The charity was incorporated on 11 October 2005 and is limited by the guarantee of its members. The members of the company are the Trustees named in the Trustees' report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.