

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

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2020**  
**FOR**  
**THE RESOLUTION FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

FRIDAY



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**THE RESOLUTION FOUNDATION**

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**FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

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**THE RESOLUTION FOUNDATION**

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

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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 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## **THE RESOLUTION FOUNDATION**

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

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#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

##### **Mission Statement**

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 28 November 2019 in accordance with Article 36 of the Company's Articles of Association) are 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 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 £27,500 a year and at least one partner is in work: while a single adult would need an income below £18,500 to qualify, and a couple with two young children would need an income below £38,500.

By these definitions, there are over eight million low to middle income families in the UK including around 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, the recession, insecure work and reductions to social security. Despite these needs low to middle income households have been overlooked in debates about equality and economic opportunity.

##### **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 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.

**THE RESOLUTION FOUNDATION**

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

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**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, Aviva, Clarion Housing Group, the Health Foundation, JP Morgan Chase Foundation, Liverpool City Region Combined Authority, Lloyds Bank, the Nuffield Foundation, Standard Life Foundation, Trust for London and Unbound Philanthropy, 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. 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 2020**

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#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### **Charitable activities**

**The charity's key objectives for 2019/20 were:**

Building on objectives set out in 2018-19, the Foundation retained its three high-level aims for 2019-20:

- 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 cement our relevance to public policy by broadening scope into other areas around low pay, productivity, cities, technology, intergenerational fairness and macroeconomic policy; and
- o To add real-world grit by increasing the volume of policy recommendations.

Our plans for this period were affected first by the UK general election of December 2019, and then, from March 2020, by the Covid-19 pandemic. We explain below how we reacted to these.

##### **Activities included:**

##### **Incomes and inequality**

We published our annual, flagship Living Standards Audit in summer 2020 which we provides an assessment of past trends in living standards with an initial 'nowcast' of the distribution of household incomes during the first lockdown phase of the pandemic. We added to the understanding of how top incomes developed over the 2000s and 2010s with a specific focus (in collaboration with the LSE and University of Warwick) on how fast very high incomes have grown when capital gains are accounted for. We also continued to engage with the Office for National Statistics to improve further the quality and depth of the UK's data on household incomes. We were unable to produce our usual Living Standards Outlook in early 2020 because the postponement of the Government's Autumn 2019 Budget meant there were no recent economic forecasts available from the Office for Budget Responsibility on which to base our projections.

##### **Job, skills and pay**

We began a major programme of work on labour market enforcement, with support from Unbound Philanthropy, and published reports on the prevalence of minimum wage non-compliance, and on the incidence of underpayment and evasion of auto-enrolment pension contributions. Our Covid-19 work concentrated on tracing the unequal labour market impact of the crisis across sector, age, hourly pay and contract type, and on explaining how to interpret apparently-inconsistent official statistics. We examined the routes by which people exit poverty, and we set out a significant programme of change that would amount to a new settlement for Britain's low-paid workers. A project on adult skills policy assessed how training can help recently out-of-work adults re-enter the labour market or help them change industry. Our Low Pay Britain report was delayed until September 2020 so as to be able to cover developments since the pandemic began; it focused on the difficult decision facing the Low Pay Commission in the midst of considerable uncertainty on the current state of the labour market as well as prospects as the crisis continued. We calculated the Living Wage rates for the Living Wage Foundation,. We also continued our quarterly Earnings Outlooks and monthly commentary on the latest labour market statistics.

##### **Housing, wealth and debt**

We produced a quarterly Housing Outlook to form a regular output for our work on housing market trends and policy. Our Covid-19 work focused on the problem of housing arrears, and on inequalities in housing conditions during the first full lockdown of 2020. With support from Standard Life Foundation, we began a major programme of work on wealth, including our first annual Wealth Audit, looking at the extent of wealth inequality, the drivers of recent changes in wealth, and how well-prepared households were for the pandemic.

## **THE RESOLUTION FOUNDATION**

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

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#### **Tax and welfare**

We analysed the introduction and impact of Universal Credit, with a focus on Liverpool City Region in particular. Our Covid-19 work assessed how Universal Credit fared in the first frantic weeks of the crisis, as well as making the case that the temporary £20 a week uplift should be made permanent.

#### **Fiscal events**

The Foundation continued to publish reports in response to, and usually in advance of, all major fiscal events. Reports in the run up to the 2020 Spring Budget assessed the Government's fiscal headroom and its tax and spending options over the parliament, as well as analysing its ambitious plans to increase investment spending to boost the overall economy and support living standards. Reports in advance of the Summer Economic Update set out our assessment of how fiscal and economic policy should support the recovery.

#### **Intergenerational Centre**

We produced the second Intergenerational Audit, which provided a significant assessment of the intergeneration impact of the first months of the Covid-19 crisis. This was preceded by four in-depth analytical reports covering topics such as credit availability for home purchase and older-age employment trends across the generations. We published new analysis of voting patterns by age and on the rise in young adults who have never worked. Work exploring the drivers of and responses to inheritances and gift-giving from older generations to younger ones was postponed because of the Covid-19 crisis. Our Covid-19 work looked at the permanent scarring impacts that crises can have on young people, as well as the intergenerational impact of the labour market shock, housing conditions, and access to the Government support schemes.

#### **Macroeconomic Policy Unit**

We began a new quarterly publication, the Macro Policy Outlook, allowing us to take part in wider debates on macroeconomic policy issues. We produced a series of rigorous and innovative papers on the fiscal framework, making the case for major changes to the UK's fiscal rules. Our Covid-19 work focused on the long-term implications of pandemics and its likely impact on the UK, and culminated in a major report in the run up to the Government's Summer 2020 Economic Report on the fiscal and economic policies that would both help protect the economy from long-term damage from the Covid-19 crisis and ensure a swift recovery.

#### **RF Ventures**

We initiated a new programme of work, Resolution Ventures, to coordinate our social investment activities focused on supporting innovation for low to middle income earners. The work of Resolution Ventures is divided into two categories: 1) action-oriented research relating to ventures, and 2) social investments, directly supporting early-stage start-ups. A Director of Ventures was recruited in early 2020 to oversee this work, focusing initially on the Workertech Partnership, a 3 year programme of social investment and ecosystem development supported by external partners including Accenture. This programme aims to improve the power, progression and prospects of those in low-paid or insecure work, by investing in 'tech for good' start-ups.

#### **General election 2019**

Our approach is to provide context that can inform public and media debate of key policy issues in the run up to major elections. In Autumn 2019 we produced major reviews of tax, social security and the overall size of the state, as well as analysis of some of the big election issues, including minimum wages, housing, fiscal policy and the impact on intergenerational inequalities. We also produced analysis of the main parties' election manifestos focusing on the potential impact on low to middle income households.

## **THE RESOLUTION FOUNDATION**

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

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#### **Covid-19**

The Covid-19 pandemic dominated the second half of 2019-20. Throughout, we aimed to: describe the emerging impacts on the economy, the labour market and household living standards; aid policy makers' and commentators' understanding of the implications; and prescribe policy solutions to support low-to-middle income households and the underlying health of the UK economy. Much of our work was informed by data produced by two large online surveys of working-age adults, supported by funding from The Health Foundation and implemented by YouGov. These collected information across a range of domains (labour market, incomes and benefits, housing and well-being), and provided information on key areas of interest in a timely fashion. As well as adapting our existing aims to focus on issues raised by the pandemic, we also provided rapid assessment of what was a rapidly-changing policy and economic environment, concentrating on policies to support household incomes (the Job Retention Scheme, the Self-Employment Income Support Scheme, and the extra support through the welfare system), and on the role that policy should play in supporting the economy through the crisis and the eventual recovery.

#### **Financial review**

##### **Financial position**

The Financial statements show incoming resources for the year of £2,988,174 with resources expended in the year of £2,288,102.

The incoming resources to the charity comprise donations from 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 payments for ad hoc activity like speaking engagements.

In August 2019, the Trustees of the Resolution Trust agreed minimum funding for the Foundation of £2,100,000 for 2019/2020, £2,100,000 for 2020/2021, and £2,100,000 for 2021/2022.

At 30 September 2020, the Charity had free reserves totalling £913,143. In addition, funds held for restricted purposes amounted to £409,226.

##### **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.

## **THE RESOLUTION FOUNDATION**

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

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#### **STRATEGIC REPORT**

##### **Future plans**

**The charity's key objectives for 2020/2021 are:**

The Foundation will continue to pursue three high-level aims:

- 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 cement our relevance to public policy by broadening scope into other areas around low pay, productivity, cities, technology, intergenerational fairness and macroeconomic policy; and
- o To add real-world grit by increasing the volume of policy recommendations and developing conversations with business, cities and devolved administrations.
- o To zoom out 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
- o To inform public and policy debate on our response to the Covid-19 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.

##### **Planned activities include:**

##### **Covid-19**

At the time of writing, the Covid-19 pandemic looks set to continue into and dominate 2020-21. We will continue our collaboration with The Health Foundation and YouGov to produce timely assessment of how the crisis is affecting households' wellbeing, labour market outcomes, incomes and family finances.

##### **Incomes and inequality**

We will continue to publish annually our flagship Living Standards Audit (assessing recent trends in and prospects for living standards) and Living Standards Outlook (setting out what current economic forecasts and existing policies imply for families across the income distribution). We will continue our focus on how the income distribution was affected by the pandemic, and look forward to assess whether the hoped-for recovery will be felt equally by households across the income distribution. A collaboration with the University of York will take a mixed-methods approach to examining whether the cost of living has changed in the pandemic for low-income households. A major piece of work will take a comparative perspective to assessing financial resilience in the years running up to the crisis, and examine how the pandemic has affected households in the UK, France and Germany. We will also contribute to the Deaton inequality review, specifically on the UK's recent history of inequalities in household resources.

##### **Job, skills and pay**

Our labour market enforcement programme will look at the implications of Brexit for labour market enforcement, as well as identifying sectors likely to be affected by curbs on low-earning migrants. Our Covid-19 work will continue to use online surveys to describe the unequal impact of the pandemic on the labour market, as well as identify the size of the long-term worklessness problem and propose solutions to help minimise the scarring impact on young people. We will continue to produce our annual Low Pay Britain report and calculate the Living Wage rates for the Living Wage Foundation.

##### **Housing, wealth and debt**

Our long-term housing work will take a generational slant on the lifetime costs of home-ownership. As the pandemic continues, we will monitor the extent of housing arrears and suggest policy solutions for resolving outstanding rental debt. We will produce the second Wealth Audit, building on our Covid-19 work that will monitor the distributional impact of the crisis, focusing in on how household balance sheets have been affected differently across the distribution. We will contribute to the LSE-based Wealth Tax Commission, and, working with the LSE and University of Warwick, assess to what extent the conventional survey data on wealth misses out very large amounts of wealth at the top of the distribution.

## **THE RESOLUTION FOUNDATION**

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

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#### **STRATEGIC REPORT**

##### **Tax and welfare**

Our welfare policy work will assess the experience of Universal Credit recipients, given its crucial role in the pandemic, and its ability to prevent financial hardship, as the crisis continues. We will produce a major report on how the Government should think about fiscal consolidation once the Covid-19 crisis is over, including an analysis of the role of potential reforms to wealth and savings taxes.

##### **Fiscal events**

The Foundation will continue to publish reports ahead of, and in response to, all major fiscal events, including the autumn 2020 Spending Review and the 2021 Spring Budget. We plan a series of reports in early 2021 on what policy responses are needed in the Spring Budget to help secure the recovery from Covid-19.

##### **Intergenerational Centre**

We will produce the third annual Intergenerational Audit, again accompanied by four in-depth analytical reports covering employment patterns among older workers, demographic implications of the Covid-19 crisis, and an intergenerational assessment of how incomes and household balance sheets have changed. We will return to the project exploring drivers of and responses to inheritances and gift-giving from older generations to younger ones, drawing on new primary research. We will look to entrench deeper collaborations with academics working on demographic or other issues relevant to the Intergenerational Centre's interests. We will begin a major project of work, with support from The Health Foundation, on the links between unemployment and insecure work and poor mental health among young people.

##### **Macroeconomic Policy Unit**

The work on the Policy Unit will be driven by the Covid-19 crisis, where we will focus on the role that fiscal and economic policy needs to play to reduce the permanent damage from the pandemic, and ensure that low-to-middle income households share in the recovery. We will continue with our quarterly publication, the Macro Policy Outlook.

##### **RF Ventures**

We will continue to deliver investments and ecosystem building within our Workertech Partnership, with support from our funding partners. This will include making seed-stage direct investments, and developing an impact measurement framework for the programme. We will also explore the potential for the creation of a larger social impact fund to follow on from this programme.

##### **Economic Inquiry**

We will embark upon a three-year project in partnership with Centre for Economic Performance at London School of Economics, supported by the Nuffield Foundation, considering the nature, scale, cumulative impact and policy context of the significant economic change facing the UK in light of the impact of the pandemic, Brexit and the transition to zero-carbon emissions.

#### **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.

## **THE RESOLUTION FOUNDATION**

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

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **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 and 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.

##### **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, we faced broad operational and management challenges due to remote working. The pandemic also impacted the health, wellbeing and morale of the staff team, as well as organisational culture and productivity. These risks were successfully mitigated through monitoring Charity Commission and other government guidance relating to the pandemic, and through employee consultation including a regular pattern of staff surveys and follow up discussions. Amendments to managerial procedures and Health and Safety policies and practice were made in response to the needs of both the organisation and employees, and in light of the changing demands of the external situation. We also met the requirements of Cyber Essentials accreditation to confirm our data security and internal processes were equipped to meet the increased risks of fraud and cybercrime, and we amended our research and communications strategy to ensure we could best emphasise the changing needs of low to middle income households.

The most significant organisational risk identified was the challenge posed by the expansion into social investment which brings risks inherent to venture capital initiatives, additional governance and regulatory requirements and the challenge of integrating this new area of work into operational work plans. This was successfully mitigated through recruitment of a dedicated Director of Ventures, establishing appropriate governance structures including a Social Investment Committee, and through seeking legal and professional advice when required.

**THE RESOLUTION FOUNDATION**

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

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**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 (appointed 28/11/2019)  
A Turner (appointed 28/11/2019)

**Company Secretary**

T Bell

**Senior Statutory Auditor**

P J Thacker FCA DChA

**Auditors**

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

**Solicitors**

Stone King  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

**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

## **THE RESOLUTION FOUNDATION**

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

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#### **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.

#### **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.

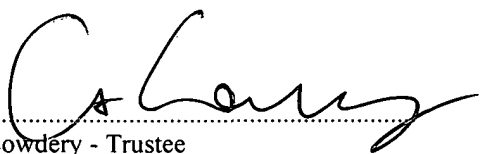
In so far as the trustees are aware:

- 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 27<sup>th</sup> April 2021 and signed on the board's behalf by:



.....  
C A Cowdery - Trustee

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

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**Opinion**

We have audited the financial statements of The Resolution Foundation (the 'charitable company') for the year ended 30th September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th September 2020 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**

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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

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

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

**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**

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**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.

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the 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.



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

Date: 30 April 2021

**THE RESOLUTION FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

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	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	2,113,653	788,806	2,902,459	1,807,648
Investment income	3	2,301	-	2,301	2,274
Other income	4	<u>83,414</u>	<u>-</u>	<u>83,414</u>	<u>61,203</u>
<b>Total</b>		2,199,368	788,806	2,988,174	1,871,125
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
Research and Education		1,843,868	444,234	2,288,102	1,756,236
<b>NET INCOME</b>		355,500	344,572	700,072	114,889
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		557,643	64,654	622,297	507,408
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

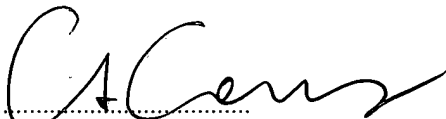
The notes form part of these financial statements

**THE RESOLUTION FOUNDATION (REGISTERED NUMBER: 05588883)**

**BALANCE SHEET**  
**30TH SEPTEMBER 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>CURRENT ASSETS</b>					
Debtors	11	868,131	-	868,131	328,616
Cash at bank		<u>486,651</u>	<u>409,226</u>	<u>895,877</u>	<u>371,682</u>
		1,354,782	409,226	1,764,008	700,298
<b>CREDITORS</b>					
Amounts falling due within one year	12	(441,639)	-	(441,639)	(78,001)
		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>
<b>NET CURRENT ASSETS</b>					
		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>
<b>NET ASSETS</b>					
		<u>913,143</u>	<u>409,226</u>	<u>1,322,369</u>	<u>622,297</u>
<b>FUNDS</b>					
	14				
Unrestricted funds				913,143	557,643
Restricted funds				<u>409,226</u>	<u>64,654</u>
<b>TOTAL FUNDS</b>					
				<u>1,322,369</u>	<u>622,297</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27th April 2021 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 2020**

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	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>521,894</u>	<u>(15,215)</u>
Net cash provided by/(used in) operating activities		<u>521,894</u>	<u>(15,215)</u>
<b>Cash flows from investing activities</b>			
Interest received		<u>2,301</u>	<u>2,274</u>
Net cash provided by investing activities		<u>2,301</u>	<u>2,274</u>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		524,195	(12,941)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>371,682</u>	<u>384,623</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>895,877</u>	<u>371,682</u>

The notes form part of these financial statements

**THE RESOLUTION FOUNDATION**

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

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**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	700,072	114,889
<b>Adjustments for:</b>		
Interest received	(2,301)	(2,274)
Increase in debtors	(539,515)	(150,659)
Increase in creditors	<u>363,638</u>	<u>22,829</u>
<b>Net cash provided by/(used in) operations</b>	<u>521,894</u>	<u>(15,215)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/10/19 £	Cash flow £	At 30/9/20 £
<b>Net cash</b>			
Cash at bank	<u>371,682</u>	<u>524,195</u>	<u>895,877</u>
	<u>371,682</u>	<u>524,195</u>	<u>895,877</u>
<b>Total</b>	<u>371,682</u>	<u>524,195</u>	<u>895,877</u>

The notes form part of these financial statements

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**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.

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 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.

**Tangible fixed assets**

**Recognition and measurement**

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Tangible fixed assets with a cost of more than £5,000 are capitalised at cost.

Depreciation is provided to write off the cost of office computers and equipment on a straight line basis over their estimated lives of 5 years.

**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.

## **THE RESOLUTION FOUNDATION**

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

#### **1. ACCOUNTING POLICIES - continued**

##### **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.

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.

#### **2. DONATIONS AND LEGACIES**

	2020 £	2019 £
Grants	<u>2,902,459</u>	<u>1,807,648</u>

Resolution Trust are committed to fund the Foundation for at least a further 2 years having awarded grants totalling £6,300,000 with effect from 1 October 2019.

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

	2020 £	2019 £
Resolution Trust	2,100,000	1,635,000
Other Grants	3,653	500
Unbound Philanthropy	70,000	70,000
Clarion Housing Group	8,125	8,420
Liverpool City Region Combined Authority	14,888	14,888
Nuffield Foundation	46,896	48,840
Trust for London	20,000	20,000
Lloyds Bank PLC	10,000	10,000
The Health Foundation	146,897	-
J P Morgan	391,000	-
Standard Life	91,000	-
	<u>2,902,459</u>	<u>1,807,648</u>

**THE RESOLUTION FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH SEPTEMBER 2020****3. INVESTMENT INCOME**

	2020	2019
	£	£
Bank Interest	<u>2,301</u>	<u>2,274</u>

**4. OTHER INCOME**

	2020	2019
	£	£
Administration charges	5,013	4,944
Miscellaneous income	<u>78,401</u>	<u>56,259</u>
	<u>83,414</u>	<u>61,203</u>

Miscellaneous income in 2019 and 2020 consists of payment for projects and articles including:

	2020	2019
	£	£
Clarion Housing Group	3,750	-
Aviva	59,400	-
Citizens UK	7,500	7,500
Guardian/Observer	4,771	-
The Health Foundation	-	8,650
Greater Manchester Combined Authority	-	7,850
Low Pay Commission	-	5,580
Scotland Poverty and Inequality Commission	-	<u>23,550</u>
	<u>75,421</u>	<u>53,130</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Research and Education	<u>2,221,234</u>	<u>66,868</u>	<u>2,288,102</u>

**6. SUPPORT COSTS**

	Management	Governance costs	Totals
	£	£	£
Research and Education	<u>58,779</u>	<u>8,089</u>	<u>66,868</u>

**THE RESOLUTION FOUNDATION**

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

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**6. SUPPORT COSTS - continued**

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

	2020 Research and Education £	2019 Total activities £
Other operating leases	6,029	6,346
IT support and supplies	22,275	25,329
Insurance	4,385	3,253
Remote working equipment and costs	12,352	-
Postage and stationery	682	1,928
Memberships and subscriptions	3,485	2,718
Photocopier charges	2,450	2,586
Payroll and finance support	6,377	4,761
Travel	744	2,756
Auditors' remuneration	6,000	5,820
Sundries	<u>2,089</u>	<u>393</u>
	<u>66,868</u>	<u>55,890</u>

**7. NET INCOME/(EXPENDITURE)**

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

	2020 £	2019 £
Auditors' remuneration	6,000	5,820
Other operating leases	6,029	6,346
Operating leases - property	<u>179,440</u>	<u>111,655</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 30th September 2020 nor for the year ended 30th September 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30th September 2020 nor for the year ended 30th September 2019.

**THE RESOLUTION FOUNDATION**

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

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**9. STAFF COSTS**

	2020	2019
	£	£
Wages and salaries	1,373,536	1,122,625
Social security costs	158,850	130,646
Other pension costs	<u>95,625</u>	<u>78,404</u>
	<u>1,628,011</u>	<u>1,331,675</u>

**Key management personnel**

The total employee benefits paid to key management personnel during the year amounted to £650,266 (2019: £623,492).

**Average Number of employees**

The average number of employees on a full time equivalent basis was 24 (2019: 20).

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

	2020	2019
Total	<u>27</u>	<u>22</u>

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

	2020	2019
£60,001 - £70,000	-	1
£70,001 - £80,000	4	2
£90,001 - £100,000	-	2
£120,001 - £130,000	1	1
£130,001 - £140,000	<u>1</u>	<u>1</u>
	<u>6</u>	<u>7</u>

**THE RESOLUTION FOUNDATION**

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

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	1,645,500	162,148	1,807,648
Investment income	2,274	-	2,274
Other income	<u>61,203</u>	<u>-</u>	<u>61,203</u>
<b>Total</b>	1,708,977	162,148	1,871,125
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Research and Education	1,653,981	102,255	1,756,236
<b>NET INCOME</b>	54,996	59,893	114,889
<b>Transfers between funds</b>	<u>62,293</u>	<u>(62,293)</u>	<u>-</u>
<b>Net movement in funds</b>	117,289	(2,400)	114,889
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>440,355</u>	<u>67,053</u>	<u>507,408</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>557,644</u>	<u>64,653</u>	<u>622,297</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	85,235	36,474
Other debtors	150,000	150,000
Prepayments and accrued income	<u>632,896</u>	<u>142,142</u>
	<u>868,131</u>	<u>328,616</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	81,707	12,142
Social security and other taxes	54,252	46,761
Accrued expenses	<u>305,680</u>	<u>19,098</u>
	<u>441,639</u>	<u>78,001</u>

**THE RESOLUTION FOUNDATION**

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

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**13. LEASING AGREEMENTS**

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

	2020	2019
	£	£
Within one year	326,793	123,199
Between one and five years	<u>884,744</u>	<u>17,892</u>
	<u>1,211,537</u>	<u>141,091</u>

**14. MOVEMENT IN FUNDS**

	At 1/10/19 £	Net movement in funds £	At 30/9/20 £
<b>Unrestricted funds</b>			
General fund	557,643	355,500	913,143
<b>Restricted funds</b>			
Clarion Housing Group - Work and poverty transitions for social renters	1,530	(1,530)	-
Health Foundation – Securing high quality work	-	68,429	68,429
J P Morgan - Financial health and resilience	-	286,315	286,315
Standard Life - Wealth audit	-	3,880	3,880
Trust for London -Working hours and time use	10,022	(10,022)	-
Unbound Philanthropy -Precarious workers	<u>53,102</u>	<u>(2,500)</u>	<u>50,602</u>
	<u>64,654</u>	<u>344,572</u>	<u>409,226</u>
<b>TOTAL FUNDS</b>	<u>622,297</u>	<u>700,072</u>	<u>1,322,369</u>

**THE RESOLUTION FOUNDATION**

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

**14. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,199,368	(1,843,868)	355,500
<b>Restricted funds</b>			
Clarion Housing Group - Work and poverty transitions for social renters	8,125	(9,655)	(1,530)
Health Foundation - Securing high quality work	73,700	(5,271)	68,429
Health Foundation - CV effects on labour market	35,590	(35,590)	-
Health Foundation - Informing the recovery	37,607	(37,607)	-
J P Morgan – Financial health and resilience	391,000	(104,685)	286,315
Liverpool City Region Combined Authority – Universal Credit	14,888	(14,888)	-
Nuffield Foundation – Falling wages	46,896	(46,896)	-
Standard Life – Wealth audit	70,000	(66,120)	3,880
Standard Life – Social security and CV	21,000	21,000	-
Trust for London – Working hours and time use	20,000	(30,022)	(10,022)
Unbound Philosophy – Precarious workers	70,000	(72,500)	(2,500)
	<u>788,806</u>	<u>(444,234)</u>	<u>344,572</u>
<b>TOTAL FUNDS</b>	<u>2,988,174</u>	<u>(2,288,102)</u>	<u>700,072</u>

**THE RESOLUTION FOUNDATION**

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

**14. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1/10/18 £	Net movement in funds £	Transfers between funds £	At 30/9/19 £
<b>Unrestricted funds</b>				
General fund	440,355	54,995	62,293	557,643
<b>Restricted funds</b>				
Clarion Housing Group – Work and poverty transitions for social renters	-	1,530	-	1,530
INET/Oxford - Employment, Equity and Growth Programme	62,293	-	(62,293)	-
Trust for London - Working hours and time use	-	10,022	-	10,022
Unbound Philanthropy – Agency workers	4,760	(4,760)	-	-
Unbound Philanthropy - Precarious workers	-	53,102	-	53,102
	<u>67,053</u>	<u>59,894</u>	<u>(62,293)</u>	<u>64,654</u>
<b>TOTAL FUNDS</b>	<u>507,408</u>	<u>114,889</u>	<u>-</u>	<u>622,297</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,708,977	(1,653,982)	54,995
<b>Restricted funds</b>			
Clarion Housing Group - Work and poverty transitions for social renters	8,420	(6,890)	1,530
Liverpool City Region Combined Authority - Universal Credit	14,888	(14,888)	-
Nuffield Foundation - Intergenerational Audit	48,840	(48,840)	-
Trust for London – Working hours and time use	20,000	(9,978)	10,022
Unbound Philanthropy – Agency workers	-	(4,760)	(4,760)
Unbound Philanthropy - Precarious workers	70,000	(16,898)	53,102
	<u>162,148</u>	<u>(102,254)</u>	<u>59,894</u>
<b>TOTAL FUNDS</b>	<u>1,871,125</u>	<u>(1,756,236)</u>	<u>114,889</u>

**14. MOVEMENT IN FUNDS - continued**

**Clarion Housing Group - In-work Poverty and Social Renters**

The grant is provided to carry out research into work and poverty transitions, with a particular focus on social renters. The grant allows us to add to our understanding in two novel ways: first by exploring the intersection between in-work poverty and tenure, and second by analysing the dynamics in-work poverty using longitudinal data. In addition, we will enrich our understanding still further via a survey of social renters and three focus groups.

**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.

**Health Foundation - Coronavirus effects on the labour market, incomes and inequalities.**

The impact of Covid-19 is extensive, particularly in regard to the economic impact on the UK labour market and housing which may cause longer term poor health outcomes and increase health inequalities. Timely data on what is happening to various groups as a result of Covid-19 is essential to help policy makers make the right decisions in the UK's recovery and handling of the forthcoming economic downturn. The Health Foundation an independent charity committed to bringing about better health and health care for people in the UK and the Resolution Foundation collaborated to collect relevant data via a large representative survey of adults in the UK, covering a range of living standard and health inequality themes. The data informed several Resolution Foundation reports during the period.

**Health Foundation - Informing the recovery in 2021**

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

**Institute of New Economic Thinking (INET) research programme**

This is a research programme at INET at the Oxford Martin School, University of Oxford, looking at the links between growth, employment, living standards and working life for low to middle income households, focusing on why the growth model in the UK and other developed economies has failed to deliver for the low to middle income group over the past few decades and what policy and institutional changes might lead to a better, fairer model of growth.

The balance of a donation from the Resolution Trust, restricted to cover the management and support costs associated with the Employment, Equity, and Growth Programme, a collaboration between Resolution Trust, Resolution Foundation and the Institute for New Economic Thinking at the Oxford Martin School, University of Oxford, was de-restricted by the Trustees of the Resolution Trust during the year as the collaboration is now complete.

**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.

**Liverpool City Region Combined Authority - Universal Credit**

The grant supported a comprehensive assessment of Universal Credit's implications both across the UK and at the Liverpool City Region level. It drew on administrative data, microsimulation modelling, case-study modelling, and in-depth qualitative interviews with Universal Credit recipients to assess the benefit's roll-out to date and its long-run impact on welfare generosity and work incentives.

**14. 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 - 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.

**Standard Life - Social Security and Coronavirus**

This grant supported an evidence-based assessment of how Universal Credit is coping with the coronavirus crisis, and how its recipients are coping financially.

**Trust for London - Working Hours and Time Use**

This grant funds a research project which focuses on working hours and time use in London and the UK. Across two publications, the research aims to build a comprehensive picture of time use at work and leisure in the UK; establish how and why this picture has changed over time; explore levels of satisfaction with working patterns; and consider how policy makers should best engage with the question of time use in the future.

**Unbound Philanthropy - Agency Workers**

Unbound Philanthropy provided a grant to build a body of evidence on temporary agency workers in the UK in order to identify an appropriate policy response. Through the course of the project we developed a new measure for agency workers; explored the pay penalty; and used our analysis to substantial effect to animate ongoing debates about good work.

**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 some depth.

**15. 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 £95,625 (2019: £78,404). At the year end £nil was due to the Trust (2019: £nil).

**THE RESOLUTION FOUNDATION**

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

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**16. 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.

**17. 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.