

**Clarion Futures**

**Annual Report and Financial Statements  
For the year ended 31 March 2023**

**Companies House No. 07156509  
Charity Commission No. 1135056**

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## **GENERAL CORPORATE INFORMATION**

### **Trustee Directors**

Lord Barwell	(Chair)
John Ball	
Karima Fahmy	(appointed 1 February 2023)
Patrick Hughes	
Dr. Usha Sundaram	
Terry Stacy MBE JP	(resigned 16 June 2023)

The directors of the charitable company are its trustees for the purposes of charity law.

Day-to-day management of the charity is delegated to the Director and Heads of Community Investment and the Clarion Group Executive Team, with Clare Miller as Group Chief Executive.

### **Company Secretary**

Louise Hyde

### **Registered and Principal Office**

Level 6  
6 More London Place  
Tooley Street  
London  
SE1 2DA

### **Auditors**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

## **REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT)**

The trustees of Clarion Futures present their annual report and financial statements for the year ended 31 March 2023.

### **Formation**

Clarion Futures ("the charity") is a subsidiary of Clarion Housing Group Limited ("Clarion Housing Group", "the Group"), a charitable registered society and a registered provider of social housing. The Group's purpose is to make a difference and has a mission, as a business for social purpose, to provide homes for those who need them most. The registered provider of social housing within the Clarion Housing Group is Clarion Housing Association Limited ("the Association"), a charitable community benefit society.

### **Objects**

The objects of the charity are set out in full in its Memorandum and Articles. They are, in summary:

- To develop the capacity and skills of the members of any socially and economically disadvantaged community;
- The prevention or relief of poverty or financial hardship;
- To promote social inclusion for the public benefit;
- To promote and advance the education of the public in sustainable development and the protection, enhancement and rehabilitation of the environment;
- The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation; and
- Providing housing accommodation and assistance to help house people and associated facilities and amenities for the relief of the aged, disabled, handicapped or chronically sick.

The trustees have had regard to public benefit in deciding to focus on communities where the Group has a substantial presence. The activities below are primarily to relieve poverty and fees are not charged.

### **Structure and Governance**

Clarion Futures is incorporated under the Companies Act 2006 as a company limited by guarantee and is registered as a charity with the Charity Commission. It is governed by its Memorandum and Articles of Association.

Clarion Housing Group Limited has the right to appoint and remove the charity's trustees.

There are currently five trustees, who are:

- one non-executive director of the Group;
- one non-executive director of another organisation within the Group; and
- three independent trustees.

In the event of a vacancy, the Group Remuneration, Nominations and People Committee will recommend the appointment of a new trustee under the Group's governance framework.

All trustees have received an induction to the overall Clarion Housing Group organisation. Trustees receive appropriate training and there is further opportunity to attend specific courses as required, using a dedicated training budget for board members within the Group. Trustees have also been made aware of their responsibilities, using the Charity Commission's guide 'The Essential Trustee' as a reference point.

## **REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) (CONTINUED)**

The trustees take significant decisions, such as the approval of the annual budget and business plan. The trustees meet formally throughout the year.

Day-to-day management of the charity is delegated to the Director and Heads of Community Investment and the Clarion Group Executive Team, with Clare Miller as Group Chief Executive.

Clarion Futures utilises the Group's internal control framework, which includes a governance framework, financial regulations, policies and procedures, an internal audit function, a Group-wide Health and Safety function, a risk management function and three oversight committees: the Audit and Risk Committee, the Treasury Committee and the Investment Committee (which scrutinises all property development).

### **Grant making policy**

Clarion Futures is only able to provide financial assistance in accordance with its objects, as summarised on page 4.

### **Investment Policy**

Clarion Futures aims to use its resources to provide high quality services which support vulnerable people and communities in the areas where Clarion Housing Group operates. Enabling activity is funded through external income, direct deployment of an annual donation by the Group or indirectly, through returns from the charity's investments.

The Trustees note the investment grade rating assigned to Clarion Housing Group by credit rating agencies Moody's (A3 with negative outlook) and Standard and Poor's (A- with stable outlook). These strong investment grade ratings are consistent with Clarion Futures' credit risk appetite; accordingly, funds continue to be lent to the Association on a short-term basis.

The Trustees regularly review the investment strategy as investment returns and funding requirements evolve.

As at 31 March 2023 £30.6 million is lent on an arm's length basis to the Association (2022: £18.0 million).

### **Reserves Policy**

In accordance with the wishes of the donors, donations from the Association have been retained as an expendable endowment in order to invest and generate future income to support Clarion Futures' charitable activities. The budget for the year ending 31 March 2023 and future years has been approved on the basis that the Association will provide for any expected shortfall below £20 million.

## **REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) (CONTINUED)**

### **STRATEGIC REPORT**

#### **Achievements and Performance**

The board and senior management team undertook a review of the charity's strategic aims during the year and agreed four new strategic objectives as follows:

1. To help our customers achieve their aspirations and become more financially resilient;
2. To enhance the wellbeing of our customers and communities;
3. To create sustainable communities and places people want to live; and
4. To work with the wider organisation and our partners to leverage additional social value for our customers and communities.

To help achieve the strategic objectives of the charity the core operational objectives are:

1. To support the unemployed into work and training;
2. To help people on low incomes maximise their income, reduce energy bills, build their financial capability and resilience, and reduce and avoid debt;
3. To help them access the internet and improve their digital skills; and
4. To support younger and older vulnerable residents and strengthen and improve local communities and the ability of local people to improve their communities.

All of the charity's activity in the period was focussed on delivering programmes that aim to achieve these objectives. Activities focussed on communities where the Association operates. As the rest of the Clarion Housing Group is focussed on providing housing accommodation and assistance, the charity is not currently active in this area but will keep this under review.

The Group and Association have kindly made available its specialist staff from the Community Investment team to set up and run these programmes and Clarion Futures has reimbursed their direct costs. The Group charged the charity £0.9 million (2022: £0.7 million) for central management costs incurred in supporting the programme, including IT, HR, Governance and Finance support; a further £2.1 million of these costs were not recharged and have been recognised as donated services (2022: £2.1 million).

During the year funding was received from a number of sources including the European Social Fund for Love London Working, a number of charitable trusts and the National Lottery.

On 18 June 2022 Clarion Housing Group was subject to a cyber-security incident. We rapidly engaged the services of our cyber security partner and other external experts to help bring our systems back in a safe and secure way. Restoration of our systems concluded during the financial year. A forensic investigation into the incident has been completed and the Group is in the process of implementing its recommendations. The incident had a significant impact on IT systems including those run and used by Clarion Futures. This meant that support services were severely reduced for at least 1 quarter with continuing impacts felt throughout the rest of the year. As a result, levels of support delivered by Clarion Futures in 2022/23 in some areas are below what was projected at the beginning of the year. Staff worked tirelessly to put new systems in place and vulnerable residents were contacted to ensure they had the immediate support they needed.

Residents also faced a severe financial squeeze because of the so-called 'Cost of Living' crisis caused by rising energy costs following the start of the war in Ukraine, and by general price inflation following the opening up of the economy post-pandemic. To help mitigate the worst impacts Clarion Futures launched a 'Cost of Living Emergency Fund' which provided extra support to residents and communities. Details of the additional support provided are included in the sections covering Money Guidance and Communities.

The trustees are pleased to report on a wide ranging and active programme of projects supporting the four operational objectives:

## REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) (CONTINUED)

### Helping Residents into Work and Training

The charity has continued to recognise the importance of helping people into work and training. Clarion Futures achieves this through four main services:

1. **Jobs & Training employment service:** this team supports unemployed people across the country in two key ways:
  - (i) Pre-Employment support - helps the unemployed get ready for work through bespoke support, advice and guidance, confidence building, vocational and sector-specific training programmes, numeracy, literacy and IT support, work placements volunteering, job clubs, grants and support with costs such as childcare and travel; and
  - (ii) Employer Engagement - working with employers and the pre-employment team to source and place unemployed people directly into job vacancies as well as providing 'in-work' support and apprenticeship opportunities.
2. **Love London Working:** in October 2015, the charity secured £6.64 million from the European Social Fund, managed by the Greater London Authority, ("GLA"), to deliver a £13.3 million project to help thousands of London's most vulnerable and excluded residents into employment and training. The project is called 'Love London Working'. Clarion Futures is the accountable body and leads the project on behalf of 15 housing associations in London. Of the grant and spend amounts above, around 40% is expected to be the charity's share over the course of the project. Following a successful application, the contract with the GLA was extended in August 2019 to March 2023. The total funding for the project has increased to £34 million and the targets increased to 28,000 people supported, of which 6,500 will be helped into work. At the end of March 2023 25,263 (2022: 22,832) had been supported with 7,782 (2022: 7,160) helped into work.
3. **Apprenticeships:** working with employers and Clarion Housing Group, Clarion Futures continued to provide a wide-ranging apprenticeship programme, supporting 120 apprenticeships during the year. This brings the overall number of apprenticeships supported by the charity to 1,745 (2022: 1,625) since the programme started 12 years ago.
4. **Self-employment:** setting up your own business is a helpful and flexible route into work for some people and the charity has supported residents with training and grant support for a number of years. The programme was boosted by an EU funded programme in the East of England called 'Increase VS', providing training and mentoring support to help residents set up in business. The Increase VS programme ended during the year and overall we supported 74 new business start-ups during the year (2022: 114).

These four services enabled Clarion Futures to support 2,114 people into work in the last year (2022: 3,717).

Clarion Futures also offers a wide range of training opportunities for residents:

**Pre-employment skills:** helping people to develop the skills needed to access employment. This includes confidence, motivation, CV writing and interview skills;

**E-learning:** the charity has a comprehensive e-learning programme offering access to training in subjects such as health and safety, manual handling and IT essentials; and

**Vocational training:** the charity works with employers and work placement hosts to offer residents accredited training opportunities that aim to lead to voluntary work placements and/or work. In the last year we have run vocational courses in subjects such as Construction Skills, Security Industry Authority awards, Personal Track Safety and Customer Service.

These programmes resulted in 5,918 (2022: 5,282) training outcomes during the year.

## REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) (CONTINUED)

### **Money and Digital Service**

Clarion Futures continues to promote an extensive Financial and Digital Inclusion programme through its 'Money' and 'Digital' services. These proved to be vital during the pandemic. The national offer covers a number of areas of support:

**Access to banking and Credit Union services:** our National Banking Offer with Leeds City Credit Union offers a full range of on-line and telephone-based banking services coupled with savings, loans and a range of other affordable financial products.

**Money & Energy saving guidance:** the telephone based one-to-one service continues to provide extensive support to residents with budgeting, energy saving and financial capability support. A total of 17,656 (2022: 20,248) support interventions were delivered by the service supporting 4,349 (2022: 3,945) households during the year. The Money Guidance team engaged 2,033 households experiencing fuel poverty through directly contacting households more likely to be at risk, with a quarter of these progressing into full money guidance casework.

**'Cost of Living' Hardship Fund:** The Money Guidance team made 3,474 household grant awards (2022: 1,771) worth £235,000 (2022: £245,000). While households might have received multiple awards, the reduction in average award size from £143 to £67 reflects the shift away from high cost items (washing machines, cookers etc.) to lower value awards such as food, energy, school uniforms and small kitchen appliances, in response to changing household needs.

In response to the cost of living crisis, underspend generated through the first 6 months of the year was used to create an Emergency Cost of Living Fund. This provided an additional £250,000 for community-based food initiatives, the creation of 'warm spaces' within community centres, pilot projects centred around cooking on a budget and a 'gas servicing' fund to help prevent residents having their energy supply suspended.

**Debt Advice:** Clarion Futures provides access to free telephone-based debt advice through partnerships with Step Change Debt Charity and Penny Smart. A total of 1,020 (2022: 3,022) of the Association's residents were referred for debt advice during the year.

**Access to the internet (digital inclusion):** the pandemic meant digital inclusion has been a key focus for Clarion Futures over the last couple of years. The Digital device loan scheme has rapidly expanded with more than 800 (2022: 800) laptops and wifi devices on loan to residents, job seekers, schools, Digital Champions and community groups. Alongside this, we continued to deliver our digital skills training programme delivering 3,226 (2022: 3,110) hours of training. Overall, the 'Digital' service delivered 27,375 (2022: 28,858) digital support interventions to 4,392 (2022: 3,254) individuals.

### **Communities Programme - Supporting Younger and Older Vulnerable People and Improving Communities**

During the year, Clarion Futures continued to support a wide range of projects designed to improve communities and support Clarion Housing Association's (HA's) younger and older residents. Some of the main highlights of the programme are outlined below:

**Community Grants Programme:** A total of £598,984 (2022: £611,031) in grants were awarded to 132 projects (2022: 112) in Clarion HA communities, benefitting 12,000 (2022: 17,000) Clarion HA residents and delivering 18,288 (2022: 23,750) extra volunteer hours.



## **REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) (CONTINUED)**

**Age Friendly Communities:** Over the last 12 months, the Age Friendly Team has grown its programmes significantly, testing and learning new approaches to support our communities to age well. New focus areas for the programme have included:

- a Green Consortium initiative, giving young people the tools to improve their local green spaces and the opportunity to have a say on how Clarion HA can involve children in the development of its sustainability commitments;
- a national £1.2 million Intergenerational Social Action programme in partnership with InCommon and Intergenerational Music Making exploring creative ways of connecting generations across ages; and
- the launch of a collaborative Age Friendly Communities programme, which will see Housing Associations across the country working together to embed the learnings from The National Lottery Community Fund's Ageing Well work.

Our latest cohort of National Ambassadors saw six passionate young residents join the programme and take part in a busy calendar of volunteering and social action initiatives. Among their priorities they responded to a 'Brilliant Business Problem' which was 'how can Clarion HA ensure its residents are connected across generations?' by running pop-up community events. They also sought to tackle the youth housing crisis by making an informative film about housing options for young people.

One of the other highlights was our third Youth Exchange Programme, which saw a group of 14 young people from Clarion HA communities and Malta come together to share ideas and create international social action projects. In January 2023 the cohort visited Malta where they each had a 1:1 meeting with the Maltese president. In March they attended the Commonwealth Day Service at Westminster Abbey.

Clarion 55, our ambassador group for older residents, continued to make waves. In December 2022 they were part of an exchange trip with French Housing Association, Paris Habitat. Four of our ambassadors travelled to Paris where they visited older people's housing schemes, met other residents at a social event and presented to senior staff from Paris Habitat. The group returned with new ideas on how Clarion HA can improve services. The group also launched the 'Let the Light In' lighting project, which is a joint project between Clarion HA, The Royal College of the Arts and architects Speirs and Major. The project is testing how small changes in lighting design can improve older resident's sense of safety, circadian rhythms and happiness in both internal and external environments. An additional £50,000 has now been secured to scale up the work to Clarion HA's community assets portfolio.

Our Hometruths House programme has also been growing, with all new young tenants being offered support and guidance when setting up their first tenancy through a one-off workshop, a furniture voucher for their home and ongoing advice through the Clarion Futures teams. We are developing an online learning platform for the programme and exploring an app to support young people once they move into their property.

We have also grown our 'Play Streets' Programme with 25 streets closing for a day as part of a campaign for children's 'right to play' in our communities. Our Play Strategy was launched in 2022 and we will be pushing a 'summer of play' in partnership with the 'Playing Out Campaign' in the summer of 2023.

Finally, we have been leading a Clarion-wide approach to improve our support for care leavers. The care leavers working group launched four initial commitments:

- guaranteed interviews for anyone who states that they have experience of the care system on an application form for a Clarion job;
- roll-out of Adverse Childhood Experiences training for staff;
- a £250 start-up voucher for attending our Hometruths House first tenancy workshop; and
- development of an in-house mentoring offer for young care leavers in partnership with the youth charity 'Break'.

## **REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) (CONTINUED)**

Overall the Communities programme delivered 45,929 (2022: 47,089) positive engagements of young people during the year and 17,886 (2022: 17,369) for older people. This led to 13,406 (2022: 10,434) positive outcomes for young people and 5,672 (2022: 3,984) for older people, including accredited training outcomes, volunteering placements and jobs.

### **Community Assets**

Clarion Futures continues to work closely with Clarion Housing Association to enable their residents and local community organisations to access Clarion's Community Assets (facilities). Several transfers of assets into local ownership were completed during the year including facilities in Bolton, Salford and Birmingham. The next tranche of assets to be progressed towards local ownership include Butley Court and Eastside in Tower Hamlets; Sheffield Community Centre; Orchard Community Hub in Lewisham; Betty Rushden Centre in Stoke; and the Community Gym in Tamworth.

### **Warm Spaces**

This initiative, set up as part of our Cost-of-Living Crisis response, was designed to help fund partners in Clarion HA's Community Assets and other local facilities to provide a warm, welcoming and relaxing environment during the winter period. The Warm Spaces offer is built around providing a minimum additional 4 hours per week for residents to access a warm community building and enjoy the chance to socialise, join in activities and enjoy a hot meal. The initial phase saw 28 community partners awarded £122,000 in direct grant funding. We were able to distribute a further £64,000 in additional funding to extend 21 of the original portfolio of projects. We are currently pulling together a programme evaluation report, but some of the benefits, which have already been identified, include:

- a large uplift in partner referrals to local wellbeing services via charities and Local Authorities;
- significant increase in footfall at Assets and demand for extension/expansion of community activities; and
- high satisfaction, most notably older people, families with young children, and refugee groups.

### **Open spaces improvement**

We have delivered over 27,000 m<sup>2</sup> (2022: 10,000 m<sup>2</sup>) of improvements to underutilised open space and community facilities through collaborative work with stakeholders across our neighbourhoods. Food growing, play and biodiversity continue to be key themes for our communities and the majority of projects have focused on these areas. We have also been identifying sports facilities, which need refurbishment and this will be a central focus in the coming year.

## **REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) (CONTINUED)**

### **Financial Review**

The statement of financial activities is set out on page 18 and shows the result for the year.

The charity's income for the year was £26.0 million (2022: £6.6 million), which included £2.1 million (2022: £2.1 million) of donated services from other members of the Clarion Housing Group ("CHG"), as well as an £11.4 million top-up to the endowment fund from Clarion Housing Association (2022: £nil) and £8.5 million gift aid from other CHG members (2022: £nil). As a result of sourcing additional external funding to support the charity's activity and expenditure, income recognised on external grants and contracts was £3.0 million (2022: £4.1 million).

Interest income from the investment of the charity's endowment was higher at £1.0 million (2022: £0.4 million) because of increased Endowment Funds and interest rates.

A total of £15.8 million (2022: £16.0 million) was spent in line with the charity's charitable objectives. An analysis of this expenditure, by type and between Clarion Futures' four strategic objectives, is provided in note 4 to the financial statements.

As at 31 March 2023 £5.2 million (2022: £5.2 million) was borrowed from Circle Anglia Foundation at a 0% interest rate. This balance is included in the £30.6 million on-lent to Clarion Housing Association (2022: £18.0 million) which attracts interest at SONIA plus 1.5%.

### **Plans for Future Periods**

The financial squeeze outlined earlier is expected to continue into 2023/24 and provision has been made to deliver further additional support particularly over the winter. Extra resources have been made available to our Money Guidance team to support Clarion residents, particularly those most vulnerable to fuel poverty. We will also continue to support our charitable partners on the ground by providing non-financial business advice and core cost support where needed.

The external funding environment is also changing with the dawn of the new UK Shared Prosperity Fund (SPF), which replaces EU funding. Some of our key projects such as 'Love London Working' are reliant on external funding and during the coming year we will engage funders and commissioners to try to secure additional funding if possible. We have already been successful in securing SPF to deliver community based numeracy training to adults through the 'Multiply' programme.

A major programme for the first quarter of next year is the introduction of a new Futures-wide integrated case management system. This will improve customer support, data insight and cross referrals between the teams and Clarion.

### **Principal Risks and Uncertainties**

The Board reviews the key risks facing the charity on a regular basis. Key risk areas have been impacted by the cyber-attack that affected Clarion HA's IT systems in June 2022 and each of the principal risks which are set out below have been reviewed and updated to take account of the extra challenges this caused. The 'Cost of Living' crisis has also placed extra demands on our services, which we are monitoring closely. The current principal risks are:

- Clarion Futures does not have sufficient resources to support residents and communities, particularly in light of the continuing 'Cost of Living' crisis. This risk also relates to the availability of long term funding from external organisations such as European structural funds and any impact on levels of continued funding from Clarion Housing Group
- A loss of reputation for both Clarion Futures and the overall Clarion Housing Group as a result of a poor outcome from a charitable activity. This includes health and safety risks relating in particular to managing Clarion's community facilities, safeguarding of vulnerable residents and compliance with data protection regulations.
- Attacks or disruption to IT systems

The trustees have considered Clarion Futures' risks and their mitigation which includes a comprehensive risk action plan outlining risk mitigations, timescales and responsibilities. Trustees have concluded that risks within the charity's control are well managed and in line with the current risk appetite.

**REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) (CONTINUED)**

**Disclosure of Information to Auditor**

The trustees who held office at the date of approval of this Report of the Trustees (including Strategic Report) confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**Auditor**

KPMG LLP have expressed their willingness to continue in office as the Group's auditor. Accordingly, a resolution to reappoint them as auditor will be proposed at the forthcoming Trustees Meeting.

On behalf of the trustees, including approval of the Strategic Report as company directors,

*Gavin Barwell*

Lord Barwell  
Chair  
5 July 2023

**STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF CLARION FUTURES IN RESPECT OF THE REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT) AND THE FINANCIAL STATEMENTS**

The Trustees are responsible for preparing the Report of the Trustees (including Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLARION FUTURES

### Opinion

We have audited the financial statements of Clarion Futures ("the charitable company") for the year ended 31 March 2023, which comprise the Statement of Financial Activities (including Income and Expenditure Account), Statement of Financial Position and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work are that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLARION FUTURES (CONTINUED)

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of the Executive Team who have delegated responsibility for the day to day management of the charitable company and internal audit as to whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board of Trustees' meeting minutes; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the nature of the charitable company's material income streams. The charitable company is notified from external third parties of income it has been awarded or has earned and income is accounted for when receipt is probable and measurable.

We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to unusual account combinations.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Executive Team who have delegated responsibility for the day to day management of the charitable company (as required by auditing standards).

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including, financial reporting legislation (including related companies legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charitable company is subject to many other laws and regulations where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLARION FUTURES (CONTINUED)**

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The trustees are responsible for the other information, which comprises the Report of the Trustees (including Strategic Report). Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Report of the Trustees (including Strategic Report), which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 13, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLARION FUTURES (CONTINUED)**

### **The purpose of our audit work and to whom we owe our responsibilities**

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, reading "Jessica Hargreaves". The signature is written in a cursive, flowing style.

**Jessica Hargreaves (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

27 July 2023

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 Unrestricted funds £'000	2023 Restricted funds £'000	2023 Endowment funds £'000	2023 Total funds £'000	2022 Total funds £'000
<b>Income and endowments from</b>						
Donations and legacies	3	2,159	-	11,350	13,509	2,157
Charitable activities						
Grants and contracts	3	231	2,736	-	2,967	4,065
Investments						
Interest receivable	3	1,032	-	-	1,032	401
Gift Aid from Group members	3	8,459	-	-	8,459	-
Other		38	-	-	38	-
<b>Total</b>		<b>11,919</b>	<b>2,736</b>	<b>11,350</b>	<b>26,005</b>	<b>6,623</b>
<b>Expenditure on</b>						
Charitable activities	4	(13,553)	(2,244)	-	(15,797)	(15,984)
Other		-	-	-	-	(9)
<b>Total</b>		<b>(13,553)</b>	<b>(2,244)</b>	<b>-</b>	<b>(15,797)</b>	<b>(15,993)</b>
<b>Net income/(expenditure)</b>	8	<b>(1,634)</b>	<b>492</b>	<b>11,350</b>	<b>10,208</b>	<b>(9,370)</b>
Transfers between funds		1,634	-	(1,634)	-	-
<b>Net movement in funds</b>		<b>-</b>	<b>492</b>	<b>9,716</b>	<b>10,208</b>	<b>(9,370)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	14	-	-	12,997	12,997	22,367
Total funds carried forward	14	-	492	22,713	23,205	12,997

All incoming resources and resources expended derive from continuing activities.

The comparative figures exclusively relate to unrestricted funds with the exception of grant and contracts income and expenditure on charitable activities which both include £3,746,000 in relation to restricted income funds, total funds brought forward which includes £22,367,000 in relation to Endowment funds, and total funds carried forward which includes £12,997,000 in relation to Endowment funds.

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

	Notes	<b>2023</b> <b>£'000</b>	2022 £'000
<b>Fixed assets</b>			
Investments	9	<b>30,561</b>	17,997
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	<b>967</b>	1,444
Cash and cash equivalents		<b>620</b>	1,671
		<b>1,587</b>	3,115
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	<b>(3,744)</b>	(2,916)
<b>Net current (liabilities)/assets</b>		<b>(2,157)</b>	199
<b>Creditors: amounts falling due after one year</b>	12	<b>(5,199)</b>	(5,199)
<b>Net assets</b>		<b>23,205</b>	12,997
<b>The funds of the charity</b>			
Share capital	13	-	-
Unrestricted funds	14	-	-
Restricted income funds	14	<b>492</b>	-
Endowment funds	14	<b>22,713</b>	12,997
		<b>23,205</b>	12,997

The financial statements were approved by the Board and were signed on their behalf by:

*Gavin Barwell*

Lord Barwell  
Chair  
5 July 2023

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

### **1. Accounting policies**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (January 2022) ("FRS 102"), the Charities SORP (FRS 102): Accounting and Reporting by Charities Statement of Recommended Practice (October 2019) ("the SORP"), the Companies Act 2006 and the Charities Act 2011.

Clarion Futures is a public benefit entity.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Clarion Futures' financial statements.

#### **Basis of preparation**

The financial statements are prepared on an accruals basis and under the historical cost convention.

#### **Going concern**

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity has no significant specific commitments or material committed costs beyond its fixed costs of operation which are detailed in note 4.

The Trustees have reviewed the charity's financial plan, including forecasts for a period of at least twelve months from the date of approval of these financial statements, which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the long-term implications of Covid-19, as well as current high inflation and the cost of living crisis, on these forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the twelve month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

#### **Basis of consolidation**

Clarion Futures is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as its results are included within the consolidated financial statements of its ultimate parent undertaking.

#### **Disclosure exemptions**

Clarion Futures has taken advantage of the exemptions in FRS 102 in respect of the following disclosures:

- a. the requirement to present a statement of cash flows and related notes; and
- b. financial instrument disclosures, including: categories of financial instruments; items of income, expense, gains or losses in respect of financial instruments; and, exposure to, and management of, financial risks.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

### **1. Accounting policies (continued)**

#### **Value Added Tax**

The company's VAT affairs are dealt with under a Group registration in the name of Clarion Housing Group Limited. Turnover and other income are shown net of any VAT charged. As most of the Group's income comes from renting out residential property, which is exempt from VAT, the Group only recovers a small proportion of the input VAT it incurs, and Clarion Futures' expenditure is shown inclusive of irrecoverable VAT.

#### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the reporting date and the gains or losses on translation are included in the Statement of Financial Activities.

#### **Turnover**

Incoming resources, including grant income, are accounted for when Clarion Futures has entitlement to the funds, the receipt is probable and the amount is measurable. Income is deferred where the donor specifies that resources be used in a future accounting period(s) or where conditions are required to be met by Clarion Futures before it is unconditionally entitled to the income.

#### **Donated services**

Donated services are included in incoming resources when the benefit to the charity is reasonably quantifiable and measurable, and are measured at fair value.

#### **Resources expended**

Expenditure on charitable activities is recognised once there is a legal or constructive obligation to make payment to a third party; in the case of grants payable, these are recognised when the award has been communicated to the recipient.

Costs are classified according to Clarion Futures' four strategic objectives, with staff costs allocated according to the objective they work towards.

#### **Impairment**

Debtors are assessed for recoverability at each reporting date.

For other assets an impairment review is undertaken when there is an indication that an asset may be impaired. Impairment is recognised when it is assessed that the carrying amount of that asset (or the cash generating unit, including goodwill, it belongs to) is higher than the recoverable amount, which is the higher of fair value less costs to sell and value in use. Where this is the case the higher of these two values is taken to be the new book value, and the difference is the impairment loss.

After an impairment loss has been recognised, the recoverable amount of an asset or cash-generating unit may increase because of changes in: economic conditions; the circumstances that previously caused the impairment; or, the expected use of the asset(s). As a result, the carrying amount is adjusted to the lower of the new recoverable amount and the carrying amount that would have been determined had the original impairment not occurred.

Impairment is included in Other Expenditure.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

### 1. Accounting policies (continued)

#### Interest receivable

Interest receivable is only recognised to the extent that it is probable that it will be recoverable when due.

#### Corporation tax

Clarion Futures is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, Clarion Futures is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the 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.

#### Public benefit concessionary loans

As a "public benefit entity" (as defined by FRS 102), loans which are made or received as part of Clarion Futures' charitable objectives, at below-market rates of interest, and are not repayable on demand, qualify for treatment as public benefit entity concessionary loans. They are initially recorded at the amount lent and subsequently adjusted for accrued interest receivable less any impairment loss.

#### Financial instruments

Clarion Futures applies the recognition and measurement provisions of IFRS 9 Financial Instruments, as allowed by FRS 102.

All investments, short-term deposits and loans held by Clarion Futures are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price.

On initial recognition, a financial asset is classified as measured at either amortised cost, fair value through other comprehensive income ("FVOCI") debt investment, FVOCI equity investment or fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- i. it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- i. it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

### **1. Accounting policies (continued)**

Where loans and other financial instruments are redeemed during the year, a redemption penalty is recognised in the Income Statement of the year in which the redemption takes place, where applicable.

Other debtors and creditors are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction and does not qualify for treatment as a concessionary loan, in which case the present value of the future receipts discounted at a market rate of interest is used.

Cash and cash equivalents include cash balances and call deposits, as well as short-term investments with an original maturity of three months or shorter. It also includes those overdrafts which are repayable on demand and form an integral part of Clarion Futures' cash management strategy.

#### **Unrestricted funds**

Unrestricted funds include a general fund which may be used by Clarion Futures for any of its general purposes, and designated funds which have been earmarked by the Trustees for a particular purpose.

#### **Restricted funds**

Restricted funds must be used for the specific purpose(s) set out by the donor(s).

#### **Endowment funds**

Endowment funds arise in accordance with the wishes of the donor. Income generated from endowments is treated as unrestricted if there are no conditions as to the use of this income.

### **2. Significant judgements and accounting estimates**

#### **Significant judgements**

With the exception of those relating to accounting estimates and uncertainty, no significant judgements have been made in applying the charity's accounting policies.

#### **Accounting estimates**

The nature of estimation means that actual outcomes could differ from the estimates made. The following accounting estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities - and therefore the income and expenses recognised - within the next financial year:

- 1 The recoverable amount of debtors.

Debtors are reviewed on a case-by-case basis and provided for as deemed to be necessary.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

## 3. Income and endowments

	2023 Total £'000	2022 Total £'000
<b>Donations and legacies</b>		
<u>From other members of the Clarion Housing Group</u>		
Endowment top-up from Clarion Housing Association Limited	11,350	-
Donated services from Clarion Housing Association Limited	900	1,109
Donated services from Clarion Housing Group Limited	1,245	976
Other intra-Group funding from Clarion Housing Association Limited	14	72
	<b>13,509</b>	<b>2,157</b>

Donated services is an estimated value of the central costs and overheads which were incurred in relation to Clarion Futures' activities, but not recharged. Corresponding amounts have been included in support costs, where a further analysis has been provided (see note 5).

	2023 Total £'000	2022 Total £'000
<b>Grants and contracts</b>		
<u>Unrestricted</u>		
Love London Working - management fees charged to partners	231	319
	<b>231</b>	<b>319</b>
<u>Restricted</u>		
Love London Working - grant	1,063	1,166
Increase VS	173	535
Housing Associations' Youth Network	432	474
One Digital	-	62
Big Local	123	59
Mercer's Fund	-	33
Kickstart	67	912
Social levy	614	136
Communities Programmes	132	206
Other grants and contracts	132	163
	<b>2,736</b>	<b>3,746</b>
	<b>2,967</b>	<b>4,065</b>

	2023 Total £'000	2022 Total £'000
<b>Interest receivable</b>		
Interest receivable on bank deposits	3	-
Interest on loans to Group undertakings	1,029	401
	<b>1,032</b>	<b>401</b>

	2023 Total £'000	2022 Total £'000
<b>Gift Aid from Group members</b>		
Affinity Sutton Professional Services Limited	2,754	-
Broomleigh Regeneration Limited	16	-
Clarion Response Limited	4,693	-
Grange Management (Southern) Limited	996	-
	<b>8,459</b>	<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

## 4. Analysis of expenditure on charitable activities

Year ended 31 March 2023

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young & Old Vulnerable People & Improving Communities £'000	Strategic Support £'000	2023 Total £'000
Grants made	40	427	267	-	734
Staff costs including travel (note 6)	4,014	1,588	2,115	-	7,717
Other costs	704	483	2,116	-	3,303
<b>Costs directly allocated to activities</b>	<b>4,758</b>	<b>2,498</b>	<b>4,498</b>	-	<b>11,754</b>
Support costs (note 5)	1,539	606	807	1,091	4,043
<b>Total resources expended</b>	<b>6,297</b>	<b>3,104</b>	<b>5,305</b>	<b>1,091</b>	<b>15,797</b>

**Expenditure is supported by:**

Direct grant and contract income	1,679	121	772	395	2,967
Other income	4,618	2,983	4,533	696	12,830
	<b>6,297</b>	<b>3,104</b>	<b>5,305</b>	<b>1,091</b>	<b>15,797</b>

As per note 6, Clarion Futures does not directly employ staff and is recharged staff costs, including on-costs, by a fellow Group member.

**Grants made in the year ended 31 March 2023:**

**Helping Residents into Work and Training:** grants made relate to Retraining and Rework.

**Money and Digital Service:** grants were awarded to 21 projects through the Digital Support Grants Programme and awarded in grants to households. Grants were also distributed through Food Pantry Support Groups and Emergency Support Grants.

**Supporting Young and Old Vulnerable People and Improving Communities:** grants were made to 40 projects focussed on supporting young people and improving communities through Community Youth Grants and Core Cost & Small Capacity Building Grants distributed as part of the Grants Plus support programme. Grants were also distributed via Warm Spaces Grants to support community assets and other partners to create warm spaces in our communities to help tackle social isolation and the cost of living crisis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

## 4. Analysis of expenditure on charitable activities (continued)

Year ended 31 March 2022

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young & Old Vulnerable People & Improving Communities £'000	Strategic Support £'000	2022 Total £'000
Grants made	98	356	537	-	991
Staff costs including travel (note 6)	4,349	1,419	1,897	-	7,665
Other costs	896	506	1,974	-	3,376
Costs directly allocated to activities	5,343	2,281	4,408	-	12,032
Support costs (note 5)	1,638	516	689	1,109	3,952
Total resources expended	6,981	2,797	5,097	1,109	15,984

Expenditure is supported by:

Direct grant and contract income	3,044	62	927	32	4,065
Other income	3,937	2,735	4,170	1,077	11,919
	6,981	2,797	5,097	1,109	15,984

Grants made in the year ended 31 March 2022:

Helping Residents into Work and Training: grants made include 107 related to Retraining (£66,000), 170 to Rework (£14,000), 19 to Business Start-ups (£17,000) and 10 to Business Rework (£1,000).

Money and Digital Service: grants made include £94,000 awarded to 21 projects through the Digital Inclusion Grants Programme and £262,000 awarded in grants to households.

Supporting Young and Old Vulnerable People and Improving Communities: grants made include a total of £516,000 awarded to 91 projects focussed on supporting young people and improving communities across the Bounce Back Project Grants, Digital Inclusion Grants, Hackney Community Grants, West Ealing Community Grants, Recovery and the Resilience Care Costs Grants Programmes.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****5. Analysis of support costs (including Strategic Support)**

The charity has recognised £2,946,000 of support costs in relation to services provided by Clarion Housing Association Limited and Clarion Housing Group Limited (2022: £2,817,000), £2,145,000 of which were not recharged (2022: £2,085,000) (see note 3).

Head office and general office staff costs have been allocated between charitable activities based on the direct staff cost allocation proportions.

Additionally, the charity has paid support costs to other organisations including £6,000 to Charis Grants Limited to administer the Ready 2 Work (Jobs & Training) grants (2022: £26,000).

**Year ended 31 March 2023**

	Helping residents into work and training £'000	Money and Digital Service £'000	Supporting Young & Old Vulnerable People & Improving Communities £'000	Strategic Support £'000	2023 Total £'000
Head office staff costs	663	262	349	750	<b>2,024</b>
General office costs	870	344	458	341	<b>2,013</b>
	<b>1,533</b>	<b>606</b>	<b>807</b>	<b>1,091</b>	<b>4,037</b>
Direct support costs	6	-	-	-	<b>6</b>
	<b>1,539</b>	<b>606</b>	<b>807</b>	<b>1,091</b>	<b>4,043</b>

**Year ended 31 March 2022**

	Helping residents into work and training £'000	Money and Digital Service £'000	Supporting Young & Old Vulnerable People & Improving Communities £'000	Strategic Support £'000	2022 Total £'000
Head office staff costs	483	158	211	671	1,523
General office costs	1,129	358	478	438	2,403
	<b>1,612</b>	<b>516</b>	<b>689</b>	<b>1,109</b>	<b>3,926</b>
Direct support costs	26	-	-	-	<b>26</b>
	<b>1,638</b>	<b>516</b>	<b>689</b>	<b>1,109</b>	<b>3,952</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

### 6. Employees

Clarion Futures does not directly employ any staff, but instead makes use of the employees of Clarion Housing Association Limited.

The average monthly number of full-time equivalents ("FTEs") during the year was as follows:

	<b>2023</b> <b>Number</b>	2022 Number
FTEs	<u><b>167</b></u>	<u>162</u>

The average monthly headcount in the year was 170 (2022: 168).

<b>The staff costs relating to Clarion Futures were as follows:</b>	<b>2023</b> <b>£'000</b>	2022 £'000
Wages and salaries	<b>7,049</b>	6,495
Other benefits	<b>113</b>	119
Compensation for loss of office	<b>-</b>	38
Social security costs	<b>718</b>	634
Pension costs	<b>342</b>	318
	<u><b>8,222</b></u>	<u>7,604</u>

Compensation for loss of office represent statutory redundancy payments made to employees through the Clarion Housing Association Limited payroll.

£953,000 (2022: £1,101,000) of the wages and salaries above relates to employees who are members of the Clarion Housing Group Pension Scheme, the liability for which is included in the financial statements of Clarion Housing Association Limited.

Employees with remuneration (excluding pension contributions, or pay in lieu thereof) exceeding £60,000 as follows:

	<b>2023</b> <b>Number</b>	2022 Number
£60,001-£70,000	<b>9</b>	6
£80,001-£90,000	<b>1</b>	1
£90,001-£100,000	<b>3</b>	3
	<u><b>13</b></u>	<u>10</u>

Retirement benefits are accruing under a defined benefit scheme for 6 of these employees (2022: 6).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

### 7. Key management personnel

Key management personnel is defined as the Trustees and management team. The Trustees received no remuneration or other benefits in respect of their services to Clarion Futures in either the current or preceding year. During the year 2 Trustees were reimbursed by Clarion Housing Group a total of £99 for travel expenses incurred as part of the role as Trustees (2022: 1 Trustee, a total of £95 for travel expenses). The total remuneration of the management team which is recharged to the charity is £409,161 (2022: £388,995). Unless otherwise stated, remuneration includes wages and salaries, fees, benefits-in-kind, compensation for loss of office and pension contributions, as applicable).

### 8. Net income/(expenditure)

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<u>Auditor's remuneration (exclusive of VAT)</u>		
- for statutory audit services	10	8
- for other services	-	-
	<u>10</u>	<u>8</u>

Clarion Futures' audit fees are incurred by Clarion Housing Group Limited, and are included in the fair value of donated services received by the company.

Amounts receivable by the charity's auditor and its associates in respect of non-audit services, where procured on a Group-wide basis, are not included above. Instead the information is disclosed on a consolidated basis in the Group financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

## 9. Fixed asset investments

	2023 £'000	2022 £'000
<b>Loans to Group undertakings</b>		
At the beginning of the year	17,997	27,014
Net lending/(repayment)	12,564	(9,017)
At the end of the year	<u>30,561</u>	<u>17,997</u>

All investments held during the year are held primarily to provide an investment return to the charity. All of the amounts above relate to loans to Clarion Housing Association Limited. Interest is charged at SONIA plus 1.5%.

## 10. Debtors

	2023 £'000	2022 £'000
<b>Amounts falling due within one year</b>		
Amounts due from Group undertakings: interest	5	1
Prepayments and accrued income	859	1,331
Amounts due from Group undertakings: trading	14	22
Other debtors	89	90
	<u>967</u>	<u>1,444</u>

## 11. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	286	82
Accruals and deferred income	857	1,035
Amounts due to Group undertakings: trading	1,738	1,494
VAT creditor	-	8
Other creditors	863	297
	<u>3,744</u>	<u>2,916</u>

£546,000 of deferred income is included within accruals and deferred income (2022: £757,000).

Deferred income relates to income received from donors which is subject to restrictions which prevent their use until a later date. £699,000 of the income deferred at 31 March 2022 was released in the year, and £488,000 received in the year was deferred.

## 12. Creditors: amounts falling due after one year

	2023 £'000	2022 £'000
Amounts due to Group undertakings: loans	<u>5,199</u>	<u>5,199</u>
Loans are repayable, otherwise than by instalments as follows:	2023 £'000	2022 £'000
After five years	<u>5,199</u>	<u>5,199</u>

The company has a £10,000,000 facility with Circle Anglia Foundation Limited. This loan is repayable in March 2029. This is a public benefit concessionary loan where no interest is charged.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

## 13. Share capital

The company is limited by guarantee, having no share capital. In the event of a winding up each current Trustee, and any Trustees in the twelve months prior, shall contribute up to £10 each.

## 14. Analysis of charitable funds

Analysis of movements in unrestricted funds	At 1 April 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2023 £'000
General fund	-	11,919	(13,553)	1,634	-

Analysis of movements in restricted funds	At 1 April 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2023 £'000
<i>Income funds</i>					
Love London Working - grant	-	1,063	(1,063)	-	-
Increase VS	-	173	(173)	-	-
Housing Associations' Youth Network	-	432	(432)	-	-
Big Local	-	123	(123)	-	-
Kickstart	-	67	(67)	-	-
Social levy	-	614	(122)	-	492
Communities Programmes	-	132	(132)	-	-
Other grants and contracts	-	132	(132)	-	-
	-	2,736	(2,244)	-	492

## Endowment funds

Expendable endowment	12,997	11,350	-	(1,634)	22,713
	<b>12,997</b>	<b>14,086</b>	<b>(2,244)</b>	<b>(1,634)</b>	<b>23,205</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)****14. Analysis of charitable funds (continued)**

Analysis of movements in unrestricted funds	At 1 April 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2022 £'000
General fund	-	2,877	(12,247)	9,370	-
Analysis of movements in restricted funds	At 1 April 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2022 £'000
<i>Income funds</i>					
Love London Working - grant	-	1,166	(1,166)	-	-
Increase VS	-	535	(535)	-	-
Housing Associations' Youth Network	-	474	(474)	-	-
One Digital	-	62	(62)	-	-
Big Local	-	59	(59)	-	-
Mercer's Fund	-	33	(33)	-	-
Kickstart	-	912	(912)	-	-
Social levy	-	136	(136)	-	-
Communities Programmes	-	206	(206)	-	-
Other grants and contracts	-	163	(163)	-	-
	-	3,746	(3,746)	-	-
Endowment funds					
Expendable endowment	22,367	-	-	(9,370)	12,997
	22,367	3,746	(3,746)	(9,370)	12,997

**15. Legislative provisions**

Clarion Futures is incorporated under the Companies Act 2006 and is a registered charity with the Charity Commission under the Charities Act 2011.

**16. Related Party Disclosures**

During the period, related party transactions took place between Clarion Futures and other members of the Clarion Housing Group. As required by the Charities SORP, these are disclosed in the appropriate notes.

Debtor and creditor balances with other members of the Group are either debt subject to a market rate of interest, public benefit concessionary loans where no interest is charged or trading balances which are non-interest bearing and are due to be settled within one year of their recognition.

No related party transactions have arisen from the personal interests of the Trustees. No other related party transactions require disclosure.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

### 17. Immediate and ultimate parent undertaking

The charity's immediate and ultimate parent undertaking is Clarion Housing Group Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014 and which is regulated by the Regulator of Social Housing.

Clarion Housing Group Limited's registered office is Level 6, 6 More London Place, Tooley Street, London, SE1 2DA. Group accounts have been prepared by Clarion Housing Group Limited and are available from [www.clarionhg.com](http://www.clarionhg.com).

### 18. Subsidiary undertakings and associates

Name	Legislative Provisions	Proportion of voting rights of ordinary share capital held	Nature of business
Affinity Sutton Investments Limited	Private company limited by shares	100% (£1)	Property development

The subsidiary's registered office is Level 6, 6 More London Place, Tooley Street, London, SE1 2DA.