

Clarion Futures

**Annual Report and Financial Statements
For the year ended 31 March 2024**

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

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GENERAL CORPORATE INFORMATION

Trustee Directors

Lord Barwell	Chair
John Ball	
Karima Fahmy	
Patrick Hughes	

Terry Stacy MBE JP	(resigned 16 June 2023)
Dr. Usha Sundaram	(resigned 30 April 2024)

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 Clarion Futures Senior Management Team 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 2024.

Formation

Clarion Futures ("the charity") is a subsidiary of Clarion Housing Group Limited, a charitable registered society and a registered provider of social housing. Clarion Housing Group ('The Group') exists to make a difference in our communities and our mission is to provide affordable 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 described 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 four Trustees, who are:

- one non-executive director of the Group;
- one non-executive director of another organisation within the Group; and
- two 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 Clarion Futures Senior Management Team 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 donations from other Group entities 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 stable 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 review the investment strategy as investment returns and funding requirements evolve.

As at 31 March 2024 £25.8 million is lent on an arm's length basis to the Association (2023: £30.6 million).

Reserves Policy

Clarion Futures holds total reserves of £20.2 million as at 31 March 2024 (2023: £23.2 million), of which £0.9 million is restricted and not available for the general purposes of the charity. In accordance with the wishes of the Association, donations from the Association have been retained as an expendable endowment to invest and thus generate future income to support Clarion Futures' charitable activities, and as at 31 March 2024 this endowment stood at £19.3 million (2023: £22.7 million).

The budget for the year ending 31 March 2025 and future years has been approved by the Trustees on the understanding that the Association will provide further donations which will maintain the endowment at £20 million. This £20 million target has been identified by the Trustees as appropriate given their plans for the future activities of the charity.

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

STRATEGIC REPORT

Achievements and Performance

The charity's strategic objectives are 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 our customers 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 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. For more information on Clarion Futures please visit <https://www.clarionhg.com/about-us/what-we-do/clarion-futures-charitable-foundation>. For more information on our social impact we annually publish a report titled 'Making a Difference', which can also be found on the Group website.

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 £0.8 million (2023: £0.9 million) for central management costs incurred in supporting the programme, including IT, HR, Governance and Finance support; a further £1.8 million of these costs were not recharged and have been recognised as donated services (2023: £2.1 million).

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

Residents continued to face a severe financial squeeze because of the cost-of-living crisis caused by rising energy costs following 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 continued to deliver its '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.

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 was called 'Love London Working'. Clarion Futures was the accountable body and led the project on behalf of 15 housing associations in London. Of the grant and spend amounts above, around 40% was delivered by Clarion itself over the course of the project. Following a successful application, the contract with the GLA was extended in August 2019 to December 2023. The total funding for the project increased to £35.4 million and the targets increased to 28,000 people supported, of which 8,000 would be helped into work. The project finally came to an end in December 2023 with a total of 26,423 (2023: 25,263) people supported and 8,113 (2023: 7,782) helped into work. The performance benchmark set by the GLA was to achieve 85% of the final target. We achieved 94% and >100% respectively.
3. **Apprenticeships:** working with employers and Clarion Housing Group, Clarion Futures continued to provide a wide-ranging apprenticeship programme, supporting 135 (2023: 120) apprenticeships during the year. This brings the overall number of apprenticeships supported by the charity to 1,880 (2023: 1,745) since the programme started 13 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 several years. During the year we expanded the business start-up service to a national basis and overall supported 73 new business start-ups during the year (2023: 74).

These four services enabled Clarion Futures to support a total of 1,724 people into work in the last year (2023: 2,114).

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 building, 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 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 5,984 (2023: 5,918) training outcomes during the year.

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

Money Guidance and Digital Support Service

Clarion Futures continues to promote an extensive Financial and Digital Inclusion programme through its 'Money' and 'Digital' services. The national offer covers several areas of support:

Money guidance & energy saving guidance: our telephone based one-to-one service provides extensive support to residents with budgeting, energy saving and financial capability support. In 2023/24 we became more proactive and now reach out to residents we assess at risk of facing financial hardship, in a bid to tackle issues at an earlier stage. This enabled us to support a larger number of households to avoid significant debt and wider problems but does inevitably lead to fewer support interventions. A total of 12,564 (2023: 17,656) support interventions were delivered by the service supporting 6,118 (2023: 4,349) households during the year. The Money Guidance team engaged 1,658 households (2023: 2,033) experiencing fuel poverty through directly contacting those more likely to be at risk, with 46 taking part in a pilot programme to install low level energy efficiency measures to improve the thermal efficiency of their home. We also started another pilot to help residents to stop smoking and save money by signposting to external support.

Cost-of-Living Emergency Fund: now in its second year, the Cost-of-Living Emergency Fund provided an additional £250,000 for community-based initiatives aimed at supporting households struggling with the cost of day-to-day living. Through the Fund the Money Guidance team made 3,611 household grant/voucher awards (2023: 3,474) worth £236,000 (2023: £235,000). Help with emergency food costs is where the most need is currently, and nearly two-thirds (62%) of vouchers issued were for supermarkets with an average value per voucher of £59. The team also issued 237 foodbank vouchers for the Trussel Trust (a 100% increase when compared to 119 issued last year). It also funded 29 community food, hygiene and household essentials projects, and enabled 186 individuals to take part in cooking on a budget programmes.

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 1,035 (2023: 1,020) of the Association's residents were referred for debt advice during the year.

Access to the internet (digital inclusion): digital inclusion has been a key focus for Clarion Futures, especially as the cost-of-living crisis has seen increasing numbers turn off home broadband and thereby reducing their level of digital inclusion. The digital device loan scheme continued to expand with 772 laptops, tablets and wifi devices provided on loan to residents, job seekers, schools, Digital Champions and community groups. Alongside this, we continued to deliver our digital skills training programme delivering 4,363 (2023: 3,226) hours of training. Overall, the digital support service supported 7,031 beneficiaries this financial year (2023: 4,392) through in-house delivery grant-funded partner organisations and a network of over 100 Digital Champions.

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 the Association's younger and older residents. Our communities team works with dozens of local, regional, and national partners to help deliver programmes that directly benefit Clarion's residents – from a network of social action youth connectors to supporting our partners to run Clarion's 45-strong Community Assets portfolio. Through a partnership with Fusion 21 we also provided financial and professional resources to help over 100 local partners to enable them to grow and become sustainable in the long term.

With a further £319,000 raised through a partnership with The Rothesay Foundation and Travis Perkins we continued to support our communities with 53 Warm Spaces funded and delivered through our community partners (2023: 28).

Some of the main highlights of the programme are outlined below:

Community Grants Programme: A total of £145,000 (2023: £267,000) in grants were awarded to 149 projects (2023: 132) in Clarion communities, benefitting 14,791 (2023: 12,000) residents and delivering 62,464 (2023: 18,288) extra volunteering 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.

In August 2023 the team were awarded £640,000 match-funding by #iwill and The National Lottery Community Fund to launch a programme of intergenerational social action. The approach, delivered in partnership with InCommon, Action Funder, Places for People, Sovereign Network Group and Intergenerational Music Making, brings together younger and older people living in our communities to create social action projects that tackle social challenges. So far grants have been awarded to 29 partners to test the new approach with over 250 young people engaged. We have also put in a further application to #iwill to develop a programme to improve the mental health of young people and increase youth social action and we are awaiting the final outcome.

National Ambassadors: in January 2024 our 10th cohort of National Ambassadors started their year-long tenure as the national voice for Clarion's under-25-year-old residents. Through the programme, young representatives from across Clarion's communities meet with senior staff from Clarion, supporting the Group to shape policies, strategies, and programmes, ensuring young people are at the heart of decision-making. Additionally, the group work on two impact projects, trying new approaches to challenges faced by our young residents. Previous projects have included Hometruths House and the 'Guardians of the Green Spaces' podcast series.

Our Hometruths House first tenancy programme has now engaged over 400 young people, giving them support and advice in setting up in their new home. Delivered jointly by the Communities and Money Guidance teams along with a young resident, the programme has been positively received with over £23,000 in vouchers and kitchen packs distributed to new 18–30-year-old tenants as part of the scheme. Since June 2023, Hometruths House has worked in partnership with 'Cracking Good Food' to host bi-monthly online cook-along courses for young tenants to cook delicious meals on a budget.

In 2023 we supported the set-up of Intergenerational England, a national body to campaign for better information and recognition of the value of intergenerational practice, in partnership with Age UK, The NHS and other cross-sector partners. As part of the work, we have been partnering with The Housing Association Charitable Trust to develop a social value measure to demonstrate the impact of intergenerational connections in social housing communities.

We continue to improve the experience of young care leavers in our communities, including the roll-out of Adverse Childhood Experiences training for staff, the launch of a mentoring programme for those with care experience moving into Clarion properties, and joining 'The London Care Compact' to look at a shared set of priorities across the capital.

Clarion 55: this is a group of residents representing the views and ideas of Clarion's residents aged 55 and over. The group were successful in securing funding from The Royal College of the Arts and 'The Good Ideas Fund' to work with intergenerational lighting designers Speirs and Major on the *Let the Light In* project to look at how lighting in our communities can promote positive wellbeing and tackle ageism. We are now working with residents in Clarion's LiveSmart properties to explore how the work might influence Clarion's design guides, as well as working with the lighting architects to extend the learning to Clarion's community asset portfolio.

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

Community Assets: Clarion Futures works closely with the Association to enable their residents and local community organisations to access Clarion's Community Assets (facilities). Several transfers of assets into long term local ownership were completed during the year including facilities in Birmingham, London, and Salford. We also completed a review of stock condition which has led to a long-term investment strategy for the portfolio.

Open Spaces Improvement: We continue to work with residents and community partners on investing in better play and green spaces in our neighbourhoods. We have consulted on upgrading several Multi-Use Games Areas and have ongoing fundraising campaigns to complete the works. The Bow sunken pitch in Tower Hamlets will be the first facility to be delivered next year thanks to £200,000 funding raised through the Football Foundation and London Marathon Trust.

Overall, the Communities programme delivered 66,584 (2023: 45,929) positive engagements of young people during the year and 26,643 (2023: 17,886) for older people. This led to 15,180 (2023: 13,406) positive outcomes for young people and 5,521 (2023: 5,672) for older people, such as accredited training outcomes, volunteering placements and jobs.

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 £13.6 million (2023: £26.0 million), which included £1.7 million (2023: £2.1 million) of donated services from other members of the Group, as well as a £1.8 million top-up to the endowment fund from the Association (2023: £11.4 million) and £4.5 million gift aid from other group members (2023: £8.5 million). As a result of sourcing additional external funding to support the charity's activity and expenditure, income recognised on external grants and contracts was £3.4 million (2023: £3.0 million).

Interest income from the investment of the charity's endowment was higher at £1.8 million (2023: £1.0 million) because of increased interest rates.

A total of £16.5 million (2023: £15.8 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 2024, £5.2 million (2023: £5.2 million) was borrowed from Circle Anglia Foundation at a 0% interest rate. This balance is included in the £25.8 million on-lent to the Association (2023: £30.6 million) which attracts interest at SONIA plus 1.5%.

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

Plans for Future Periods

The financial squeeze is expected to continue into 2024/25 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 coming year will see a general election and we are meeting with political stakeholders to make the case for greater investment in our work. The external funding environment has changed dramatically with the ending of all EU funding. Some of our key projects over the last few years such as 'Love London Working' were reliant on external funding which has now ended. We have a fund-raising strategy in place and will continue to engage funders and commissioners to try to secure additional funding where possible.

Clarion is undertaking a wide-ranging review of its 'Organisational Design' during the year, and we will liaise closely on any changes that may have an impact on Clarion Futures.

Principal Risks and Uncertainties

The Board reviews the key risks facing the charity on a regular basis, most recently in March 2024. The current principal risks are:

Risk	Mitigation/Controls
Clarion Futures does not have sufficient resources to support residents and communities, particularly considering the continuing 'Cost of Living' crisis and increase in demand for its services. This risk also relates to the availability of external funding from and any impact on levels of continued funding from Clarion Housing Group	<p>Staff targeted and trained to securing external funding with ongoing proactive 'business development' activities to provide additional value and impact.</p> <p>Proactive controls and management of resources when demand increases, including prioritisation of resources, improving self-serve facilities where appropriate and upskilling of all staff across the Group to triage, signpost and refer effectively.</p>
A loss of reputation for both Clarion Futures and the overall Clarion Housing Group because of a poor outcome from a charitable activity. This includes health and safety risks relating to managing Clarion's community facilities, safeguarding of vulnerable residents and compliance with data protection regulations	<p>Robust and ongoing training for all staff in safeguarding, health and safety and data protection.</p> <p>Clarion internal audit of Community Assets.</p> <p>Careful monitoring and oversight of all areas of compliance, including named Safeguarding leads.</p> <p>Robust due diligence undertaken on all projects and partners.</p>

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)

Going Concern

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

Top up funding is received from the Association, however, 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 budget and financial plan for the period 2024/25 to 2027/28, 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 implications of lower grant levels, recent 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.

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
3 July 2024

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 charitable company and of the 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 and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company'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 charitable company 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 charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the charitable company's 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 charitable company 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 2024, which comprise the Statement of Financial Activities, the 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 2024 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:

- we consider that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- 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 able 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.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and 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.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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

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.

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 Report of the Trustees 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.

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

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 on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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.



Jessica Hargreaves (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

19 July 2024

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

		2024	2024	2024	2024	2023
		Unrestricted	Restricted	Endowment	Total	Total
		funds	funds	funds	funds	funds
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from						
Donations and legacies	3	2,079	-	1,800	3,879	13,509
Charitable activities						
Grants and contracts	3	101	3,296	-	3,397	2,967
Investments						
Interest receivable	3	1,765	-	-	1,765	1,032
Gift Aid from Group members	3	4,491	-	-	4,491	8,459
Other		-	-	-	-	38
Total		8,436	3,296	1,800	13,532	26,005
Expenditure on						
Charitable activities	4	(13,606)	(2,911)	-	(16,517)	(15,797)
Net income/(expenditure)	8	(5,170)	385	1,800	(2,985)	10,208
Transfers between funds		5,170	-	(5,170)	-	-
Net movement in funds		-	385	(3,370)	(2,985)	10,208
Reconciliation of funds						
Total funds brought forward	14	-	492	22,713	23,205	12,997
Total funds carried forward	14	-	877	19,343	20,220	23,205

All incoming resources and resources expended derive from continuing activities.

The comparative figures exclusively relate to unrestricted funds with the exception of; donations and legacies which includes a £11,350,000 top up of the Endowment Funds; grants and contracts income and expenditure on charitable activities which include £2,736,000 and £2,244,000 respectively in relation to Restricted income funds; total funds brought forward which includes £12,997,000 in relation to Endowment funds; and total funds carried forward which includes £492,000 in relation to Restricted income funds and £22,713,000 in relation to Endowment funds.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024 £'000	2023 £'000
Fixed assets			
Investments	9	25,779	30,561
Current assets			
Debtors: amounts falling due within one year	10	738	967
Cash and cash equivalents		913	620
		<u>1,651</u>	<u>1,587</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(2,011)	(3,744)
Net current liabilities		<u>(360)</u>	<u>(2,157)</u>
Creditors: amounts falling due after one year	12	(5,199)	(5,199)
Net assets		<u>20,220</u>	<u>23,205</u>
The funds of the charity			
Share capital	13	-	-
Unrestricted funds	14	-	-
Restricted income funds	14	877	492
Endowment funds	14	19,343	22,713
		<u>20,220</u>	<u>23,205</u>

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

Gavin Barwell

Lord Barwell
Chair
3 July 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 2022.

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.

Top up funding is received from the Association, however, 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 budget and financial plan for the period 2024/25 to 2027/28, 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 implications of lower grant levels, recent 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

1. Accounting policies (continued)

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;
- 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; and
- c. the requirement to provide an assessment of its exposure to Pillar Two income tax rules.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

1. Accounting policies (continued)

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.

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 (as amended by subsequent Finance Acts) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

1. Accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

1. Accounting policies (continued)

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 2024 (CONTINUED)

3. Income and endowments

	2024	2023
Donations and legacies	Total	Total
	£'000	£'000
<u>From other members of the Clarion Housing Group</u>		
Endowment top-up from Clarion Housing Association Limited	1,800	11,350
Donated services from Clarion Housing Association Limited	829	900
Donated services from Clarion Housing Group Limited	922	1,245
Other intra-Group funding from Clarion Housing Association Limited	328	14
	3,879	13,509

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).

	2024	2023
Grants and contracts	Total	Total
	£'000	£'000
<u>Unrestricted</u>		
Love London Working - management fees charged to partners	101	231
	101	231
<u>Restricted</u>		
Love London Working - grant	462	1,063
Increase VS	23	173
Housing Associations' Youth Network	404	432
Fusion 21 Resilience Fund	504	-
Big Local	180	123
Rothesay Foundation	309	-
Kickstart	-	67
Social levy	1,002	614
Multiply	207	-
Communities Programmes	100	132
Other grants and contracts	105	132
	3,296	2,736
	3,397	2,967

	2024	2023
Interest receivable	Total	Total
	£'000	£'000
Interest receivable on bank deposits	7	3
Interest on loans to Group undertakings	1,758	1,029
	1,765	1,032

	2024	2023
Gift Aid from Group members	Total	Total
	£'000	£'000
Affinity Sutton Professional Services Limited	3,410	2,754
Broomleigh Regeneration Limited	-	16
Clarion Response Limited	-	4,693
Grange Management (Southern) Limited	1,081	996
	4,491	8,459

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

4. Analysis of expenditure on charitable activities

Year ended 31 March 2024

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young & Old Vulnerable People & Improving Communities £'000	Strategic Support £'000	2024 Total £'000
Grants made	40	512	145	10	707
Staff costs including travel (note 6)	3,592	1,661	2,163	-	7,416
Other costs	860	521	2,480	724	4,585
Costs directly allocated to activities	4,492	2,694	4,788	734	12,708
Support costs (note 5)	1,235	571	743	1,260	3,809
Total resources expended	5,727	3,265	5,531	1,994	16,517

Expenditure is supported by:

Direct grant and contract income	876	154	1,178	1,189	3,397
Other income	4,851	3,111	4,353	805	13,120
	5,727	3,265	5,531	1,994	16,517

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 2024:

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

Money and Digital Service: grants include funding to 29 partners to deliver essential food, hygiene and cleaning products to households experiencing hardship; 3,611 grants to assist with basic costs such as food, household energy, appliances and school uniforms; and 29 digital support grants awarded to a range of delivery partners.

Supporting Young & Old Vulnerable People & Improving Communities: multiple grants were awarded to a large number of small and medium-sized voluntary and community sector organisations. Our main community grants programme focused on enabling locally-rooted agencies to deliver a series of green projects aimed at encouraging sustainability with a particular focus on environmental initiatives. Our Warm Spaces programme was delivered in partnership with The Rothesay Foundation - this second phase granted resources to over 50 community centre partners across England. We continued our investment in The Resilience Programme, helping build the capacity of over 100 community organisations working in our communities.

Strategic Support : other costs relate to the delivery of the Resilience Fund and Good Ideas Fund programmes, which began in the year and are being delivered by the Strategic Support Team.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

4. Analysis of expenditure on charitable activities (continued)

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
Costs directly allocated to activities	4,758	2,498	4,498	-	11,754
Support costs (note 5)	1,539	606	807	1,091	4,043
Total resources expended	6,297	3,104	5,305	1,091	15,797

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
	6,297	3,104	5,305	1,091	15,797

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 & Old Vulnerable People & 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 2024 (CONTINUED)

5. Analysis of support costs (including Strategic Support)

The charity has recognised £2,540,000 of support costs in relation to services provided by Clarion Housing Association Limited and Clarion Housing Group Limited (2023: £2,946,000), £1,751,000 of which were not recharged (2023: £2,145,000) (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 £9,000 to Charis Grants Limited to administer the Ready 2 Work (Jobs & Training) grants (2023: £6,000).

Year ended 31 March 2024

	Helping residents into work and training £'000	Money and Digital Service £'000	Supporting Young & Old Vulnerable People & Improving Communities £'000	Strategic Support £'000	2024 Total £'000
Head office staff costs	607	281	366	857	2,111
General office costs	619	290	377	403	1,689
	1,226	571	743	1,260	3,800
Direct support costs	9	-	-	-	9
	1,235	571	743	1,260	3,809

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	2,024
General office costs	870	344	458	341	2,013
	1,533	606	807	1,091	4,037
Direct support costs	6	-	-	-	6
	1,539	606	807	1,091	4,043

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (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:

	2024 Number	2023 Number
FTEs	<u>155</u>	<u>167</u>

The average monthly headcount in the year was 160 (2023: 170).

	2024 £'000	2023 £'000
The staff costs relating to Clarion Futures were as follows:		
Wages and salaries	6,929	7,049
Other benefits	105	113
Social security costs	703	718
Pension costs	367	342
	<u>8,104</u>	<u>8,222</u>

£743,000 (2023: £953,000) of the wages and salaries above related to employees who were members of the Clarion Housing Group Pension Scheme before it was closed on 30 November 2023. Following closure of the defined benefits schemes to future accrual, deferred members were given the choice to join Clarion's defined contribution pension plan.

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

	2024 Number	2023 Number
£60,001-£70,000	9	9
£70,001-£80,000	2	-
£80,001-£90,000	-	1
£90,001-£100,000	2	3
£100,001-£110,000	2	-
	<u>15</u>	<u>13</u>

Retirement benefits were accruing under a defined benefit scheme for 6 of these employees (2023: 6) until 30 November 2023 when the scheme closed. Following closure of the defined benefit schemes to future accrual, deferred members were given the choice to join Clarion's defined contribution pension plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (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 £523 for travel expenses incurred as part of the role as Trustees (2023: 2 Trustees, a total of £99 for travel expenses).

The total remuneration of the management team which is recharged to the charity is £427,737 (2023: £409,161).

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)

	2024	2023
	£'000	£'000
<u>Auditor's remuneration (exclusive of VAT)</u>		
- for statutory audit services	10	10
- for other services	-	-
	10	10

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 2024 (CONTINUED)

9. Fixed asset investments

	2024 £'000	2023 £'000
Loans to Group undertakings		
At the beginning of the year	30,561	17,997
Net lending/(repayment)	(4,782)	12,564
At the end of the year	<u>25,779</u>	<u>30,561</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

	2024 £'000	2023 £'000
Amounts falling due within one year		
Amounts due from Group undertakings: interest	19	5
Prepayments and accrued income	86	859
Amounts due from Group undertakings: trading	312	14
Trade debtors	321	89
	<u>738</u>	<u>967</u>

11. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	209	286
Accruals and deferred income	813	857
Amounts due to Group undertakings: trading	405	1,738
VAT creditor	1	-
Other creditors	583	863
	<u>2,011</u>	<u>3,744</u>

Other creditors include £565,000 of Love London working payments due to other Housing Associations (2023: £862,000).

Deferred income relates to income received from donors which is subject to restrictions which prevent their use until a later date.

£'000

Deferred income included in 'Accruals and deferred income' at 31 March 2023	546
Of which released during the year	(1,316)
Income received during the year and deferred until after 31 March 2024	1,219
Deferred income included in 'Accruals and deferred income' at 31 March 2024	<u>449</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

12. Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Amounts due to Group undertakings: loans	<u>5,199</u>	<u>5,199</u>
Loans are repayable, otherwise than by instalments as follows:	2024 £'000	2023 £'000
Between two and five years	5,199	-
After five years	-	5,199
	<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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

14. Analysis of charitable funds

Analysis of movements in unrestricted funds	At 1 April 2023 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2024 £'000
General fund	-	8,436	(13,606)	5,170	-

Analysis of movements in restricted funds	At 1 April 2023 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2024 £'000
<i>Income funds</i>					
Love London Working - grant	-	462	(462)	-	-
Increase VS	-	23	(23)	-	-
Housing Associations' Youth Network	-	404	(404)	-	-
Fusion 21 Resilience Fund	-	504	(504)	-	-
Big Local	-	180	(180)	-	-
Rothsay Foundation	-	309	(309)	-	-
Social levy	492	1,002	(617)	-	877
Multiply	-	207	(207)	-	-
Communities Programmes	-	100	(100)	-	-
Other grants and contracts	-	105	(105)	-	-
	492	3,296	(2,911)	-	877

Endowment funds

Expendable endowment	22,713	1,800	-	(5,170)	19,343
	23,205	5,096	(2,911)	(5,170)	20,220

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

14. Analysis of charitable funds (continued)

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

	At 1 April 2022 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2023 £'000
Analysis of movements in restricted funds					
<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
	12,997	14,086	(2,244)	(1,634)	23,205

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTINUED)

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 2022.

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.

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.

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.