

Clarion Futures

**Annual Report and Financial Statements
For the year ended 31 March 2025**

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

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GENERAL CORPORATE INFORMATION

Trustee Directors

Lord Barwell	Chair
John Ball	
Karima Fahmy	
Niomi Gibson	(appointed 1 September 2024)
Lynsey Sweeney	(appointed 1 June 2025)
Richard Towes	(appointed 1 September 2024)
Patrick Hughes	(resigned 19 November 2024)
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

5th Floor
Greater London House
Hampstead Road
London
NW1 7QX

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 2025.

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 five Trustees, who are:

- one non-executive director of the Group;
- two non-executive directors 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 Investors Service (A3 with a stable outlook), S&P Global Ratings (A- with a stable outlook) and Fitch Ratings (A+ with a negative 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.

As at 31 March 2025 £26.9 million is lent on an arm's length basis to the Association (2024: £25.8 million). The loan attracts interest at SONIA plus 1.5%.

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

Reserves Policy

Clarion Futures holds total reserves of £21.3 million as at 31 March 2025 (2024: £20.2 million), of which £0.9 million is restricted and not available for the general purposes of the charity (2024: £0.9 million). The balance of £20.3 million (2024: £19.3 million) is held as an expendable endowment.

During the year the Trustees reviewed the Reserves Policy of the charity and agreed to a minimum unrestricted reserves balance of £10.0 million, inclusive of endowment. The £10.0 million has been set based on a review of the charity's underlying risks and its forecast 12 month net charitable investment and supports its going concern assessment. The policy reflects the charity's investment policy and specific funding arrangements.

Notably, Clarion Futures is reliant on top-up funding from the Association which it holds as an expendable endowment and invests in order to generate future income to support its charitable activities. The Trustees have sought and received assurance from the Association that such top-up funding will be readily available allowing it to meet its reserves policy.

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 where 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.

'Making a Difference Report' – in addition to the information outlined in this report more details on Clarion Futures and its performance and programmes including case studies can be found in the 'Making a Difference Annual Report' on the Group website <https://www.clarionhg.com/about-us/what-we-do/making-a-difference-report>. The report is published every September.

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 (2024: £0.8 million) for central management costs incurred in supporting the programme, including IT, HR, Governance and Finance support; a further £1.5 million of these costs were not recharged and have been recognised as donated services (2024: £1.8 million).

During the year funding was received from several sources including a number of charitable trusts such as Fusion 21 and the Rothesay Foundation as well as the National Lottery and Local Authority funding such as 'Multiply'.

Residents continued to face a severe financial squeeze because of the cost-of-living crisis caused by rising energy costs and higher price inflation. To help mitigate the worst impacts Clarion Futures continued to deliver its 'Cost of Living' programme 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 three 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. **Apprenticeships:** working with employers and Clarion Housing Group, Clarion Futures continued to provide a wide-ranging apprenticeship programme, supporting 151 (2024: 135) apprenticeships during the year. This brings the overall number of apprenticeships supported by the charity to 2,031 (2024: 1,880) since the programme started 14 years ago.
3. **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 supported 66 new business start-ups (2024: 73).

These three services enabled Clarion Futures to support a total of 1,505 people into work in the last year (2024: 1,724).

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 5,685 (2024: 5,984) 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 enables us to support households to avoid debt and wider problems building up to a point where they cannot be easily addressed.

A total of 14,033 (2024: 12,564) support interventions were delivered by the service supporting 5,423 (2024: 6,118) households during the year. The average of 2.6 interventions achieved per client is higher than 2023/24 interventions per client average of 2.1. This is because a greater proportion of customers in 2024/25 came from internal referrals rather than from pro-active outbound calls. Internal referrals are typically more complex cases which are nearer to financial crisis than those generated by outbound contact, and as such require more in-depth support across a broader range of financial issues. The Money Guidance team engaged 4,124 clients (2024: 5,058) through making proactive contact with households which had been identified by Clarion Housing as being at higher risk of financial harm, such as those transitioning onto Universal Credit.

Continuing innovative developments launched in the prior year, 141 (2024: 46) households took part in the ongoing pilot to install low level energy efficiency measures to improve the thermal efficiency of their homes, and 53 (2024: 46) were given access to external smoking cessation services to support budget deficits. Following external evaluation, both programmes have been permanently incorporated into the money Guidance service.

Cost-of-Living Support: we continue to provide support for community-based initiatives aimed at helping households struggling with the cost of day-to-day living. The Money Guidance team made 3,039 household grant/voucher awards (2024: 3,611) worth £322,000 (2024: £236,000). Help with emergency food and basic household essentials is increasingly where the most need is with 71% of vouchers awarded for food and supermarket purchases compared to 62% in the year before. Awards averaged £57 (2024: £59).

The team also issued 162 foodbank vouchers (2024: 237) for the Trussel Trust. We also funded 21 (2024: 29) community food, hygiene and household essentials projects, and enabled 267 individuals (2024: 186) to take part in face-to-face or online 'cooking on a budget' programmes.

Debt Advice: Clarion Futures provides access to free telephone-based debt advice through a partnership with Penny Smart. A total of 252 (2024: 291) of the Association's residents were referred for debt advice tailored to those with complex needs and vulnerabilities.

Access to the internet (digital inclusion): the cost-of-living crisis has seen increasing numbers of residents turn off home broadband reducing their level of digital inclusion. As a result our digital device loan scheme continued to expand with 1,068 (2024: 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 4,880 (2024: 4,363) hours of training. Overall, the digital support service supported 7,831 beneficiaries this financial year (2024: 7,031) through in-house delivery grant-funded partner organisations and our network of Digital Champions.

Communities Programme

Community Assets: our Communities Team manages Clarion's 46-strong Community Assets portfolio where we have continued to support local partners by transferring Community Assets into local ownership. We have seen some great partnerships flourish this year in several neighbourhoods including Bow (Tower Hamlets), Alum Rock (Birmingham), Orchard Gardens (Lewisham), and Stevenage (Hertfordshire).

Through our strengthened partnership with The Rothesay Foundation, including further grant funding of £525,000 (2024: £318,000), we were able to develop our Warm Spaces into a broader Wellbeing Spaces initiative with activities being provided for more of the year rather than being limited to the winter months.

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

Age Friendly Communities: over the last 12 months, our Age Friendly team has grown its programmes by testing and learning new approaches to support our communities to age well, in partnership with external agencies.

Hundreds of young people have now attended our Hometruths House online workshop, giving them the key skills needed when moving into their first tenancy. Acting on feedback we have addressed the challenge many young tenants face accessing training events if they are working, or in education or parenting alone. Utilising £15,000 of Social Value partner funding we have created an online training course that can be accessed via the main Clarion website at any time by customers. This will increase access to Hometruths House significantly.

We have reconfirmed our commitment to improving the experience of young care leavers in our communities, including:

- roll-out of Adverse Childhood Experiences (ACE) training for staff and external partners;
- delivery of a mentoring programme for those with care experience moving into Clarion properties; and
- being active members of 'The London Care Compact' to look at a shared set of priorities across the capital, alongside continuing to support the National Care Covenant group.

Intergenerational Social Action Achievements: over the last 12 months, we have worked with partners to deliver 24 Intergenerational Social Action Community Ambassador Programmes. These programmes engaged 330 young people and 280 older adults, collectively contributing more than 6,500 hours of social action in social housing communities. 54% of young participants identified as being from Black, Asian, or minority ethnic backgrounds, while 57% of the programmes were delivered in the 30% most deprived areas, as identified by the Indices of Multiple Deprivation.

Looking ahead we are excited to be working with 24 new delivery organisations who will lead the next phase of the Intergenerational Community Ambassador Programmes during 2025/26.

Our 'Young Residents in Partnership' project, was launched in Autumn 2024 through an online event led by young residents from the project. The initiative explores how young residents can lead and influence decision-making in the housing sector. Young residents were trained as peer researchers, gathering insights through interviews, surveys, and focus groups to inform the report.

Open Spaces Improvement: the Communities Team continues to work with residents, community partners and funders to deliver enhanced play, sports and green spaces in Clarion's neighbourhoods. These include the Wilmer PlayZone in Tower Hamlets (utilising £200,000 funding from the Football Foundation and London Marathon Trust), the refurbishment of Evergreen Square in Hackney and revitalised Multi-Use Games Areas in Anerley (Bromley) and Sadlers Estate (Merton).

Overall, the Communities programme delivered 111,716 (2024: 66,584) positive engagements of young people during the year and 30,821 (2024: 26,643) for older people. This led to 18,811 (2024: 15,180) positive outcomes for young people and 7,737 (2024: 5,521) for older people, such as accredited training outcomes, volunteering placements and jobs.

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 £17.2 million (2024: £13.5 million), which included £1.5 million (2024: £1.8 million) of donated services from other members of the Group, as well as a £7.1 million top-up to the endowment fund from the Association (2024: £1.8 million) and £3.3 million of Gift Aid from other Group members (2024: £4.5 million). As a result of sourcing external funding to support the charity's activity and expenditure, income recognised on external grants and contracts remained at £3.4 million (2024: £3.4 million).

Interest income from the investment of the charity's endowment reduced slightly to £1.7 million (2024: £1.8 million) because of a slight reduction in the average amount of funds available to on-lend to the Association.

A total of £16.2 million (2024: £16.5 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 2025, £5.2 million (2024: £5.2 million) was borrowed from Circle Anglia Foundation at a 0% interest rate and is repayable in March 2029. This balance is included in the £26.9 million on-lent to the Association (2024: £25.8 million) which attracts interest at SONIA plus 1.5%. It is repayable in March 2031 or on demand.

Plans for Future Periods

During the year a new government was elected and have announced plans to increase employment levels and overhaul the welfare benefits system, particularly in relation to sickness benefits. If enacted these proposals are likely to have a significant impact on Clarion's residents, both positive and negative. We are providing responses and meeting with government officials to highlight how the housing sector can support the government's aims whilst also highlighting the need for better support to enable residents to move off benefits and into sustainable work.

The financial squeeze is expected to continue into 2025/26, and provision has been made to continue our additional hardship support particularly over the winter. Funding for our very successful 'Resilience' programme providing our charitable partners with non-financial business advice and core cost support has come to an end, but we remain committed to working with our partners to find a way of sustaining the programme and will look for new sources of funding during the year.

2025/26 is a significant year for Clarion Housing Group which is celebrating its 125-year anniversary and continuing to redesign its services to provide better services to its customers through the 'Connect' programme. Clarion Futures will support Clarion colleagues across all these key areas and will also seek to improve our own services through completion of two significant IT projects which should enhance our ability to reach and support our customers better.

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

Principal Risks and Uncertainties

The Board reviews the key risks facing the charity on a regular basis, most recently in September 2024 and March 2025. The current principal risks are:

Risk	Mitigation/Controls
<p>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 and any impact on levels of continued funding from Clarion Housing Group</p>	<p>Ensuring close alignment to Clarion Group strategies and business objectives, and regular updates on progress and impact to Group and HA Boards. Director membership of HA senior leadership team ensuring alignment and co-operation.</p> <p>Staff trained to secure external funding with ongoing proactive 'business development' activities to provide additional value and impact.</p> <p>Establishment of a Social Value team to work closely with supply chain contractors to increase contributions and impact.</p> <p>Proactive management of resources when demand increases, and upskilling of all staff across the Group to triage, signpost and refer effectively.</p>
<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, potential fraudulent activity/poor practice by partners, and compliance with data protection regulations</p>	<p>Robust and ongoing training for all staff in safeguarding, health and safety and data protection.</p> <p>Plans for Marketing Preferences database to enable promotion of services to residents.</p> <p>Clarion internal audit of Community Assets in 2023/24 and Grants Programmes in 2024/25.</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, new grants management database.</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.

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.

In order to meet the Charity's Reserves policy, top up funding is received from the Association. Evidence of this commitment from the Association for the going concern period has been provided to the Trustees.

The Trustees have reviewed the charity's budget and financial plan for the period 2025/26 to 2028/29, 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 2025

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 2025, 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 2025 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;
- 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 the charitable company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as 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 due to the limited opportunity for management to manipulate revenue transactions.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and performed procedures identifying journal entries and other adjustments based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts involving income and expense.

Identifying and responding to risks of material misstatement related 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 fraud 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 noncompliance 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 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 that report has 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:

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 13, the trustees 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's and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

15 July 2025

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025**

		2025 Unrestricted funds £'000	2025 Restricted funds £'000	2025 Endowment funds £'000	2025 Total funds £'000	2024 Total funds £'000
	Notes					
Income and endowments from						
Donations and legacies	3	1,763	-	7,100	8,863	3,879
Charitable activities						
Grants and contracts	3	7	3,405	-	3,412	3,397
Investments						
Interest receivable	3	1,687	-	-	1,687	1,765
Gift Aid from Group members	3	3,266	-	-	3,266	4,491
Total		6,723	3,405	7,100	17,228	13,532
Expenditure on						
Charitable activities	4	(12,862)	(3,341)	-	(16,203)	(16,517)
Total	4	(12,862)	(3,341)	-	(16,203)	(16,517)
Net income/(expenditure)	8	(6,139)	64	7,100	1,025	(2,985)
Transfers between funds		6,139	-	(6,139)	-	-
Net movement in funds		-	64	961	1,025	(2,985)
Reconciliation of funds						
Total funds brought forward	14	-	877	19,343	20,220	23,205
Total funds carried forward	14	-	941	20,304	21,245	20,220

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 £1,800,000 top up of the Endowment Funds; grants and contracts income and expenditure on charitable activities which include £3,296,000 and £2,911,000 respectively in relation to Restricted income funds; total funds brought forward which includes £492,000 in relation to Restricted income funds and £22,713,000 in relation to Endowment funds; and total funds carried forward which includes £877,000 in relation to Restricted income funds and £19,343,000 in relation to Endowment funds.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Fixed assets			
Investments	9	26,907	25,779
Current assets			
Debtors: amounts falling due within one year	10	755	738
Cash and cash equivalents		482	913
		<u>1,237</u>	<u>1,651</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(1,700)	(2,011)
		<u>(463)</u>	<u>(360)</u>
Net current liabilities			
Creditors: amounts falling due after one year	12	(5,199)	(5,199)
		<u>21,245</u>	<u>20,220</u>
Net assets			
The funds of the charity			
Share capital	13	-	-
Unrestricted funds	14	-	-
Restricted income funds	14	941	877
Endowment funds	14	20,304	19,343
		<u>21,245</u>	<u>20,220</u>

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

Gavin Barwell

Lord Barwell
Chair
3 July 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 (September 2024) ("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; recent amendments made to FRS 102, as a result of Periodic Review 2024, are not currently mandatory and have not been early-adopted.

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 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.

In order to meet the Charity's reserves policy, top up funding is received from the Association. Evidence of this commitment from the Association for the going concern period has been provided to the Trustees.

The Trustees have reviewed the charity's budget and financial plan for the period 2025/26 to 2028/29, 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 2025 (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 2025 (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 2025 (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 2025 (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 2025 (CONTINUED)

3. Income and endowments

	2025 £'000	2024 £'000
Donations and legacies		
<u>From other members of the Clarion Housing Group</u>		
Endowment top-up from Clarion Housing Association Limited	7,100	1,800
Donated services from Clarion Housing Association Limited	712	829
Donated services from Clarion Housing Group Limited	759	922
Other intra-Group funding from Clarion Housing Association Limited	292	328
	8,863	3,879

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).

	2025 £'000	2024 £'000
Grants and contracts		
<u>Unrestricted</u>		
Love London Working - management fees charged to partners	7	101
	7	101
<u>Restricted</u>		
Love London Working - grant	-	462
Increase VS	-	23
Housing Associations' Youth Network	376	404
Fusion 21 Resilience Fund	295	504
Big Local	173	180
Rothesay Foundation	477	309
National Learning & Work Institute	234	-
Jobs & Training Programmes	181	-
Social levy	1,165	1,002
Multiply	220	207
Communities Programmes	171	100
Other grants and contracts	113	105
	3,405	3,296
	3,412	3,397

	2025 £'000	2024 £'000
Interest receivable		
Interest receivable on bank deposits	6	7
Interest on loans to Group undertakings	1,681	1,758
	1,687	1,765

	2025 £'000	2024 £'000
Gift Aid from Group members		
Clarion Housing Property Development Services Limited	2,299	3,410
Grange Management (Southern) Limited	967	1,081
	3,266	4,491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

4. Analysis of expenditure on charitable activities

Year ended 31 March 2025

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young & Old Vulnerable People & Improving Communities £'000	Strategic Support £'000	2025 Total £'000
Grants made	-	333	318	97	748
Staff costs including travel (note 6)	3,135	1,987	2,327	89	7,538
Other costs	701	678	2,600	570	4,549
Costs directly allocated to activities	3,836	2,998	5,245	756	12,835
Support costs (note 5)	956	606	709	1,097	3,368
Total resources expended	4,792	3,604	5,954	1,853	16,203

Expenditure is supported by:

Direct grant and contract income	698	16	1,141	1,557	3,412
Other income	4,094	3,588	4,813	296	12,791
	4,792	3,604	5,954	1,853	16,203

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 2025:

Money and Digital Service: grants include funding to 21 partners to deliver essential food, hygiene and cleaning products to households experiencing hardship; 3,039 grants to individuals to assist with basic costs, such as household energy, food, appliances and school uniforms; and 20 digital support grants awarded to a range of delivery partners.

Supporting Young & Old Vulnerable People & Improving Communities: A range of grant programmes was administered to target support across the breadth of needs our communities face. Launched in direct response to the rising cost of child care and the lack of provision for young people over the school holidays, the Summer Activities Grant Programme offered grants of between £1,000 and £3,000 to organisations based in Clarion communities delivering free activities for children and young people aged 11-18 through the summer holidays. Our Wellbeing Spaces programme evolved out of the achievements of the previous year's Warm Spaces Programme with the expansion of the programme looking to support spaces designed to promote social interaction to help build and sustain social connections. Continuing the partnership with the Rothesay Foundation, a total of 25 wellbeing spaces were supported up and down the country.

Strategic Support: Our Resilience Programme continued to deliver tailored capacity building support to small and medium Voluntary and Community Sector entities with 22 organisations also going on to receive a core cost grant to contribute to stabilising or developing the organisation to help build resilience.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

4. Analysis of expenditure on charitable activities (continued)

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

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 2025 (CONTINUED)

5. Analysis of support costs (including Strategic Support)

The charity has recognised £2,271,000 of support costs in relation to services provided by Clarion Housing Association Limited and Clarion Housing Group Limited (2024: £2,540,000), £1,471,000 of which were not recharged (2024: £1,751,000) (see note 3). A further £1,097,000 (2024: £1,260,000) of support costs were incurred directly by the charity.

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 £nil to Charis Grants Limited to administer the Ready 2 Work (Jobs & Training) grants (2024: £9,000).

Year ended 31 March 2025

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young & Old Vulnerable People & Improving Communities £'000	Strategic Support £'000	2025 Total £'000
Head office staff costs	441	279	327	844	1,891
General office costs	515	327	382	253	1,477
	956	606	709	1,097	3,368
Direct support costs	-	-	-	-	-
	956	606	709	1,097	3,368

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (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:

	2025 Number	2024 Number
FTEs	<u>145</u>	<u>155</u>

The average monthly headcount in the year was 152 (2024: 160).

	2025 £'000	2024 £'000
The staff costs relating to Clarion Futures were as follows:		
Wages and salaries	7,001	6,929
Other benefits	95	105
Social security costs	682	703
Pension costs	<u>386</u>	<u>367</u>
	<u>8,164</u>	<u>8,104</u>

In the prior year, £743,000 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:

	2025 Number	2024 Number
£60,001-£70,000	13	9
£70,001-£80,000	5	2
£90,001-£100,000	-	2
£100,001-£110,000	<u>4</u>	<u>2</u>
	<u>22</u>	<u>15</u>

In the prior year, retirement benefits accrued under a defined benefit scheme for 6 of these employees 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 2025 (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 3 Trustees were reimbursed by Clarion Housing Group a total of £1,284 for travel expenses incurred as part of the role as Trustees (2024: 2 Trustees, a total of £523).

The total remuneration of the management team, which is recharged to the charity, was £463,897 (2024: £427,737).

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)

	2025 £'000	2024 £'000
<u>Auditor's remuneration (exclusive of VAT)</u>		
- for statutory audit services	11	10
- for other services	-	-
	<u>11</u>	<u>10</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 2025 (CONTINUED)

9. Fixed asset investments

	2025 £'000	2024 £'000
Loans to Group undertakings		
At the beginning of the year	25,779	30,561
Net lending/(repayment)	1,128	(4,782)
At the end of the year	<u>26,907</u>	<u>25,779</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

	2025 £'000	2024 £'000
Amounts falling due within one year		
Amounts due from Group undertakings: interest	4	19
Prepayments and accrued income	272	86
Amounts due from Group undertakings: trading	393	312
Trade debtors	86	321
	<u>755</u>	<u>738</u>

11. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	167	209
Accruals and deferred income	482	813
Amounts due to Group undertakings: trading	658	405
VAT creditor	-	1
Other creditors	393	583
	<u>1,700</u>	<u>2,011</u>

Other creditors include £393,000 of Love London funding (2024: £565,000).

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

	£'000
Deferred income included in 'Accruals and deferred income' at 31 March 2024	449
Income received during the year and deferred	1,716
Of which returned during the year	(20)
Of which released during the year	(1,855)
Deferred income included in 'Accruals and deferred income' at 31 March 2025	<u>290</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (CONTINUED)

12. Creditors: amounts falling due after one year

	2025	2024
	£'000	£'000
Amounts due to Group undertakings: loans	<u>5,199</u>	<u>5,199</u>

	2025	2024
	£'000	£'000
Loans are repayable, otherwise than by instalments as follows:		
Between two and five years	5,199	5,199
After five years	<u>-</u>	<u>-</u>
	<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 2025 (CONTINUED)

14. Analysis of charitable funds

	At 1 April 2024 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2025 £'000
Analysis of movements in unrestricted funds					
General fund	-	6,723	(12,862)	6,139	-

	At 1 April 2024 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2025 £'000
Analysis of movements in restricted funds					
Housing Associations' Youth Network	-	376	(376)	-	-
Fusion 21 Resilience Fund	-	295	(295)	-	-
Big Local	-	173	(173)	-	-
Rothersey Foundation	-	477	(477)	-	-
National Learning & Work Institute	-	234	(234)	-	-
Jobs & Training Programmes	-	181	(181)	-	-
Social levy	877	1,165	(1,101)	-	941
Multiply	-	220	(220)	-	-
Communities Programmes	-	171	(171)	-	-
Other grants and contracts	-	113	(113)	-	-
	877	3,405	(3,341)	-	941

Endowment funds

Expendable endowment	19,343	7,100	-	(6,139)	20,304
	20,220	10,505	(3,341)	(6,139)	21,245

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

Endowment funds

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 (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 5th Floor, Greater London House, Hampstead Road, London, NW1 7QX. 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 5th Floor, Greater London House, Hampstead Road, London, NW1 7QX.