

Charity registration number 1193172

Company registration number 13088737 (England and Wales)

THRIVE SOCIAL HOUSING

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

THRIVE SOCIAL HOUSING

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr M G Giraudon Mr T J Ebbutt Mr D O Moran	(Appointed 12 June 2024)
Charity number	1193172	
Company number	13088737	
Registered office	Glen Valley House 634 Bacup Road Waterfoot Rossendale East Lancashire BB4 7AW	
Auditor	Sumer Audit Amelia House Crescent Road Worthing West Sussex BN11 1RL	
Bankers	HSBC 1-3 Warwick Street Worthing BN11 3DE	
Solicitors	Napthens Solicitors 7 Winckley Square Preston PR1 3JD	

THRIVE SOCIAL HOUSING

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THRIVE SOCIAL HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024 which also consolidates the results of the charity's wholly owned trading subsidiary, Emerging Futures CIC.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

- To prevent and relieve hardship and distress amongst people who need help in acquiring a settled way of life. This might be due to homelessness, addiction, mental ill-health or by being a discharged offender from the criminal justice system. Help in achieving independence may include residential accommodation, move-on accommodation, care, treatment or other assistance.
- To advance education amongst the public by any appropriate means into the causes of such hardship and distress.

We believe in equality and social justice and are convinced that everyone deserves the opportunity to change. Our highly trained team includes many people with lived experience of recovery. This powerful combination of personal knowledge with evidence-based therapeutic techniques achieves fantastic results for the people we support.

Our vision

Change is not easy, but we believe most people can and will succeed in achieving their goals if they have three key assets:

- Someone or something to love
- Something positive to do
- Somewhere safe to live

We are passionate about providing people with safe homes where they can connect with others, find rewarding things to do and be motivated to pay it forward. By aligning our passion with knowledge, we have the skills and competence to unlock people's potential to change their lives.

Our values

Our core values guide everything we do, and are embedded deeply within our workforce:

- Respect – listening to people and treating them with dignity;
- Integrity – being honest and open (with each other) and providing a voice for those who are expert by experience;
- Accountability – taking purpose-driven action, owning our decisions and remaining flexible as we grow.

Our values express our belief that everyone we work with is entitled to a fair and equal opportunity to live, love and achieve.

Our mission

We believe in equality, social justice, and strive to overcome the stigma associated with substance misuse so that everyone feels valued and respected. Our mission is to help reduce disadvantage and support people to live healthy, independent and productive lives, free from crime and addiction.

Our approach to housing

Our range of housing options meet the needs of people moving from homelessness to independence. Our houses sit within local support networks built in close partnership with local commissioners and other service providers.

Our complex needs housing provides accommodation and a safe space for people facing homelessness who have substance misuse issues, mental and physical health needs, or are involved in crime. This emergency housing provides warmth and safety while staff build people's trust and confidence and address their basic need for health services, benefits and stable medication.

THRIVE SOCIAL HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Transitional housing provides support and a stable home for people in recovery to make the necessary changes to their lives to move towards independent, healthy living. These are safe homes with intensive group and individual support and a big emphasis on structure, routine, peer support and community activities such as volunteering. We understand that recovery is never 'one size fits all', and these houses provide flexibility for residents to move on to greater independence when they are ready, or to step back into a more supported environment if they are struggling.

Our approach to behaviour change

Our portfolio of behaviour change programmes offer practical support to people who want to change their lives. We use the proven techniques of Cognitive Behavioural Therapy (CBT) and Acceptance and Commitment Therapy (ACT). These talking therapies help people understand how their thoughts, ideas and past experiences influence their behaviour and substance use. People learn to recognise and appreciate their existing strengths and skills and gain the confidence to make better life choices.

Our programmes are delivered by highly-trained professional staff, recovery coaches and volunteers who believe passionately that everyone deserves the opportunity to change their lives.

Many of our staff have their own past lived experience which they use to great effect to show people in crisis that we understand what they are going through. This helps build trust and convince people change is possible. Many people who graduate from the programme go on to work with us and are our 'real life' success stories.

Our approach to coaching

Coaching is transformative: it develops passionate and skilled workers and is a positive pathway out of treatment into employment. The coaching journey takes people from dependence to independence and helps them reconnect with their community and achieve a better future.

Coaching is similar to peer mentoring but with crucial differences. Peer mentors are volunteers who provide time-limited, one-to-one interventions that generally support people within treatment services. Coaching goes beyond this by cultivating a long-term relationship that integrates people into local recovery communities that support a sustainable future. Coaches begin as volunteers but are treated as equal members of the team with a clear pathway into paid employment.

Our coaching training is accredited with The Continuing Professional Development (CPD) Certification Service and provides 30 CPD hours for those who complete our training, supervision and observed practice requirements. Coaching training is a solution to the shortage of skilled workers who are experts by experience. For many years, our coaching training has produced a steady stream of professional and committed workers, both within our organisation and elsewhere in the sector.

The charity constitutes a public benefit entity. When reviewing our aims and objectives and in planning our activities, we have referred to the guidelines in the Charity Commission's guidance on Public Benefit. The trustees are satisfied that the charity has charitable aims that are carried out for the public benefit, in that:

- The benefits to our beneficiaries are clear and in line with our aims.
- The beneficiaries are appropriate to the charity's aims.
- There is no unreasonable restriction to accessing our services.
- There is no private benefit to the services we deliver.
-

Additionally the trustees believe that we meet the specific purposes set out in the Charities Act 2011:

- Aim 6: The advancement of health or the saving of lives
- Aim 12: The relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THRIVE SOCIAL HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

The 2023/24 year has been one of change for the group, we said goodbye to our founder and CEO Ray Jenkins in March 2024, and welcomed his successor Claire Bloor.

Thrive Social Housing (TSH) & Emerging Futures CIC (EF) continue to operate in a challenging environment, both financially and due to the increasing demand we see for our complex needs housing and the lack of accessible move on options for our residents.

Our community work continues across six key areas. Between April 2023 and March 2024, we delivered a total of 16,027 behaviour change interventions to people accessing our community groups for addiction recovery support. Our volunteer network remain crucial to our success in our community projects and the trustees are hugely grateful to our 100 volunteers who supported us to deliver these services in 2023/24. In accordance with the SORP (FRS102) general volunteer time is not recognised in the financial statements.

Volunteering opportunities that allow individuals to gain the skill and experience to then re-enter the workforce have always been a fundamental pillar for EF's strategy and one of the ways in which we meet our behaviour change aim.

This year was the final year of our current strategic plan, and the commentary below covers how we addressed the aims outstanding at the end of last financial year from that plan during 2023/24. The trustees and executive team will be focused on creating our new strategy for beyond 2024 over this financial year.

Supported Housing Aim: Provision of 370 beds across a balanced portfolio of complex needs & transitional housing

Thrive Social Housing concluded on the final two purchases of properties in line with its funding agreement from SASC in the year to March 2024, with a portfolio of 10 properties across the country now providing accommodation in line with our aims via our trading subsidiary EF.

As a group, we saw further increase in properties, with an extra 12 properties brought into the portfolio in additional to the purchased properties, meaning our housing offering now represents 75% of our business and provides 340 bed spaces.

Although this number of beds is a little short of our target, we have prioritised high quality accommodation in areas in which we can most effectively operate and believe this is the best way to ensure the best outcomes for our residents.

Cost of living increases not only impacted our client base this year, but also ourselves, with increased energy and maintenance costs incurred in order to provide our accommodation. Securing additional funding beyond income provided via enhanced housing benefit remains crucial for us to be able to provide high quality supported accommodation across the UK.

Criminal Justice Aim: Secure 2 new contracts with HMPPS or other commissioning agencies

This aim was not achieved in the financial year to March 24, although the group does continue to look for opportunities in this area to provide high quality support services.

Employment Pathways Aim: 60 academy graduates to have entered employment

On average, 24 individuals per year who complete one of our courses go on to find employment, so we consider this aim to have been achieved.

Data Integrity Aim: Fully implemented data management framework including lifecycle management & work from anywhere capabilities

We successfully transitioned IT partners in 2023 and now operate a full work from anywhere system. We are realistic that IT governance and high quality data management is an ongoing piece of work for all organisations, especially those that regularly deal with sensitive personal data and so this aim will never be complete for us, but becomes a fundamental pillar of how we operate now and in the future.

Staff & Volunteer Aim: Achieve Investors in People (IIP) Silver

We proudly received our IIP Silver award in November 2023. Continuing to invest in our people will remain a key aim for us.

THRIVE SOCIAL HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Financial review

Thrive Social Housing reports consolidated income of £11,616k for the year to 31 March 2024 (2022/23 £9,123k) which includes the consolidated results of its subsidiary, Emerging Futures CIC. This represents underlying growth in income of 27% due to the continued expansion in Emerging Future's housing provision and new community contracts taken on in the year.

The surplus for the group has reduced from last year, both in absolute and percentage terms to £59k or 0.5%. This reflects the increased cost base that we see across all of our services, but most acutely the increasing cost of labour and utilities.

Operational efficiency, whilst maintaining the highest quality of outcome for our service users will be a primary focus of the executive team and Board in 2024/25, alongside ensuring that we receive fair compensation for all services provided.

The balance sheet remains strong at the year-end and reports consolidated Net Assets and Total funds at March 2024 of £1,071k (March 2023 £1,012k), including cash balances of £1,212k (March 2023 £1,716k) (excluding funds drawn down from SASC of £nil (March 2023 £395k) pending house purchase completions after the year end). At the year-end we had completed on the purchase of all 10 properties utilising the SASC loan facility with a book value of £2,669k.

The main funding sources of the group are disclosed in Note 4 to the financial statements.

The principle risks and uncertainties the group face are covered in page 6 of this report.

During the year, the trustees agreed to purchase a property in Kirklees out of cash reserves, this purchase was completed on 31 May 2024 and the house will be brought into operation in August 2024.

Going concern

The Trustees have reviewed the financial performance of the group, together with those factors that will impact the future position of the group. These include reviewing and improving the levels of housing benefit receivable annually, management of the impact of the cost of living crisis, in particular relating to gas and electricity costs and the optimisation of occupancy levels in our houses. The group is forecasting a 26% increase in income in 2024/25 with a similar level of surplus generation as 2023/24 in percentage terms. The Trustees are therefore of the opinion that the group is well placed for the future and has adequate resources to continue in operation for the foreseeable future. The going concern basis of accounting therefore continues to be adopted in preparing the financial statements.

Reserves policy

In accordance with guidance from the Charities Commission the trustees have taken a risk based approach to assessing the level of reserves required for the group.

This approach considers:

- Potential short term volatility in housing income due to occupancy levels
- Level of contribution loss potentially associated with unsecured contracts in year
- Potential redundancy costs for staff working on unsecured contracts
- Operating lease commitments in areas without associated support contracts
- Operating cash flow risk
- An overall assessment of the risk appetite of the Board

THRIVE SOCIAL HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

As a result of this approach the trustees have agreed on the following approach to reserves for the year ended March 2024:

- If projected year end reserves are £400k or below the trustees should be enacting emergency measures to secure financial security, which are likely to include structural changes.
- If projected year end reserves are £600k or below the trustees will consider reserves to be amber and will be actively looking to stabilise income and costs and to gain certainty over the next financial year to understand if broader measures are required.
- Ideal reserves levels are £838k, so when reserves are between £600k and £850k levels the trustees will not be looking to make significant changes and budgets will be focused on delivering unrestricted reserves to the £850k level.
- When reserves are over £850k trustees will look to reinvest these excess reserve levels into the organisation.

Achievements and performance in the year to 31 March 2024

The consolidated accounts for the group show an increase in income of £2.5m to £11.6m. As noted in the Trustees report, margin in the year dropped, as a reflection of increased costs from 6% to 0.5%.

The charity completed the purchase on the final 2 homes via the £2.6 million facility secured in 2021 from Social and Sustainable Capital (SASC), a social investment fund, meaning all 10 houses purchased under this agreement are now in operation.

The year has seen significant focus on implementing the contracts that were won in the previous year, whilst continuing to deliver high quality housing and support across all of our existing projects. The trustees expect that although we will continue to see some growth in the 24/5 financial year, the immediate priority for the charity is to focus on stabilisation after 10 years on growth, to ensure our systems and processes are ready for the next 10 years and that quality and impact remains at the heart of everything we do.

In October 2023, we held our Impact Matters – Real Life Stories conference, where we focused on how all of our services make genuine impact on people lives, or the lives of loved ones, who are affected by addiction or homelessness. It was a huge honour to bring together so many members of our staff, volunteers, supporters, partners and most importantly service users to reflect on what we have achieved and look to the future.

Other achievements and performance are noted below and relate to both the charity and Emerging Futures CIC:
From an operational perspective we have:

- Migrated our IT support contract to a new provider and improved our file sharing and retention systems and processes
- Developed regional governance groups to focus on operational excellence and data quality
- Imbedded a housing compliance team throughout our local operational teams to focus on housing quality and compliance
- Welcomed a new CEO and Finance Director to our Executive Team

From a contractual perspective we have:

- Secured further investment from Local Authorities to support housing in West Sussex and to Support communities in Worcester
- Implemented new contracts in Birmingham to deliver Recovery Housing and a Prison Leavers scheme
- Implemented a new housing floating support scheme in Manchester and our female only housing project in Lancashire
- Implemented a new contract in Swindon including housing and community work
- Won new contracts to deliver our support in Sefton and York
- Achieved contract extensions to continue work across Cheshire, Hertfordshire, Birmingham, Gloucester and Lancashire.

THRIVE SOCIAL HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Risk and Uncertainty

The Board reviews the current risk register regularly and ensures all emerging or unforeseen risks are appropriately addressed. The key risks and associated mitigation and management are as follows:

Risk	Mitigation and management
Lack of agreed strategy leads to poor decision making in the short term	Strategic Frame agreed in 2023 Sessions for the new strategy kicked off in July 2024 with new executive team
Serious reputational damage arises from Serious Untoward Incidents (SUI)	Safeguarding lead on the Board appointed to review communications, policy and organisational learning from near misses
Financial viability due to increasing cost pressures	Focus on consolidation of system and process to drive operational efficiency and contracts with appropriate annual uplifts to cover ongoing cost increases
Operational capability undermined by staff recruitment challenges	A 9 month project to streamline and update our job titles, job descriptions and recruitment process has been launched in Feb 2024
Business continuity plans fail to meet unforeseen events disrupting operations	Regional BCPs in place, BCP for the whole business and central functions will be refreshed in 2024
Data breaches leading to ICO sanctions being imposed	Additional training on data protection is being rolled out to all staff in 2024 IT policies have been updated and reissued
Cash holdings for the group reside in one financial institution, meaning the funds would not be guaranteed in the event of a collapse, and the funds are not necessarily generating the best return for the group	During 2024 the Board will look to split funds between institutions and develop a more sophisticated model and policy for funds investment in line with its new strategy
Lack of governance or strategic direction due to the limited skills or number of trustees or NEDs	Two additional Board members appointed in June 2024, with further recruitment ongoing
Shortage of suitable accommodation	Rolling schedule of maintenance work to ensure the standard of current properties Review of options to purchase more properties Securing leases in line with other funding contracts
Out of date or ineffectual policies leads to a serious breach of our legal responsibilities	All policies are now in a review cycle with, where relevant, additional training for staff to embed these within working practices Compliance is monitored via regional governance groups and other ad hoc audits

THRIVE SOCIAL HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

The charity was incorporated as a Company Limited by Guarantee on 17 December 2020 (registered number 13088737) and subsequently registered as a charity (registered number 1193172) on 21 January 2021, thereafter subject to Charity, Trust and Company Law and governed by a Memorandum and Articles of Association. Its registered address is Glen Valley House, 634 Bacup Road, Waterfoot, Rossendale, East Lancashire, BB4 7AW.

The Charity has one subsidiary company, Emerging Futures CIC (EF) (company number 08938725) incorporated on 13 March 2014. The company is limited by guarantee, with Thrive Social Housing being the sole corporate member since 25 March 2021.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M G Giraudon

Mrs J Horsman

Mr T J Ebbutt

Mr D O Moran

(Resigned 12 June 2024)

(Appointed 12 June 2024)

Recruitment and appointment of trustees

Vacancies on the Board(s) will be identified by way of a skills audit and/or the resignation of an existing member of the Board. Potential candidates for such vacancies may either be nominated by a member of the Executive team or one of the Boards, or identified via an external recruitment process. A role description is issued as part of this process so that potential candidates fully understand their roles and responsibilities, including any participation in sub-committees.

Suitable candidates for the vacancies will meet with members of both the Executive Team and the Board, successful candidates will be invited to join the Board subject to the approval of the Board and appointed at the next available meeting. Appointments are for three year terms, and individuals may serve a maximum of two consecutive terms.

Following appointment to the Board, a trustee or NED will:

- Undergo briefing sessions with the Board and Executive team as required
- Be offered the opportunity to visit at least one of our projects to see our work in action and to meet the staff teams
- Be offered access to training and support around the role of a trustee/NED as required

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

The charity did not have any employees or executives in the period under review.

The trustees have delegated much of the day to day running of the group to the EF executive team, via a formal delegation of authority. This ensures that the group can practically operate on a day to day basis and that the trustees are able to focus on governance.

Executives of Emerging Futures CIC:

Executive

Ray Jenkins

Claire Bloor

Hayden Duncan

Chris Hill

Rachel Notley

Role

Chief Executive (until 25th March 2024)

Chief Executive (from 25th March 2024)

Operations Director

Finance Director (until 20th November 2023)

Finance Director (from 20th November 2023)

THRIVE SOCIAL HOUSING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Relationship with related parties

The charity's wholly owned subsidiary, Emerging Futures CIC, provides executive and governance support for the charity and also donates any profits to the charity under a formal gift aid agreement.

Tom Ebbutt is Chair of both organisations. All other trustees of the charity and non-executive directors of Emerging Futures CIC are non-conflicted. The Chair is excluded from any decisions relating to Emerging Futures CIC which may present a conflict of interest.

Trustee Indemnity Insurance

The charity has third party indemnity insurance cover for its trustees, as disclosed in note 5 to the financial statements.

Auditor

In accordance with the company's articles, a resolution proposing that Sumer Audit be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Thomas Ebbutt

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Mr T J Ebbutt

Trustee

11 September 2024
Date:

THRIVE SOCIAL HOUSING

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of Thrive Social Housing for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

THRIVE SOCIAL HOUSING

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THRIVE SOCIAL HOUSING

Opinion

We have audited the financial statements of Thrive Social Housing (the 'charity') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

THRIVE SOCIAL HOUSING

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THRIVE SOCIAL HOUSING

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the charity and group operate in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the charity's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud; and
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the charity and our sector-specific experience.

As a result of these procedures, we considered the opportunities and incentives that may exist within the charitable company for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: health & safety, employment law and compliance with the UK Companies Act and Charities Act.

THRIVE SOCIAL HOUSING

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THRIVE SOCIAL HOUSING

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Robin Evans

Robin Evans BA FCA CTA DChA (Senior Statutory Auditor)
for and on behalf of Sumer Audit
Chartered Accountants
Statutory Auditor
Worthing

11 September 2024
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THRIVE SOCIAL HOUSING

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

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income from:							
Donations and legacies	3	755	174	929	798	4,215	5,013
Charitable activities	4	11,559,870	8,304	11,568,174	9,094,177	14,544	9,108,721
Investments	5	47,075	-	47,075	9,518	-	9,518
Total income		11,607,700	8,478	11,616,178	9,104,493	18,759	9,123,252
Charitable activities	6	11,506,784	8,478	11,515,262	8,507,733	18,759	8,526,492
Other expenditure	9	48,775	-	48,775	-	-	-
Total expenditure		11,555,559	8,478	11,564,037	8,507,733	18,759	8,526,492
Net income		52,141	-	52,141	596,760	-	596,760
Tax on surplus		6,602	-	6,602	(4,471)	-	(4,471)
Net movement in funds		58,743	-	58,743	592,289	-	592,289
Reconciliation of funds:							
Fund balances at 1 April 2023		1,011,911	-	1,011,911	419,622	-	419,622
Fund balances at 31 March 2024		1,070,654	-	1,070,654	1,011,911	-	1,011,911

The consolidated statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

A separate Statement of Financial Activities is not presented for the charity itself as it has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The charity reports total income and endowments of £282,787 (2023 - £714,765) and net income of £13,141 (2023 - £596,760).

The consolidated statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THRIVE SOCIAL HOUSING

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 MARCH 2024

	Notes	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Fixed assets					
Tangible assets	11	2,695,610	2,695,610	2,126,201	2,126,201
Current assets					
Debtors	12	1,405,638	41,512	770,102	613,864
Cash at bank and in hand		1,211,900	732,720	2,111,154	556,423
		2,617,538	774,232	2,881,256	1,170,287
Creditors: amounts falling due within one year	13	1,573,719	36,981	1,483,546	33,543
Net current assets		1,043,819	737,251	1,397,710	1,136,744
Total assets less current liabilities		3,739,429	3,432,861	3,523,911	3,262,945
Creditors: amounts falling due after more than one year	14	(2,668,775)	(2,668,775)	(2,512,000)	(2,512,000)
Net assets		1,070,654	764,086	1,011,911	750,945
The funds of the charity					
Unrestricted funds		1,070,654	764,086	1,011,911	750,945
		1,070,654	764,086	1,011,911	750,945

The notes on pages 16 to 28 form part of these financial statements.

The financial statements were approved by the trustees on 11 September 2024

Marc Giraudon

Mr M G Giraudon
Trustee

Thomas Ebbutt

Mr T J Ebbutt
Trustee

Company registration number 13088737 (England and Wales)

THRIVE SOCIAL HOUSING

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(467,962)		889,020
Income tax received/(paid)			2,131		(2,131)
Net cash (used in / generated from operating activities)			(465,831)		886,889
Investing activities					
Purchase of tangible fixed assets		(588,498)		(2,003,975)	
Investment income received		47,075		9,518	
Net cash used in investing activities			(541,423)		(1,994,457)
Financing activities					
Proceeds from borrowings		108,000		2,201,000	
Net cash generated from financing activities			108,000		2,201,000
Net (decrease)/increase in cash and cash equivalents			(899,254)		1,093,432
Cash and cash equivalents at beginning of year			2,111,154		1,017,722
Cash and cash equivalents at end of year			1,211,900		2,111,154

THRIVE SOCIAL HOUSING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Thrive Social Housing is a private company limited by guarantee incorporated in England and Wales. The registered office is Glen Valley House, 634 Bacup Road, Waterfoot, Rossendale, Lancashire, BB4 7AW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The financial statements consolidate the results of the charity and its wholly-owned subsidiary, Emerging Futures C.I.C, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity itself have not been presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The trustees have approved the omission of the company's individual income and expenditure account in accordance with section 414(1) from the company's annual accounts.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees have considered relevant information, including the impact of subsequent events, in making their assessment.

Based on these assessments and having regard to the resources available to the group, the trustees have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income

Incoming resources are recognised at the the fair value of the consideration received or receivable for goods and services provided in the normal course of business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Income which is invoiced in advance of the current accounting period is included in deferred income within creditors in the balance sheet.

Grants towards services are recognised using the performance model. These grants are recognised only when the performance related conditions are met. Grants received before the revenue recognition criteria are met are recognised as a liability.

Rents received are included within turnover and are recognised on a time apportionment basis over the term of the lease.

THRIVE SOCIAL HOUSING

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

1 Accounting policies

(Continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings
Leasehold properties

Freehold buildings - straight line over 50 years
Leasehold buildings - straight line over 50 years

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Leasehold improvements, computers and other equipment purchased for specific projects are treated as revenue expenditure at the date the cost is incurred. Other assets with a value greater than £2,000 are capitalised under the historic cost basis and depreciated to write off the cost of the assets over their estimated useful lives.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

THRIVE SOCIAL HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Other financial liabilities

Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

1.11 Taxation

Thrive Social Housing is a charity in accordance with the Charities Act 2011 and is exempt from tax on income and gains falling within section 50 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. As a result no provision for taxation, deferred or otherwise, has been made in these financial statements in relation to the charity. The tax expense represents the sum of tax currently payable and deferred tax relating to the subsidiary company. The sum relates to current tax only and is payable based on taxable profit for the year.

1.12 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THRIVE SOCIAL HOUSING

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

3 Income from donations and legacies

Group

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	755	174	929	798	4,215	5,013

4 Income from charitable activities

Group

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Contract income	4,843,917	-	4,843,917	3,737,282	-	3,737,282
Grants and donations	880	8,304	9,184	4,755	14,544	19,299
Rent receivable	6,279,703	-	6,279,703	5,014,542	-	5,014,542
Other income	435,370	-	435,370	337,598	-	337,598
	11,559,870	8,304	11,568,174	9,094,177	14,544	9,108,721

5 Income from investments

Group

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	47,075	9,518

THRIVE SOCIAL HOUSING

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

6 Expenditure on charitable activities

Group

	Provision of Community Contracts 2024 £	Provision of Transitional Housing 2024 £	Total 2024 £	Provision of Community Contracts 2023 £	Provision of Transitional Housing 2023 £	Total 2023 £
Direct costs						
Staff costs	2,087,417	3,284,512	5,371,929	1,725,450	2,450,059	4,175,509
Housing costs	-	3,496,526	3,496,526	-	2,546,447	2,546,447
Other costs	483,642	592,238	1,075,880	418,549	414,179	832,728
	<u>2,571,059</u>	<u>7,373,276</u>	<u>9,944,335</u>	<u>2,143,999</u>	<u>5,410,685</u>	<u>7,554,684</u>
Share of support and governance costs (see note 7)						
Support	267,058	1,303,869	1,570,927	165,207	806,601	971,808
	<u>2,838,117</u>	<u>8,677,145</u>	<u>11,515,262</u>	<u>2,309,206</u>	<u>6,217,286</u>	<u>8,526,492</u>
Analysis by fund						
Unrestricted funds	2,838,117	8,668,667	11,506,784	2,309,206	6,198,527	8,507,733
Restricted funds	-	8,478	8,478	-	18,759	18,759
	<u>2,838,117</u>	<u>8,677,145</u>	<u>11,515,262</u>	<u>2,309,206</u>	<u>6,217,286</u>	<u>8,526,492</u>

7 Support costs allocated to activities

		2024 £	2023 £
	Basis of allocation		
Staff costs	<i>Time spent</i>	977,160	610,059
Other costs	<i>Direct</i>	574,678	347,202
Depreciation	<i>Direct</i>	19,089	14,547
		<u>1,570,927</u>	<u>971,808</u>
Analysed between:			
Provision of Community Contracts		267,058	165,207
Provision of Transitional Housing		1,303,869	806,601
		<u>1,570,927</u>	<u>971,808</u>

THRIVE SOCIAL HOUSING

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

7 Support costs allocated to activities

(Continued)

Support costs are inclusive of auditors remuneration as follows:

	Group 2024 £	Group 2023 £
Audit Services	19,050	22,705
Non-audit services	8,310	306

8 Employees

Group

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Average number of employees	240	195
Average number of full time equivalents	203	171
Average number of full time equivalents split between:		
Direct project staff	176	148
Operational support staff	14	11
Central support staff	13	12
Total	203	171

Employment costs:

	2024 £	2023 £
Wages and salaries	5,659,612	4,258,335
Social security costs	473,584	368,691
Training costs	50,759	44,493
Recruitment and general payroll costs	58,839	34,624
Pension costs for defined contribution pension scheme	106,295	79,425
	6,349,089	4,785,568

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£70,000 to £79,999	1	1
£80,000 to £89,999	-	1
£120,000 to £129,999	1	-

THRIVE SOCIAL HOUSING

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

8 Employees

(Continued)

Remuneration of key management personnel:

The key management personnel of the charity comprises the three trustees and the three members of the executive team of the wholly owned subsidiary Emerging Futures CIC. The key management personnel of the group comprise those of the charity and the key management personnel of its wholly owned subsidiary, Emerging Futures CIC. The key management personnel of Emerging Futures CIC comprise the Non-Executive Directors, the Chief Executive, the Operations Director and the Finance Director (the Executive Team). The total remuneration, inclusive of pension contributions and social security costs paid by the group, of the key management personnel was £325,417 (2023 - £318,092).

Trustee remuneration:

Payments were made to trustees for their services to the wholly owned subsidiary, this totaled £799 (2023 - £69) for reimbursement of general expenses to 3 (2023 - 2) trustees, and £25,472 (2023 - £22,350) for service fees to 3 (2023 - 3) trustees.

9 Other expenditure

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fair value adjustments on financial instruments	48,775	-

10 Taxation

Group

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The activities of the charity's trading subsidiary, Emerging Futures C.I.C., are chargeable to corporation tax at the rate of 19% on profits arising and not distributed to the charity. The combined credit to corporation tax in the year was £6,602 (2023: £4,471 charge).

	2024 £	2023 £
Current tax		
Net surplus before taxation for the year	52,141	596,760
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2023: 19%)	9,907	113,384
Expenses not deductible	2,755	-
Income not taxable	(2,497)	(108,913)
Utilisation of tax losses not previously recognised	(2,719)	-
Change in unrecognised deferred tax assets	(2,102)	-
Other timing differences	(5,344)	-
Adjustments in respect of prior periods	(6,602)	-
Total UK current tax (credit) / charge	(6,602)	4,471

THRIVE SOCIAL HOUSING

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

11 Tangible fixed assets

	Freehold land and buildings £	Leasehold properties £	Total £
Group and charity			
Cost			
At 1 April 2023	1,639,735	497,069	2,136,804
Additions	453,740	134,758	588,498
At 31 March 2024	2,093,475	631,827	2,725,302
Depreciation and impairment			
At 1 April 2023	5,868	4,735	10,603
Depreciation charged in the year	14,670	4,419	19,089
At 31 March 2024	20,538	9,154	29,692
Carrying amount			
At 31 March 2024	2,072,937	622,673	2,695,610
At 31 March 2023	1,633,867	492,334	2,126,201

12 Debtors

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Amounts falling due within one year:				
Trade debtors	851,795	269	400,281	3,430
Amounts owed by subsidiary undertakings	-	41,242	-	610,434
Other debtors	553,843	-	369,821	-
	1,405,638	41,511	770,102	613,864

13 Creditors: amounts falling due within one year

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Corporation tax payable	-	-	4,471	-
Other taxation and social security	116,223	-	85,815	-
Deferred income	916,927	-	708,106	-
Trade creditors	140,210	-	282,487	-
Other creditors	400,359	36,981	402,667	33,543
	1,573,719	36,981	1,483,546	33,543

Contract income and grants are accounted for in accordance with the performance model, in the period in which the performance criteria are met. Income is deferred due to the timing of contract income and grants.

THRIVE SOCIAL HOUSING

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

14 Creditors: amounts falling due after more than one year

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Secured loans	2,668,775	2,668,775	2,512,000	2,512,000

The charity entered into an agreement with Social and Sustainable Capital (SASC) on 14 July 2021 to have access to a loan facility of £2.645 million for the purchase of 10 houses in Cheshire, Lancashire and Hertfordshire. The loan will be repayable in July 2031 and there are no capital repayments during that period. At the balance sheet date £2,645,000 had been drawn down from this loan facility for the purchase of ten houses and is shown under secured loans. The loan is classified as a non-basic financial instrument and has been valued at fair value at year end based on valuation techniques that use observable inputs, changes to fair value of the loan are recognised in the SoFA as other expenditure. The amounts drawn down are secured on the freehold of the houses, and in the comparative period, by a charge on the charity rent bank account when held pending completion. The finance charge payable to SASC varies and is based on the rent received by Emerging Futures C.I.C. (the tenant) who leases the houses from the charity.

HSBC Bank also holds security in relation to the £60k credit card facility of Emerging Futures C.I.C. by way of a debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 3 August 2021.

15 Deferred income

	2024 £	2023 £
Other deferred income	916,927	708,106

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	916,927	708,106
Movements in the year:		
Deferred income at 1 April 2023	708,106	662,953
Released from previous periods	(708,106)	(662,953)
Resources deferred in the year	916,927	708,106
Deferred income at 31 March 2024	916,927	708,106

THRIVE SOCIAL HOUSING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used. The below represents the restricted funds for the group, there are no restricted funds for the charity.

	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
Restricted funds	-	8,478	(8,478)	-
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
Restricted funds	-	18,759	(18,759)	-

17 Unrestricted funds

The unrestricted funds of the charity and group comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

Group	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	1,011,911	11,607,700	(11,548,957)	1,070,654
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	419,622	9,104,493	(8,512,204)	1,011,911
Charity	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	750,945	282,787	(269,646)	764,086
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	154,186	714,765	(118,006)	750,945

THRIVE SOCIAL HOUSING

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

18 Analysis of net assets between funds

	Unrestricted funds 2024 £
Group	
Fund balances at 31 March 2024 are represented by:	
Tangible assets	2,695,610
Current assets/(liabilities)	1,043,819
Long term liabilities	(2,668,775)
	1,070,654
	Unrestricted funds 2024 £
Charity	
Fund balances at 31 March 2024 are represented by:	
Tangible assets	2,695,610
Current assets/(liabilities)	737,251
Long term liabilities	(2,668,775)
	764,086
	Unrestricted funds 2023 £
Group	
Fund balances at 31 March 2023 are represented by:	
Tangible assets	2,126,201
Current assets/(liabilities)	1,397,710
Long term liabilities	(2,512,000)
	1,011,911
	Unrestricted funds 2023 £
Charity	
Fund balances at 31 March 2023 are represented by:	
Tangible assets	2,126,201
Current assets/(liabilities)	1,136,744
Long term liabilities	(2,512,000)
	750,945

THRIVE SOCIAL HOUSING

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

19 Operating lease commitments

Group

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	1,142,274	1,129,122
Between two and five years	251,431	359,090
	<u>1,393,705</u>	<u>1,488,212</u>

20 Events after the reporting date

Since the year end, the charity has completed on the purchase of a new freehold property the property, at a cost of £145,000.

21 Related party transactions

During the year, Emerging Futures C.I.C., paid £10,477 (2023 - £11,386) to entities where a director, Mr R Jenkins, had related parties. There was £nil outstanding at 31 March 2024 (£Nil at 31 March 2023).

During the comparative period, Emerging Futures C.I.C. paid £15,181 to an entity where a former director of the C.I.C., Mr D Royce, had a related party. There was £nil outstanding at 31 March 2023. Mr Royce resigned as a director on 1 March 2023.

22 Cash generated from operations

	2024 £	2023 £
Surplus for the year after tax	58,743	592,289
Adjustments for:		
Taxation (credited) / charged	(6,602)	4,471
Finance costs	48,775	-
Investment income recognised in statement of financial activities	(47,075)	(9,518)
Depreciation and impairment of tangible fixed assets	19,089	14,547
Movements in working capital:		
(Increase)/decrease in debtors	(635,536)	36,183
(Decrease)/increase in creditors	(114,177)	201,633
Increase in deferred income	208,821	45,153
Cash (absorbed by)/generated from operations	<u>(467,962)</u>	<u>884,758</u>

THRIVE SOCIAL HOUSING

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

23 Analysis of changes in net (debt)/funds

	At 1 April 2023	Cash flows	Other non-cash changes	At 31 March 2024
	£	£	£	£
Cash at bank and in hand	2,111,154	(899,254)	-	1,211,900
Loans falling due after more than one year	(2,512,000)	(108,000)	(48,775)	(2,668,775)
	<u>(400,846)</u>	<u>(1,007,254)</u>	<u>(48,775)</u>	<u>(1,456,875)</u>