

Registered number: 01666027
Charity number: 513149

**The Azure Charitable Foundation (previously Azure Charitable
Enterprises)**
(A company limited by guarantee)

Annual report

31 January 2025

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 25
Trustees' responsibilities statement	26
Independent auditor's report to the members of The Azure Charitable Foundation	27 - 30
Consolidated statement of financial activities	31
Consolidated balance sheet	32
Charity balance sheet	33
Consolidated statement of cash flows	34
Notes to the financial statements	35 - 56

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Reference and administrative details Year ended 31 January 2025

Trustees

G P Barnard, Chair
G W Robson, Treasurer & Vice Chairman
R J Adams
M Boyle (appointed 22 May 2024)
A Charlton
I Hindle
J Moiser
J A Robinson (resigned 22 May 2024)
C Vaulks (appointed 31 July 2024)
J Wake

Company registered number 01666027

Charity registered number 513149

Registered office McCallum House
Kielder Avenue
Cramlington
Northumberland
NE23 8JT

Company secretary C Nesbitt

Chief executive officer P J Wilson

Independent auditor UNW LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers Lloyds Bank plc
Newcastle upon Tyne
NE1 6AG

Solicitors Muckle LLP
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

President Neil Robinson MBE, JP

Patron The Viscount Ridley

Vice Presidents A.E Kilburn OBE FCIH
Neville Furness FCA

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report Year ended 31 January 2025

The trustees present their annual report together with the audited financial statements of the charity for the 1 February 2024 to 31 January 2025. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Azure Charitable Foundation (formerly Azure Charitable Enterprises)¹ is a registered charity with a mission to "improve the lives of people who are disabled or disadvantaged".

The charity formed in Northumberland in 1979 at a time when attitudes towards 'disability' were changing. Families (locally) sought alternatives to what was often a life-time of institutionalised care and confinement, while policy makers too were actively engaged in perhaps the first meaningful discussions as to the concepts and practices underpinning the delivery of care and support.

Most significantly, in what was something of a 'watershed' moment, it was determined that care should be provided and supported in communities (as opposed to what was traditionally provided outwith the community – and in what might be best described as 'closed communities').

The charity was formally established in 1982, and has been supporting people with a disability to maximize their quality of life, life chances and personal development for more than 40 years.

The Azure Charitable Foundation's principal focus is to deliver social value for our client community i.e., those with special education needs and/or disabilities or who are otherwise disadvantaged.

The charity delivers against these objectives through our:

- Care & Support Services
- Education Services
- Employment and Training Services
- Supported Business (Garden Centre, Café, Business Centre and Landscaping Business) providing 'Supported Employment' for up to 50 people with disabilities.

The charity employs 229 personnel, and group revenues exceeded £10million this year.

¹ The charity changed its name to 'The Azure Charitable Foundation' on the 18th of July 2024 to better reflect the changing nature and scope of the charity's activities. The trustees determined that the new name better reflects the strength and longevity of the charity and the breadth of our work which will also now include grant making and the operation of a Specialist (SEND) College. The trustees found that the name 'Azure Charitable Enterprises' had become too narrowly associated with but a small, albeit still important, part of our activities (social enterprises).

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 January 2025**

Objectives and activities

The geographic scope of the charity's operations has traditionally been confined to the North East of England, although this is not a policy limitation.

The overarching mission of the charity is to "improve the lives of people who are disabled or disadvantaged" by providing services:

- Education and vocational training supporting our students' personal development and extending opportunities to improve their life chances,
- Care and support – supporting people to live independently and their engagement in the community,
- Support for those seeking employment and those in employment (to sustain their employment),
- Employment (at Azure in our 'Supported Businesses') where we work with people to develop their skills, competencies and experience which also enables them to pursue employment outwith Azure.

Maximising independence, personal development and achievement are our fundamental aims that we achieve in a variety of ways - many of which are complementary - with many of our clients accessing more than one type of service.

In addition to Care & Support, Education and Employment Services, the charity has established and operates a number of businesses (e.g. Azure Business Centre) and supported businesses² to generate income and to provide sustainable paid employment and real 'on the job' learning and training opportunities for people with a disability (i.e. Azure Garden Centre (incorporating our horticultural nurseries), Café and Azure Landscapes and Grounds Maintenance businesses).

² A 'supported business' is defined as where more than 50% of the work-force have a disability

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Strategic report

Achievements and performance

The management team is stable, flexible and has demonstrated a capability for innovation that will enable the Board of Trustees to embark, with confidence, on the next phase of the charity's development.

The scope and scale of their achievements this last year is a testament to their dedication and commitment to the charity and the communities we serve.

Azure Property Management Services Limited (formerly Azure Business Centres Limited)

The business provides office space and business units for small and start up enterprises and is located in Newburn, Newcastle upon Tyne.

Occupancy at the centre is at a very satisfactory level generating a profit of £86k, before gift aid to the charity, in the year compared with £44k in 2023/24.

The business contributes significant value to Azure's balance sheet with both land/buildings, strong cash generation and by its gift-aiding any surplus to the charity.

Azure Garden Centre

The charity's wholly owned retail subsidiary, Azure Garden Centre Limited, returned a profit this year of £463k, before gift aid to the charity, compared to a profit of £498k in 2023/24.

The Garden Centre and its Café are operated with the principal purpose of providing (i) employment and (ii) a setting for education and training for people with special educational needs or disabilities. continues to fulfil its purposes of gainfully employing and training people with disability and by the gift aiding of any profit to the charity to support our broader charitable endeavours; £522,108 in the current year.

Azure Landscapes & Grounds Maintenance

Azure Landscapes is, like the Garden Centre, operated with the principal purpose of providing (i) employment and (ii) a setting for education and training for people with special educational needs or disabilities. The landscapes department had another satisfactory year posting an operating surplus of £47k (£41k surplus in 2023/24).

The team continues to secure additional work, creating and sustaining the employment of supported employees.

Azure is particularly grateful for the ongoing support of Karbon Homes, Coca-Cola, Anchor Housing, Greggs, Burberry, Ferney Chesters, Miller UK and Blagdon Estate.

Education & Training Services

Working with local authorities and other partner organisations, the charity continues to develop a range of education pathways for students.

Services are focused on providing programmes for those aged 16 and above in recognition of the fact that this client group is perhaps the least well served by mainstream education and, indeed 'special' or 'SEND'³ schools and notwithstanding their best endeavours.

³ Special Educational Needs and/or disabilities

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

At Azure, our programmes are devised not only to support our students' personal development but also their social and employability skills. Employability is a key facet of each of our educational programmes (horticulture, catering and hospitality, retail and customer service) where each student has the opportunity to develop key skills and meaningful work experience by working in any of our businesses.

Learners (generally with Educational Health and Care Plans) are referred to Azure's alternative pathways and settings by Northumberland County Council and latterly North Tyneside Council.

Our programmes have been developed specifically for learners (aged 16-24) for whom mainstream schools and/or GFE Colleges have been/are unsuitable or where it has been deemed that these pathways were/are ill-equipped to support learners with particularly high needs (moderate to severe learning difficulties and/or disabilities) that include, but are not limited to:

- Acquired disability (brain injury);
- Anxiety;
- Attachment disorders
- Attention Deficit Hyperactivity Disorder (ADHD);
- Autism Spectrum Disorder (ASD);
- Cerebral Palsy;
- Downs Syndrome;
- Dyspraxia;
- Spina Bifida
- Epilepsy;
- Fine/gross motor skill difficulties;
- Hypermobility;
- Obsessive-Compulsive Disorder (OCD);
- Post-Traumatic Stress Disorder (PTSD);
- Sight/hearing impairment;
- Social, emotional and mental health needs;
- Speech and language difficulties;
- Tourette's Syndrome

In addition, we also teach learners designated as a 'Child in Need' and/or 'Looked After Children':

- A **'Child in Need'** (CIN) is defined under the Children Act 1989 as a child who is unlikely to reach or maintain a satisfactory level of health or development, or their health or development will be significantly impaired, without the provision of services, or the child is disabled
- **'Looked After Children'**⁴ are children and young people for whom the Local Authority becomes their Corporate Parent; this means that the Local Authority is responsible for finding them a safe and stable home. Where it is in the best interests of the child this could be a short-term arrangement whilst the family is supported so that children can safely return home; or this can lead to the children and young people being in the Local Authority's care for the longer term³.

Our learners are enrolled on study programmes where core funding is provided by the Education & Skills Funding Agency and where additional costs associated with each learner's needs are provided by the Local Authorities e.g. speech and language therapists, occupational health specialists, etc, (supporting learners and their families/carers).

In addition, the Local Authority also provides for our learners' travel costs to and from college (by taxi) if they do not travel independently and require support within and outwith Azure.

As they study with us, we also work with learners to support their personal and social development (learners may, for example, be non-verbal), independent living skills and to secure local employment where possible (within and outwith Azure).

⁴ 'Looked After' is a term introduced in the Children's Act 1989 and many legal aspects have been amended or updated in the Children and Families Act 2015.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

To support enrichment activities, the charity also makes £20,000 available to the department to ensure that there are no economic barriers to participation in enrichment activities including extra-curricular activities.

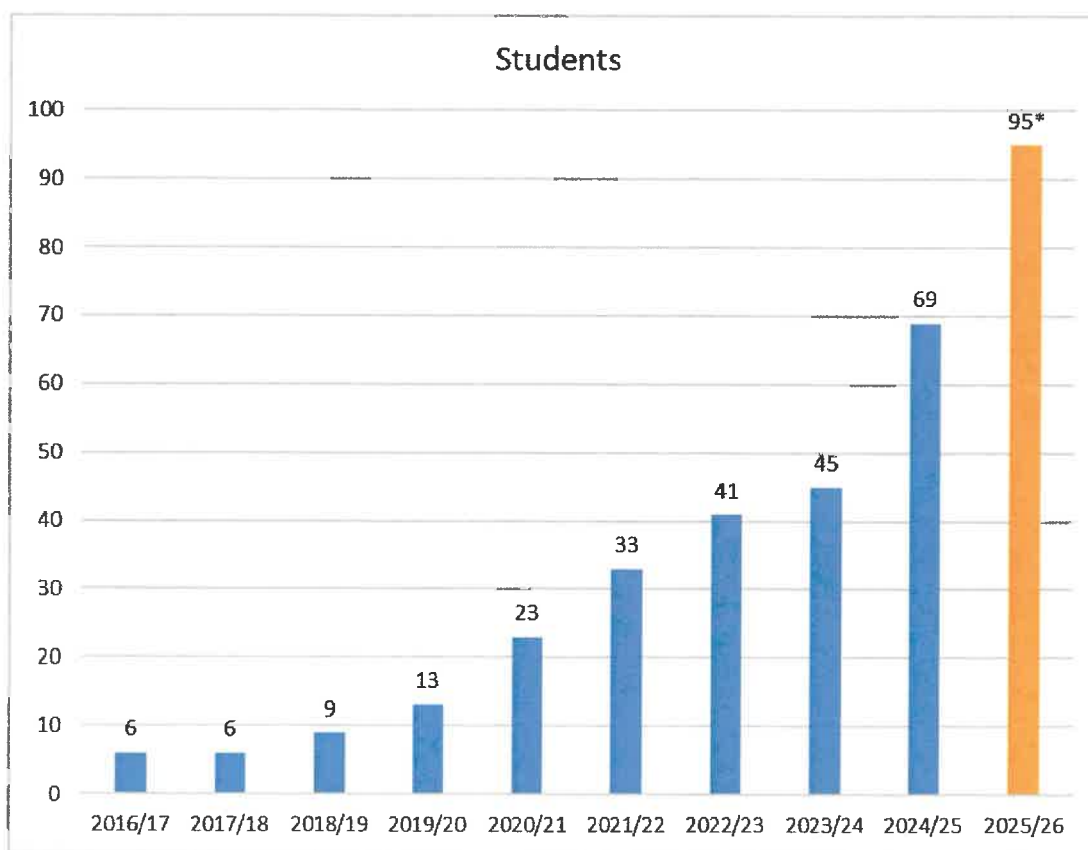
The Education Services Department continues to develop new pathways and a new curriculum that incorporates hospitality and catering, horticulture, retail and customer service.

We have 69 students enrolled this year and are working with Northumberland County Council and North Tyneside Council to develop programmes for young people (aged 16-24) with social, emotional and/or mental health needs.

As previously reported, the Hospitality and Catering Programme launched in September 2020 and was supported by £250k capital investment in the creation of a new teaching kitchen which also attracted financial support from The Reece Foundation and the Molitor Charitable Trust.

Working with Northumberland County Council, recruitment to our education and training programmes 'Skill-builders' (personalised vocational training and personal development programmes) and 'Supported Internships' has increased, year on year:

Working with Northumberland County Council, recruitment to our education and training programmes 'Skill-builders' (personalised vocational training and personal development programmes) and 'Supported Internships' has increased, year on year:



*At the time of writing we expect our enrolment (in August) to be circa 95 students.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 January 2025**

The department is working with 6 supported interns who are presently working in Azure's garden centre café.

The department has a dedicated employment advisor who works extensively with students to plan and secure their progression destinations; this includes securing voluntary and work-placement opportunities for students, identifying suitable job opportunities and assisting students to apply for roles and prepare for interview.

This year:

Of the 45 students enrolled in 2023/24 (all registered with high needs) 95% progressed to a positive destination.

- 29 returned to continue their education (including 8 as Supported Interns – 1 in Corporate Services (admin), 1 in Landscapes (admin), 2 in the Garden Centre (retail) and 4 in the Garden Centre Café)
- 3 progressed to further study at mainstream -GFE colleges
- 2 obtained paid employment
- 1 secured a volunteering role
- 2 progressed onto an employability programme and have secured voluntary work
- 1 has progressed onto an employability programme only
- 5 have entered adult social care
- 5 left before completion of study
- 2 no destination
- 2 of our Supported Interns are on course to be offered a two-year employment contract as supported employees.

Of the 70 students currently enrolled in 2024/25

- 45 are expected to return in September, 6 of whom are expected to progress into a Supported Internship (2 in the garden centre and 4 in the café)
- We also expect to enrol an additional 50 students across all programmes (total 95 projected)

We will also support any employer that provides a progression destination for our students.

In the last year, the charity has been in discussions with North Tyneside Council and expects to welcome circa 10 students from North Tyneside in September 2025.

The service is regulated by Ofsted.

Demand and interest in our Education Services continues to exceed expectations with McCallum House being adapted still further to accommodate additional students and with staff, in all likelihood, to be operating from temporary buildings situated in the McCallum House car park.

Further to consultations with Northumberland County Council and the DfE, the charity is in the process of forming a specialist SEND College (Specialist Post 16 Institution) and developing plans for an associated capital investment at our Cramlington site to support the delivery of vocational education and training, the teaching of independent living skills and employability training.

The charity is also in discussions with Northumberland County Council vis-à-vis the development of a residential setting on the site (which is being designed to support young people to experience independent living) and a sports and recreational facility designed to support those with SEND.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Employment Services

As reported by the ONS:

- there were 5.5 million disabled people in employment in the UK in Q2 2024. This is an increase of 310,000 on the year
- the disability employment rate was 53.0% in Q2 2024, compared to 81.6% for non-disabled people.
- the disability unemployment rate was 6.9% in Q2 2024, compared to 3.6% for non-disabled people.
- the disability economic inactivity rate – where the person self-reports that they are not in or looking for work - was 43.1% in Q2 2024, compared to 15.4% for non-disabled people.
- the number of working-age disabled people has increased by 580,000 on the year. This means that the 0.1 percentage point increase in the disability economic inactivity rate equates to an increase of 260,000 in the number of economically inactive disabled people between Q2 2023 and Q2 2024
- the disability employment gap was 28.6 percentage points in Q2 2024.
- on average, between 2014 and 2023, disabled workers moved out of work at a higher rate (8.6%) compared with non-disabled workers (4.9%). Workless disabled people moved into work at nearly one-third of the rate (10.1%) of workless non-disabled people (27.2%)

The latest data shows that nearly one in four of the working-age population are classed as disabled; the number of people reporting a long-term health condition and the number classed as disabled continue to rise; and the increase in disability prevalence is associated with an increase in people reporting mental health conditions and “other health problems or disabilities.”

The disability employment gap is wider for:

- males
- older (aged 50 to 64) people
- people with no qualifications
- people living in social housing
- people not living in a couple
- people living in Northern Ireland, the North of England, Scotland and Wales

The disability employment rate is lower for disabled people:

- with a mental health condition
- with five or more health conditions

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 January 2025

Disabled people were more likely than non-disabled people to:

- be working in Health, Retail and Education
- be working in lower-skilled occupations
- be self-employed
- be working part-time (and subsequently fewer hours)
- be working in the public sector
- be working in a small workplace (less than 50 employees)
- be underemployed (looking for and available to start another job or work longer hours)
- be working in low pay
- be working on a zero-hour contract
- be working in a job with less career opportunities
- be working in a job with less employee involvement
- have lower average wellbeing scores, this was lower for those who were not in employment
- have higher average anxiety scores, this was generally higher for those who were not in employment

Disabled people were more likely to be economically inactive and for those that were:

- the majority gave long-term sickness as their main reason for being inactive
- they were more likely (than non-disabled people) to want a job
- they were less likely (than non-disabled people) to have had a job in the last two years

Azure administers and operates, in accordance with demand, pre-employment, basic and key skills, information technology and vocational training courses so that clients may develop transferable work skills enabling disabled or disadvantaged people to find and secure sustainable employment.

Our work also includes supporting clients to overcome personal barriers to employment and support their personal development regardless of whether this is linked to specific (formal) qualifications or job outcomes. In co-operation with the Department for Work & Pensions (DWP) and local employers, clients are assisted to secure valuable work placements (including in our supported businesses) and sustainable employment.

Our Employment Services department has a holistic approach to clients; it recognises and understands the important, intrinsic link between many factors that may ultimately impact on employment. The department's work therefore does not stop at employment, we support and signpost clients for expert support in areas outside of our area of expertise such as liaising with homelessness teams or bereavement counsellors.

Azure continues to be commissioned directly by DWP to provide these services and has, since 2020, sought to increase the scope and scale of our work with support from NECA and European Social & Investment Fund and by working in partnership with the North East Autism Society.

Working in partnership with the North East Autism Society our Employment Services team has been delivering two programmes called ProgressNE and Empower Works which were both funded (by the UKSPF) until the end of March 2025.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

ProgressNE

This programme exclusively supported those who were economically inactive with neurodiverse conditions on their journey towards employment and personal development.

ProgressNE was oversubscribed by 5%.

We are pleased to report we supported:

- 25 people to gain employment
- 20 people to move into education or training
- 72 people in personal development
- 65 people to actively engage in job searching
- 65 people to reduce barriers to employment

Empower Works

This programme supported both those who were economically inactive and those unemployed. We are pleased to report we supported:

- 24 people to gain employment
- 70 to improve their life skills
- 11 volunteering
- 80 reduce barriers to employment

Clients have secured roles across the region with a range of employers that included:

Employer	Role
NCFE	Casual
Northumbria Healthcare Foundation Trust	NHS Senior Healthcare Support Worker Apprenticeship Level 3
Fenwick	Warehouse Assistant
Enigma	Software Developer
Morrisons	Customer Assistant
North East Law Centre	Business Support Administrator (Data and Digital)
Marks & Spencer	Customer Assistant
Stonegate Group	Cleaner
RCCN Cleaning Services	Cleaner
North East Theatre Trust	Customer Service Assistant
Northumberland Wildlife Trust	Biodiversity Boost Trainee
BBC	Radio Producer/Journalist
Courtyard Café	Café Assistant
Royal Mail	Seasonal Mail Sorter
Skills for People	Expert by Experience Trainer

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 January 2025**

Employer	Role
Waffling On	Online Admin and Communications Worker
Euro Garages Ltd	Customer Assistant
Ckclip Limited	Cleaner
Connect Health	Patient Care Advisor
Azure Charitable Foundation	Landscapes Assistant
Azure Charitable Foundation	Café Assistant
Park Holidays	Customer Service Assistant
T3 Security	Security Office
Odeon Cinemas Limited	Cinema Host
Newcastle University	Postgraduate Demonstrator
Groundwork	Peatlands Survey Assistant
Animal	Sales Assistant
Home Group	Customer Service Assistant
Aspers Casino	Trainee Croupier
English Heritage	Food and Beverage Assistant
Halfords Autocentre	T1 Vehicle Technician
LMG	Software Developer Apprentice
First Face to Face Ltd	Recruitment Support Assistant
Gingerinos Kitchen Limited	Kitchen Assistant
William Hill	Team Leader
Enhanced Care Group	Receptionist
KB Engineering	Production Assistant

Clients are also supported to access training programmes to support their personal development and employability skills delivered online and/or in person by Adult Education providers that include independent training providers, charities, FE Colleges and universities.

By way of example, online training has included:

- Health and Safety
- Microsoft Excel and Google Sheets for Beginners
- Resilience Training
- Personal Assistant Training
- Safeguarding Adults (level 3)

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Clients have also been supported to pursue:

- Counselling (level 3)
- BA Hons Animation
- BA Hons Criminology and Psychology
- BA Hons Linguistics
- Data Technician Skills Boot Camp
- Digital and IT Skills (level 2 diploma)
- Essential Skills Mathematics (level 2)
- Extended Certificate in Animal Care (level 2)
- FdSc Psychology and Sociology
- ITV Making Creativity Works
- Medical Office Award/Office Skills Training
- Navigating the Archives
- Warehousing and Storage (NVQ level 1)

Working with the NorthEast Autism Society, we have been successful in securing funding (again from the UK Shared Prosperity Fund administered by the North of Tyne Combined Authority) to continue to deliver Empower Works.

This programme runs until March 2026 and aims to support 80 clients in total.

We are also supporting clients in a number of other areas including developing interpersonal skills, accessing volunteering opportunities, education or training, qualifications, sourcing basic skills support and assistance with re-training.

The department continues to develop its strong relationship with Education Services and now providing careers sessions on a one-to-one basis with learners, delivering employability sessions to Supported Interns as well as sourcing work placements and providing on-placement support whilst clients and our students are in the workplace.

It has long been recognised that there is a funding gap for those learners' leaving education and clients referred for employability support some years later. We recognise the need to secure funding for a programme to transition learners from ESFA funded education programmes into independent living while also being supported to continue to access support for volunteering, personal development and employability skills (including employment). We continue to look for ways for this to be funded.

The department was successful in winning a contract with DWP to deliver a personal development/confidence building provision for 80 clients across the district covering Northumberland, North Tyneside, Newcastle, Gateshead, South Tyneside and Sunderland.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Supported Employment at Azure

The number of people in supported employment across the charity (in Corporate Services, Garden Centre, Garden Centre Café, Nurseries, Landscaping business and Education Services) was 30 at the year end (30 at year end 23/24; 31 at year end 22/23; 18 at year end 21/22).

Employment Services continue to provide information, advice, guidance, job coaching, job aiding and emotional support to our internal supported employees who work throughout the charity.

We work closely with departmental managers and supervisors and provide job coaching and support personal development where additional support may be required.

Over the last year this support has been wide-ranging and demonstrates the value of a holistic approach with our staff providing 'supported employees' with extensive support beyond the work-place.

Support Services

Support Services provides a range of care services to individuals with disabilities in the North East region. The company's residential based work in the housing departments of Cramlington, Washington, Tynedale, and Newcastle, as well as its enabling support activity around the North East, are of the highest quality and are regularly verified by third party inspections.

Azure's aim is to support clients to achieve autonomy, exercise their personal freedoms and make choices about the lives they lead. Our services are tailored to individual needs and are delivered in a flexible, personalised way to support all our clients including 24/7 if required.

Our staff are expert and experienced in mentoring and supporting the development of life-skills and assisting our clients to engage with the broader community. We work with each of our clients to understand and support their personal aspirations, their interests and their active participation in not only leisure and recreational activities but also employment opportunities.

As an organisation, we are committed to delivering high quality care and support that affords our clients with a sense of continuity and accountability for all working practices and we are registered with the Care Quality Commission to provide personal care.

Above all, we are determined to protect and secure our clients' rights to high quality care and to ensure that our clients live happy and fulfilling lives.

Azure employs highly trained professional staff to support people with a disability to live in homes appropriate to their needs and to support them to live as independently as they are able.

The charity works closely with local authorities and partner organisations that provide homes for people with a disability whilst also providing an enabling service for clients to better access the community/community facilities and public amenities.

The funding stream mix is complex and variable, but it allows the company to continue providing high-quality support services to those who need it most.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Residential Care:	<p>Support Services have been providing residential care support to individuals with disabilities in two homes in Washington (for 29 years); at the end of the year, 10 residents were being supported in the homes through this service.</p> <p>The quality of the support provided is regularly verified by third party inspections to ensure that it meets the highest standards of care.</p> <p>As reported last year, Azure agreed with Service Commissioners that the two homes would be deregistered and re-registered as independent supported living homes.</p> <p>The process of deregistering the service is now complete, and both services are now registered as ISL services. As part of this process, client needs have been re-assessed with additional hours of 1-1 support commissioned that will support clients' emotional health and well-being.</p> <p>A satellite service has also been established for a client that has been supported to move from children's services out of county back into Sunderland, to live in their own home with 1-1 support.</p> <p>We are now working with Sunderland City Council and their Adult Social Care teams to develop and grow our offer in and around Sunderland in this vein.</p>
Supported Living:	<p>In addition to residential support, Support Services also provides Supported Living services across Northumberland and Newcastle.</p> <p>Supported Living aims to enable clients with disabilities to live independently in their own homes and/or with others (in environments that are safe, inclusive, and integrated) with support provided by trained professionals. This service allows individuals to have more control over their lives and live with greater independence.</p> <p>The level of support provided varies depending on the client's needs, but it can include support with daily living tasks, such as cooking, cleaning, managing finances, accessing healthcare, and maintaining social connections.</p> <p>Support is tailored to each person's specific requirements, preferences, and goals, promoting their autonomy, choice, and control over their lives.</p> <p>Support includes:</p> <ul style="list-style-type: none">• Assistance with daily living tasks (e.g., cooking, cleaning, personal care)• Budgeting and financial management• Accessing healthcare and community resources• Building and maintaining social relationships• Encouragement and facilitation of community participation <p>Azure places a strong emphasis on promoting social interaction, personal growth, and meaningful engagement in the wider community. While support staff are readily available to assist as needed, the primary objective is to empower clients to take active control of their lives within a supportive framework.</p> <p>At the end of the year, 62 residents were being supported through the service.</p>

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Enabling Support: Support Services also provides Enabling Support Services to people with disabilities throughout the North East region. This service supports individuals with disabilities to access the community, participate in social activities, and live more independently.

This service aims to encourage involvement in society, foster inclusivity, and improve the lives of individuals with disabilities. The enabling services give priority to crafting personalised support plans tailored to the unique needs, preferences, and aspirations of each client. This could encompass everyday tasks like household chores and financial management.

Clients receive assistance in improving their skills to maximize independence and self-reliance. This may involve training in communication, mobility, socialisation, and vocational skills, facilitating better integration into both the community and the workforce.

Empowering clients to assert their rights and access services, resources, and opportunities of their choosing is a key aspect of our enabling services.

Enabling support facilitates meaningful engagement in community life by connecting clients with social networks, recreational activities, educational opportunities, and volunteer opportunities. This cultivates a sense of belonging, social connectedness, and fulfilment beyond formal support structures.

Furthermore, Enabling Services promote overall health and well-being by addressing physical, emotional, and mental health needs. This encompasses facilitating access to healthcare services, promoting healthy lifestyles, and offering emotional support and counselling as required.

For clients undergoing transitions from institutional settings or experiencing life changes, our Enabling Support provides support with transition planning, resettlement, and integration into community living. This often involves coordinating services, collaborating with relevant agencies, and delivering ongoing support throughout periods of change.

At the end of the year, 53 clients were receiving support through the Community Access Enabling Service.

At the time of writing, we are now supporting 56 service users.

Corporate (Central) Services

A variety of corporate functions are centralised and performed by a small, dedicated team that supports the charity to deliver services and operate the charity's constituent businesses. It also assures compliance with all legal and other requirements.

Key functions include finance, administration, human resource management including recruitment, performance management, payroll, work force development, IT infrastructure, maintenance, janitorial and security.

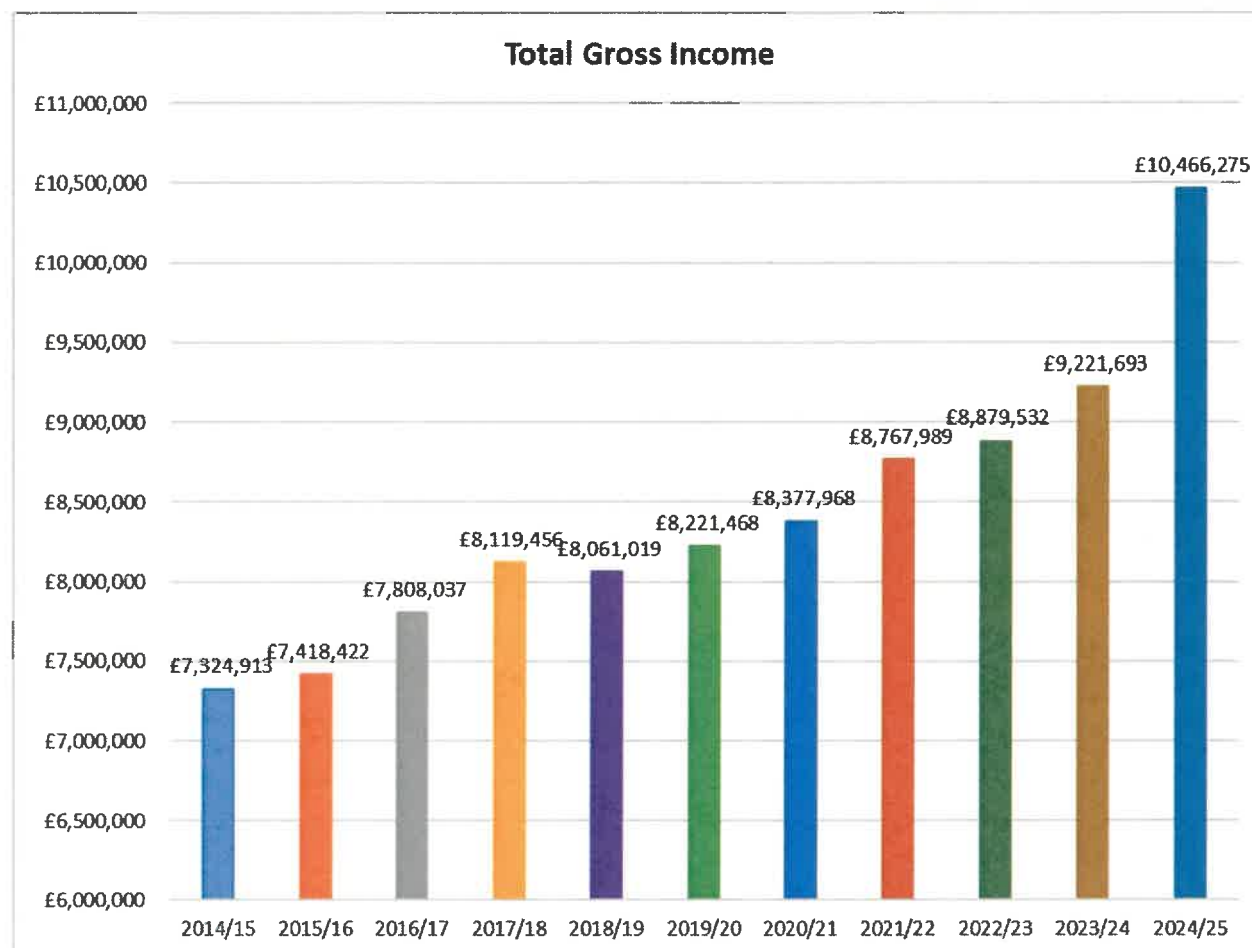
The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Financial review

The charity continues to grow revenues (from the delivery of services and the operation of our businesses).

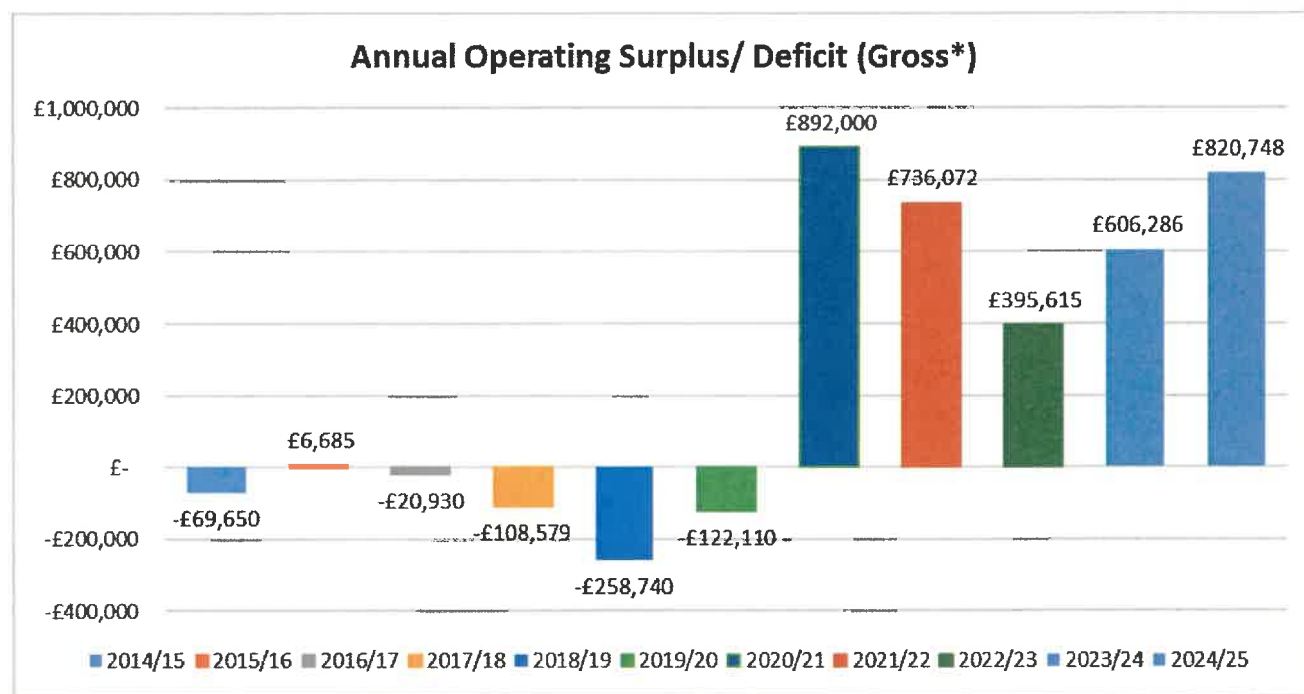


The sustained improvement in the group's financial performance has allowed the charity not only to create a 'Charitable Reserve' as a safeguard against financial and operational uncertainties but also improve pay and remuneration across the group as we endeavour to become a Real Living Wage Employer. More significantly, the performance has provided a platform from which the charity can develop and expand our charitable activities and which will support a transformational investment in our education facilities and which may also include residential and sporting/recreational facilities.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025



**Excluding exceptional costs that included the impairment of the Gateshead Business Centre and repair to Newburn roof incurred in 2017/18, the costs of servicing an emergency (£400k) loan to support restructuring costs incurred 2019/20 and 2020/21 and a £300k capital investment in the Garden Centre Café in 2020/21.*

Summary

The charity continues to deliver an outstanding range of services (Care & Support, Education and Employment) and operates a number of businesses (Garden Centre, Garden Centre Café and Landscapes), with the purpose of providing education and training (in each of these settings) and providing 'supported employment' for our clients in what remain very challenging circumstances.

The Garden Centre, Business Centre and our Landscapes business continue to perform well supporting the delivery of a very healthy operating surplus (see overleaf).

The delivery of Commissioned Services (Adult Care services to Local Authorities) remains challenging as Local Authority fee rates have failed to keep pace with inflation in (real terms) and for many years and where the delivery of services has and/or is becoming increasingly 'marginal' with services returning operating deficits i.e. where real costs of delivery exceed the fee income from Local Authorities (and which are generally calculated to support the employment of support staff at no more than the National Living Wage rate in any event).

This, in our considered opinion, continues to debase and devalue the work of our staff (and which continues to frustrate staff recruitment and retention).

The Board of Directors are mindful that Azure was founded to provide added-value in our communities and to enhance to the delivery of services; it is not Azure's role to subsidise the delivery of local authority obligations and we are determined to ensure that Azure's improved financial performance and resources are devoted to the former.

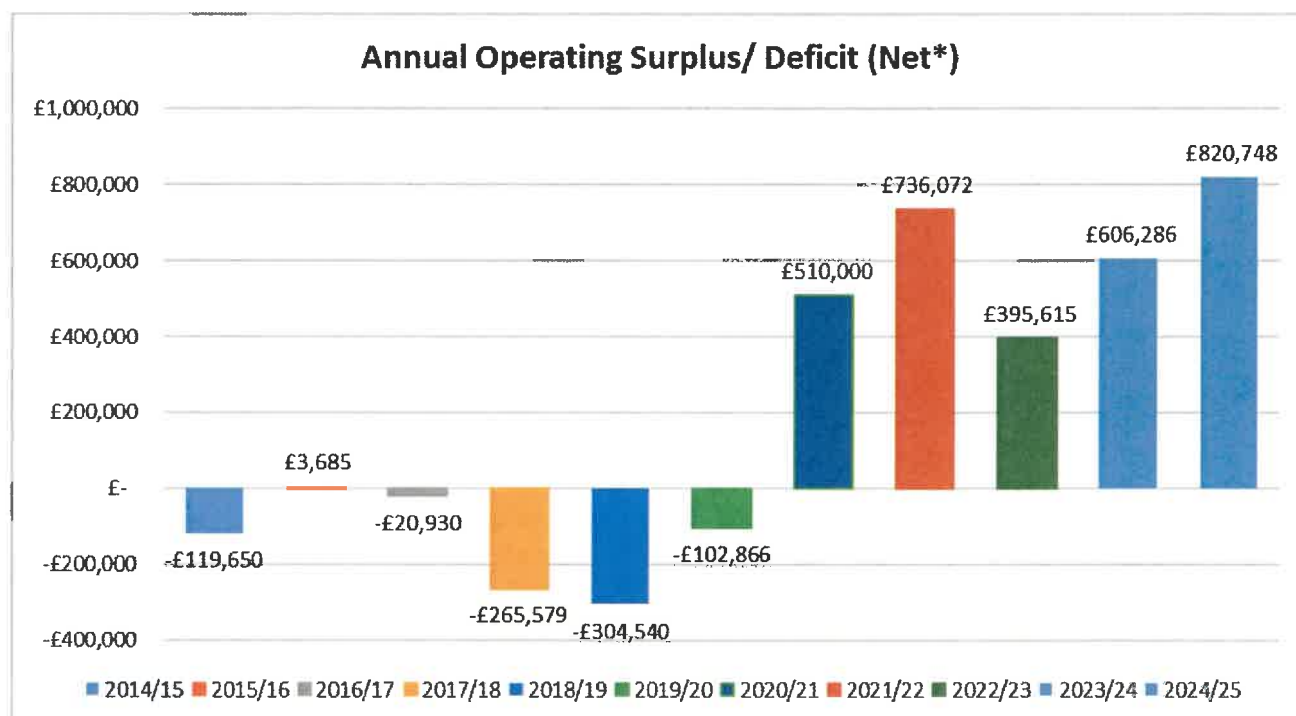
With our operating surplus returning to what we could consider a 'healthy' and, most importantly, sustainable level our focus remains on the development and sustainability of our charitable services.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 January 2025



****After exceptional costs noted above.**

The delivery of much-needed Employment Services remains contingent on securing funds or service contracts for the delivery of the same. Supported Employment and our Supported Business status remains dependent on the trading performance of our 'ventures' i.e., Garden Centre, Business Centre and Landscaping businesses – and the patronage of local/regional organisations.

The charity will continue to be a strong advocate for those we support and their families, challenging inequality and to make concerted efforts to shape policy (national and local) by working more collaboratively with other services providers - particularly as regards 'strategic commissioning' and budget setting (for the provision of support services) in/by Local Authorities with the aim of supporting improved pay and conditions for our Support Services staff.

To this end, the Board of Directors and the Executive are committed to working locally, regionally and nationally to ensure that the work of Adult Care staff is more widely understood, acknowledged and properly valued.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 January 2025**

Reserves and Going Concern

The results for the year provide the Azure group with a net asset position of £6,211,307 (2024: £5,390,559). At the year end, the group had a net current asset position of £2,656,047 (2024: £1,842,312).

This is a much-improved position on the previous year end and gives confidence that the group is in a strong position with sufficient cash to meet its current and future obligations.

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact of adverse events political, economic or environmental (national/international).

The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress-tested their forecasts, taking into account various scenarios, and remain confident that while the economic uncertainties remain, they do not cast significant doubt on the company's ability to continue as a going concern.

The total funds of the Azure Group at year end are £6,211,307, which are all unrestricted. Free reserves (total funds less fixed assets and investment property) are £2,656,047 which is in excess of that required in the current reserves policy (£200k).

Fundraising Policy

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised directly from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Public Benefit Statement

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives also are set in order to provide a clear and demonstrable public benefit.

Principal Risks and Uncertainties

Risk Management

The charity has a comprehensive risk review process and this is fully updated every year. The resultant risk analysis is considered by the Audit & Risk Committee in the first instance then is taken to the Board for approval.

With respect to health and safety, a senior manager is the charity's safety advisor and safety representatives are appointed in the various areas of the organisation.

The Board receive (directly) regular reports on health and safety matters (including accident and "near miss" statistics).

The charity has discharged all borrowings and has established a Charitable Reserve and also has placed sums on deposit at a higher rate of interest.

The trustees are satisfied that the systems and procedures in place are sufficient to adequately mitigate identified risks to an acceptable level in the charity's day-to-day operations.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) and conform to current statutory requirements and comply with the charitable company's governing documents.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Investment powers and restrictions

The charity funds are controlled by the directors, who also act as trustees, who invest with a view to safely optimising annual investment income while maintaining capital growth in line with market trends.

The trustees can invest any sums or investments received by them which they are by law authorised to invest money (including trading subsidiaries), with power from time to time to change for others of a like nature.

Plans for future periods

The Board and Executive are committed to a process of continuous improvement to optimise both the financial performance and the activities of the charity and its subsidiaries.

It is envisaged that economic conditions will remain challenging and with the potential to affect all departments.

An organisation-wide cost control strategy exists with close scrutiny of all discretionary spending.

The trustees have approved a budget for the forthcoming year consistent with these comments and the charity's overall strategic plan.

The charity remains concerned to protect itself from the 'seasonality' and associated risks to Garden Centre revenues (which remain weather dependant) and continues to develop plans to expand the garden centre to increase and diversify its income streams.

Further to consultations with Northumberland County Council, North Tyneside Council and the DfE, the charity is now working to address an inherent weakness in the local/regional education and skills infrastructure and which has prompted Azure to develop plans to establish a specialist, vocational SEND college (Specialist Post 16 Institution) and to develop a response to a lack of accommodation designed to support young people moving into independent living settings.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 January 2025**

Structure, governance and management

Governing Instrument and Constitution

The organisation is a charitable company limited by guarantee, incorporated on 21st September 1982 and registered as a charity on 13th October 1982.

The charitable company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association.

The company's membership is limited to 50 members. The members devolve authority to a Board of Non-Executive Directors (Trustees) who meet bi-monthly who in turn devolve the executive management to the Chief Executive and senior managers.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The governing instruments were revised at an Extraordinary General Meeting on 5th of February 2025.

Board of Directors (Trustees)

The charity is governed by its Board of Directors (Trustees) - who are the appointed directors of the company.

The number of trustees at present is 9 (the requirement being that the number is not less than 6 nor more than 20). Trustees are elected to serve 3-year terms, retire by rotation and are able to stand for re-election:

- At the 2025 Annual General Meeting Geoff Robson, Robin Adams and Angela Charlton retire by rotation (under Article 29) and being eligible, offer themselves for re-election.
- At the 2025 Annual General Meeting Chris Vaulks, being a new Member of the Board appointed on the 31st of July, offers himself for re-election (under Article 34)

The trustees meet as a norm not less than six times a year. They receive regular, detailed management accounts (including cash flow projections) as well as reports on operational activities every month. They regularly receive presentations and reports on any major developments or proposals. They participate in the strategic planning process and have ultimate responsibility.

The Board of Trustees and Executive wish to express and record their thanks to Mr Graham Barnard (Chair of the Board of Trustees) who will retire at the AGM in July 2025. Graham joined Azure as a trustee in July 2009 and has served on the charity's Risk and Audit Committee, Remuneration Committee and Corporate Services Committee. Graham was elected Vice Chair of the Board of Trustees in 2012 and Chair of the Board of Trustees in 2016.

As Chair, Graham has led the Board through a period of great challenge and transformation that has included overseeing the development and implementation of strategies and plans designed to extend the charity's services and assure its long-term future.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

Recruitment of trustees

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Board.

All appointments are subject to the approval by members at a General Meeting. With the notice of such meeting, members are provided with a profile of prospective new trustees - and equivalent information for any trustee offering themselves for re-election.

Additionally, a full attendance record is made available to members.

Trustee induction and training

New trustees are provided with a proper induction process and all relevant papers and associated guidance to properly fulfil their responsibilities. Briefing papers and familiarisation training is effected for all trustees, as deemed necessary.

Sub committees

The Board of Trustees has four special sub-committees that assist the Board:

- A **Corporate Services Committee** consisting of four members of the Board and chaired by the treasurer meets 6 times a year to support the Board to establish and implement policies, procedures and controls to facilitate financial governance, which includes financial planning, budget approvals, expenditure approvals and financial reporting. The committee:
 - Functions in conjunction with the Board and the Executive on major areas of change, innovation and development.
 - Undertakes tasks delegated by the Board that are within the committee's terms of reference.
 - Reviews and comments upon management accounts and financial forecasts.
 - Considers the financial implications of proposals for areas of major new strategic development on behalf of the Board and makes recommendations to the Board in respect of their suitability.
 - Maintains an overview of financial performance.
 - Reviews the trust's financial policies, including its financial reserves policy, and comments upon proposed changes before making recommendations to the Board.

Decisions are ultimately the responsibility of the trustee members of the committee, and in reaching their decisions and recommendations they will, so far as possible, take account of the views of the executive directors and any co-opted advisors.

- The **Audit and Risk Committee** consisting of four members of the Board meets twice a year to support the Board and Executive reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report. The committee:
 - Keeps a watching brief and provides advice, where appropriate, on potential and actual financial opportunities and threats.
 - Assists the Board to identify the charity's major risks and developing appropriate approaches to risk management. This includes periodic reviews of the charity's insurance cover.
 - Oversees the process for appointing the external auditor, approving the audit fee, considering any questions of resignation or dismissal of the external auditor, and making recommendations to the Board
 - Discusses with the external auditor, before the audit commences, the nature and scope of the audit

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 January 2025

- Reviews the annual audited financial statements before submission to the Board focusing particularly on any changes in accounting policies, major areas of judgement, significant adjustments resulting from the audit, compliance with charity legal requirements and financial reporting standards, and presentation of the accounts from a non-financial perspective
- Discusses with the auditor significant matters arising from the audit
- Reviews policy and procedures in respect of internal financial controls
- Reports periodically to the Board.
- The **Services Committee** consisting of four members of the Board, the Chief Executive and Heads of Service meets at the instruction of the Board to review the nature and scope of services, quality of services and opportunities for development to support the development of strategy and plans. The broad role of the committee is to consider matters not otherwise reported to the Board of Trustees and which may relate, for example, to the development and delivery of services (including regulated services) provided by Azure under contract to government departments, executive agencies (e.g., ESFA), local authorities, etc, and which presently include:
 - (i) Adult Social Care (i.e., 'Support Services');
 - (ii) Education & Training Services; and
 - (iii) Employment Services (including 'Supported Business').

More specifically, the committee may be convened by the Board of Trustees to:

- Review the achievement and maintenance of high standards of teaching, learning and assessment (Education Services); and/or
- Assess the nature, level of support and client impact (for Support Services & Employment Services clients); and/or
- Provide a forum for the Board of Trustees and senior managers to test new ideas relating to the development and delivery of services including assessments of their effectiveness; and/or
- Monitor the outcomes of Azure's quality assurance system regarding learner and/or client experiences, including destinations, satisfaction surveys and complaints; and/or
- Receive, consider and monitor Azure's self-assessment reports and the associated action plans, to include the effectiveness of quality control of all services and report appropriately to the Board; and/or
- Monitor Azure's development and compliance with all policies and procedures regarding equality of opportunity and diversity; and/or
- Receive reports of formal internal inspections of areas of Support Services, Education & Training and Employment Services and the associated action plans and consider them in the context of each service's strategy; and/or
- Receive and consider reports detailing student/client recruitment, retention and progress including changes to the profile of recruitment and report to the Board on their potential significance for the charity's curriculum and/or financial strategy; and/or
- Receive and consider reports on any other quality requirements identified by the CQC, OFSTED or other inspectorate or funding body.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 January 2025**

- The **Remuneration Committee** consisting of four members of the Board meets at least once each year to ensure that Azure's Pay & Reward strategy and policies attract and motivate personnel to achieve the long-term interests of the charity and deliver services to the communities we serve.

More specifically, the committee is responsible for and the scope of:

- Annual cost of living or performance related awards.
- The remuneration of all personnel including senior staff and the Chief Executive.
- Ensuring the policy and application of the remuneration policy is equitable, fair and transparent
- Overseeing any major changes in employee benefits structures throughout the organisation

Day to day management

Day to day management of the charity and its constituent businesses and services is vested in a professional team led by the charity's Chief Executive.

The Chief Executive meets regularly with the chair of the Board of Trustees (in addition to the formal meetings) and appraises the chair of any significant issues as they may arise between meetings.

The Chief Executive, Chief Operating Officer, Chief Financial Officer (and Company Secretary) attend the Board meetings (and other senior post-holders by rotation) but there is proper provision for the Board to discuss any matter without management attendance when they so wish.

Key Management Personnel

The key management personnel are those listed in the 'Reference and administrative details' page.

In addition to their own attendance at the formal trustee Board meetings, the Chief Executive, Chief Operating Officer and Chief Financial Officer meet together with other Executive Directors and managers as needed, to address all relevant operational issues.

Pay Policy for Key Management Personnel

Azure has identified key management personnel in the 'Reference and administrative details' section.

The remuneration of the key personnel is determined by the Remuneration Committee, with due reference to the Corporate Services Committee and the budget agreed directly by the Board and from which the Chief Executive is excluded in relation to any specific discussion of their remuneration.

The Corporate Services and Remuneration Committees are guided by formal reports which sets out all available relevant information which includes legislative obligations, best available benchmark data in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the recent settlement history at Azure, the proposed costs and ability to pay.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Trustees' report (continued) **Year ended 31 January 2025**

Related Parties

The charity has three subsidiaries, namely:

- Azure Garden Centre Limited which is operated with the principal purpose of providing (i) employment, including 'supported employment' and (ii) a setting for education and training for people with special educational needs or disabilities. Revenues generated by the garden centre supports our charitable purposes which includes the delivery of care services, employability and education programmes.
- Azure College Limited which has been established (in February of this year) to advance and provide education, training and care those with learning difficulties, special education needs or disabilities in a caring and sheltered environment. The College aims to (i) support the development of learners' vocational, personal, independent living and employability skills; (ii) promote learners' self-esteem, confidence and sense of well-being; (iii) enable learners to secure and sustain employment and actively engage in and with their community (iv) assure our learners' welfare.
- Azure Property Management Services Ltd which operates Azure's investment property (Newburn Business Centre) and which provides supported employment opportunities for our beneficiaries and which generates revenue for the charity to support its charitable purposes.

The Charity and its subsidiaries work with Service Commissioners including Northumberland County Council, Newcastle City Council, North Tyneside Council and Sunderland City Council, DfE, DWP, housing associations and other charities (e.g., the NorthEast Autism Society) in the delivery of services to our beneficiaries.

The Charity is a member of the British Association of Supported Employment (BASE)

Disclosure of information to auditor

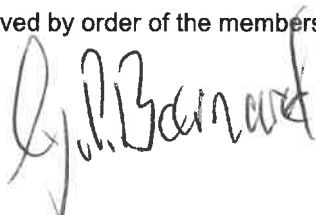
Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, UNW LLP, has indicated his willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees on 9 June 2025 and signed on their behalf by:



G P Barnard
Chair

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Statement of trustees' responsibilities Year ended 31 January 2025

The trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

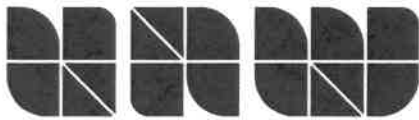
Company law requires the trustees to prepare financial statements for each financial . Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources, including their 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;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 9 June 2025 and signed on its behalf by:


G P Barnard
Chair



Independent auditor's report to the members of The Azure Charitable Foundation (previously Azure Charitable Enterprises)

Opinion

We have audited the financial statements of The Azure Charitable Foundation (previously Azure Charitable Enterprises) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 January 2025 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charitable company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 of the parent charitable company's affairs as at 31 January 2025 and of the group's 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

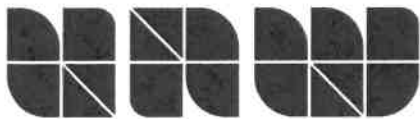
We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 group's or the parent charitable company'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.



Independent auditor's report to the members of The Azure Charitable Foundation (previously Azure Charitable Enterprises) (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.



Independent auditor's report to the members of The Azure Charitable Foundation (previously Azure Charitable Enterprises) (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the trustees and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

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

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, safeguarding, employment law, data protection and certain aspects of company legislation, recognising the nature of the group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report to the members of The Azure Charitable Foundation (previously Azure Charitable Enterprises) (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Hallowell

Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

9 June 2025

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Consolidated statement of financial activities (incorporating income and expenditure account)

For the year ended 31 January 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	2,412	3,600	6,012	21,681
Charitable activities	5	6,057,148	-	6,057,148	5,118,267
Other trading activities	6	4,380,796	-	4,380,796	4,081,745
Investments	7	22,319	-	22,319	-
Total income		10,462,675	3,600	10,466,275	9,221,693
Expenditure on:					
Raising funds	8	3,794,902	-	3,794,902	3,508,150
Charitable activities	9	5,847,025	3,600	5,850,625	5,107,257
Total expenditure		9,641,927	3,600	9,645,527	8,615,407
Net movement in funds		820,748	-	820,748	606,286
Reconciliation of funds:					
Total funds brought forward		5,390,559	-	5,390,559	4,784,273
Net movement in funds		820,748	-	820,748	606,286
Total funds carried forward	20	6,211,307	-	6,211,307	5,390,559

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 35 to 56 form part of these financial statements.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

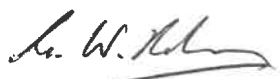
(A company limited by guarantee)

Consolidated balance sheet At 31 January 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	2,560,260	2,553,247
Investment property	15	995,000	995,000
		<u>3,555,260</u>	<u>3,548,247</u>
Current assets			
Stocks	17	402,948	440,694
Debtors	18	971,670	512,319
Cash at bank and in hand		2,247,301	1,712,216
		<u>3,621,919</u>	<u>2,665,229</u>
Creditors: amounts falling due within one year	19	(965,872)	(822,917)
Net current assets		<u>2,656,047</u>	<u>1,842,312</u>
Total assets less current liabilities		<u>6,211,307</u>	<u>5,390,559</u>
Total net assets		<u>6,211,307</u>	<u>5,390,559</u>
Charity funds			
Restricted funds	20	-	-
Unrestricted funds	20	6,211,307	5,390,559
Total funds		<u>6,211,307</u>	<u>5,390,559</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 09 June 2025 and signed on their behalf by:



G W Robson
Treasurer & Vice Chairman

The notes on pages 35 to 56 form part of these financial statements.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

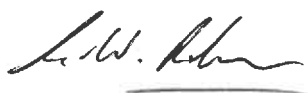
Balance sheet At 31 January 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	2,439,937	2,416,552
Investments	16	2	2
		<u>2,439,939</u>	<u>2,416,554</u>
Current assets			
Debtors	18	815,254	818,194
Cash at bank and in hand		2,101,417	1,077,273
		<u>2,916,671</u>	<u>1,895,467</u>
Creditors: amounts falling due within one year	19	(1,172,532)	(963,665)
Net current assets		<u>1,744,139</u>	<u>931,802</u>
Total assets less current liabilities		<u>4,184,078</u>	<u>3,348,356</u>
Total net assets		<u><u>4,184,078</u></u>	<u><u>3,348,356</u></u>
Charity funds			
Restricted funds		-	-
Unrestricted funds		4,184,078	3,348,356
Total funds		<u><u>4,184,078</u></u>	<u><u>3,348,356</u></u>

The charity's net movement in funds for the year was £835,722 (2024 - £563,416).

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 09 June 2025 and signed on their behalf by:



G W Robson
Treasurer & Vice Chairman

Company registered number: 01666027

The notes on pages 35 to 56 form part of these financial statements.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Consolidated statement of cash flows For the year ended 31 January 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	22	685,312	1,115,423
Cash flows from investing activities			
Purchase of tangible fixed assets		(150,227)	(331,184)
Net cash used in investing activities		(150,227)	(331,184)
Cash flows from financing activities			
Repayments of borrowing		-	(65,047)
Net cash used in financing activities		-	(65,047)
Change in cash and cash equivalents in the year		535,085	719,192
Cash and cash equivalents at the beginning of the year		1,712,216	993,024
Cash and cash equivalents at the end of the year	23	2,247,301	1,712,216

The notes on pages 35 to 56 form part of these financial statements

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

1. General information

The charitable company is a company limited by guarantee. The members of the charitable company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. They are presented in pound sterling and rounded to the nearest £.

The Azure Charitable Foundation (previously Azure Charitable Enterprises) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The charity's forecasts and projections for the next twelve months show that the group should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the group's ability to continue as a going concern.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

2. Accounting policies (continued)

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as the rental and service charges fall due.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support client service activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not met.

2.4 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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 50 years straight-line or over the lease term
Long-term leasehold property	- 40 years straight-line or over the lease term
Short-term leasehold property	- 40 years straight-line or over the lease term
Plant and equipment	- 3 - 4 years straight-line
Motor vehicles	- 4 years straight-line
Fixtures and fittings	- 3 - 5 years straight-line
Office equipment	- 3 - 5 years straight-line

2.6 Investment property

Investment properties are measured at fair value at each reporting date, with any changes in fair value recognised in the consolidated statement of financial activities. Investment properties are not depreciated.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.12 Pensions

The group contributes to personal pension plans taken out by employees. Contributions are charged to the income and expenditure account as they become payable.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates included within these financial statements include depreciation charges, bad debt provisions and the stock provision. None of these estimates are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

The valuation of investment properties requires the use of significant judgement and estimation. Under FRS 102, the company determines the fair value of investment properties based on market conditions, comparable transactions, and, where applicable, independent professional valuations.

Key assumptions used in the valuation process include:

- Market rental yields and growth expectations
- Property-specific characteristics, including location, condition, and occupancy rates
- Discount rates applied to future cash flows
- Comparable market transactions

Changes in these assumptions or fluctuations in market conditions could significantly impact the fair value of investment properties, affecting reported profits and financial position. The company regularly reviews these estimates to ensure they reflect current market conditions and adjusts valuations accordingly.

In preparing these financial statements the trustees do not consider there were any significant areas of judgment that were required in applying the groups accounting policies as set out above.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Donations	2,412	3,600	6,012

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	13,081	8,600	21,681

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Provision of client services	6,057,148	6,057,148	5,118,267

All income from charitable activities in the current and prior year was unrestricted.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

6. Income from trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Subsidiary trading income	3,887,055	3,887,055	3,623,576
Nursery income	46,000	46,000	42,333
Landscapes income	447,741	447,741	414,749
Feed in tariff income	-	-	1,087
	<u>4,380,796</u>	<u>4,380,796</u>	<u>4,081,745</u>

All income from trading activities in the current and prior year was unrestricted.

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Interest receivable	22,319	22,319	-
	<u>22,319</u>	<u>22,319</u>	<u>-</u>

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Cost of goods sold	1,957,098	1,957,098	1,797,553
Rent and rates	5,746	5,746	5,721
Advertising	33,472	33,472	27,427
Heat, light and water	95,835	95,835	109,112
Insurances	43,954	43,954	36,411
Training	460	460	345
Other	463,705	463,705	498,335
Wages and salaries	1,102,499	1,102,499	950,731
Depreciation	92,133	92,133	82,515
	<u>3,794,902</u>	<u>3,794,902</u>	<u>3,508,150</u>

All expenditure from raising funds in the current and prior year was unrestricted.

Income and expenditure from the Garden Centre is classified as trading due to the "for profit" nature of the business to subsidise other charitable activities. However, the Trustees consider that the operations of the Garden Centre align with the objectives of the charity, providing education, training and employment opportunities alongside the other charitable activities of the group.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Provision of charitable activities	5,847,025	3,600	5,850,625

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Provision of charitable activities	5,098,657	8,600	5,107,257

10. Analysis of expenditure by activities

	Direct costs 2025 £	Support costs 2025 £	Total funds 2025 £
Provision of charitable activities	4,978,112	872,513	5,850,625

	Direct costs 2024 £	Support costs 2024 £	Total funds 2024 £
Provision of charitable activities	4,269,863	837,394	5,107,257

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

Analysis of support costs

	2025 £	2024 £
Wages and salaries	629,937	564,694
Depreciation costs	30,725	27,968
Interest	-	1,696
Power	30,485	35,974
Insurances	18,103	26,192
Other	71,222	98,029
Legal and other professional costs	15,751	10,001
Governance costs	76,290	72,840
	872,513	837,394

11. Auditor's remuneration

	2025 £	2024 £
Fees payable to the group's auditor for the audit of the charitable company's annual accounts	13,625	16,500
Fees payable to the group's auditor in respect of:		
The auditing of accounts of subsidiaries of the charitable company	10,000	6,000
Other services	1,700	2,350

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

12. Staff costs

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Wages and salaries	5,835,053	5,182,330	4,997,771	4,457,033
Social security costs	426,731	363,517	426,731	363,517
Contribution to defined contribution pension schemes	285,421	228,510	285,421	228,510
	<u>6,547,205</u>	<u>5,774,357</u>	<u>5,709,923</u>	<u>5,049,060</u>

The average number of persons employed by the group during the year was as follows:

	Group 2025 No.	Group 2024 No.
Garden Centre	36	35
Supported Living	76	78
Landscapes	16	15
Support Services	62	58
Employment Services	8	5
Education	12	9
Administration	12	13
Azure Business Centres Limited	2	2
	<u>224</u>	<u>215</u>

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

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	-
In the band £140,001 - £150,000	1	1

The key management personnel of the charity comprise the Chief Executive, Chief Financial Officer, Chief Operating Officer and Directors of Charitable and Corporate Services. The total employee benefits of the key management personnel of the group were £672,915 (2024: £527,765).

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

13. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2024: none).

During the year ended 31 January 2025, no trustee expenses have been incurred (2024: none).

14. Tangible fixed assets

Group

	Freehold property £	Plant and equipment £	Motor vehicles £	Office equipment £	Assets under construction £	Total £
Cost						
At 1 February 2024	3,808,048	646,569	76,365	785,838	275,969	5,592,789
Additions	40,684	32,133	-	38,188	39,222	150,227
At 31 January 2025	3,848,732	678,702	76,365	824,026	315,191	5,743,016
Depreciation						
At 1 February 2024	1,702,492	542,705	48,648	745,697	-	3,039,542
Charge for the year	73,642	44,366	9,649	15,557	-	143,214
At 31 January 2025	1,776,134	587,071	58,297	761,254	-	3,182,756
Net book value						
At 31 January 2025	2,072,598	91,631	18,068	62,772	315,191	2,560,260
At 31 January 2024	2,105,556	103,864	27,717	40,141	275,969	2,553,247

The net book value of freehold land not depreciated is £750,000 (2024: £750,000).

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

14. Tangible fixed assets (continued)

Charity

	Freehold property £	Plant and equipment £	Motor vehicles £	Office equipment £	Assets under construction £	Total £
Cost						
At 1 February 2024	3,640,819	336,024	76,365	401,708	275,969	4,730,885
Additions	40,684	21,020	-	29,903	39,222	130,829
At 31 January 2025	3,681,503	357,044	76,365	431,611	315,191	4,861,714
Depreciation						
At 1 February 2024	1,574,412	325,247	48,648	366,026	-	2,314,333
Charge for the year	71,339	12,362	9,649	14,094	-	107,444
At 31 January 2025	1,645,751	337,609	58,297	380,120	-	2,421,777
Net book value						
At 31 January 2025	2,035,752	19,435	18,068	51,491	315,191	2,439,937
At 31 January 2024	2,066,407	10,777	27,717	35,682	275,969	2,416,552

The net book value of freehold land not depreciated is £750,000 (2024: £750,000).

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 February 2024	995,000
At 31 January 2025	<u>995,000</u>

Investment properties are held in Azure Property Management Services Limited and were subject to an external valuation in 2023 by Sanderson Weatherall. The valuations were prepared on the basis of open market value and were made in accordance with RICS Valuation - Global Standards 2022. These valuations have been updated by the directors to 31 January 2025.

Investment property if included on a historical cost basis would be stated at:

	Group 2025 £	Group 2024 £
Historic cost	<u>567,990</u>	<u>597,884</u>

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

16. Fixed asset investments

Company	Investments in subsidiary companies £
Cost	
At 1 February 2024	2
At 31 January 2025	2
Net book value	
At 31 January 2025	2
At 31 January 2024	2

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Country of incorporation	Class of shares	Holding
Azure Garden Centre Limited	02746143	England	Ordinary	100%
Azure Property Management Services Limited	04642254	England	N/A	100%

Azure Property Management Services Limited is a private company limited by guarantee without share capital and therefore no shares are held by The Azure Charitable Foundation.

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit for the year £	Net assets £
Azure Garden Centre Limited	3,752,705	3,289,300	463,405	652,271
Azure Property Management Services Limited	214,554	128,780	85,774	1,375,861

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

17. Stocks

	Group 2025 £	Group 2024 £
Finished goods and goods for resale	402,948	440,694

18. Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	298,759	154,239	261,912	113,117
Amounts owed by group undertakings	-	-	468	369,059
Other debtors	26,738	3,134	25,007	1,144
Prepayments and accrued income	646,173	354,946	527,867	334,874
	971,670	512,319	815,254	818,194

The amounts owed by group undertakings are unsecured and repayable on demand.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

19. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	293,691	194,655	147,142	101,054
Amounts owed to group undertakings	-	-	443,901	306,558
Other taxation and social security	356,761	340,140	352,685	329,301
Other creditors	73,195	60,644	61,530	49,096
Accruals and deferred income	242,225	227,478	167,274	177,656
	965,872	822,917	1,172,532	963,665

The amounts owed to group undertakings are unsecured and repayable on demand.

Deferred income

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Deferred income at 1 February 2024	47,910	-	47,910	-
Resources deferred during the year	34,743	47,910	34,743	47,910
Amounts released from previous periods	(47,910)	-	(47,910)	-
Deferred income at 31 January 2025	34,743	47,910	34,743	47,910

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

20. Statement of funds

Statement of funds - current year

	Balance at 1 February 2024 £	Income £	Expenditure £	Balance at 31 January 2025 £
Unrestricted funds				
General funds	5,390,559	10,462,675	(9,641,927)	6,211,307
Restricted funds				
Residents activities for Keele Drive	-	3,600	(3,600)	-
Total of funds	5,390,559	10,466,275	(9,645,527)	6,211,307

Statement of funds - prior year

	As restated Balance at 1 February 2023 £	Income £	Expenditure £	Balance at 31 January 2024 £
Unrestricted funds				
General funds	4,784,273	9,213,093	(8,606,807)	5,390,559
Restricted funds				
Residents activities for Keele Drive	-	8,600	(8,600)	-
Total of funds	4,784,273	9,221,693	(8,615,407)	5,390,559

Residents activities for Keele Drive: Various donations were received from Damant ML during the year towards the cost of providing social activities for the residents of Keele Drive.

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	2,560,260	2,560,260
Investment property	995,000	995,000
Current assets	3,621,919	3,621,919
Creditors due within one year	(965,872)	(965,872)
Total	6,211,307	6,211,307

Analysis of net assets between funds - prior period

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	2,553,247	2,553,247
Investment property	995,000	995,000
Current assets	2,665,229	2,665,229
Creditors due within one year	(822,917)	(822,917)
Total	5,390,559	5,390,559

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net income for the year (as per statement of financial activities)	820,748	606,286
Adjustments for:		
Depreciation charges	143,214	127,767
Decrease in stocks	37,746	54,089
(Increase)/decrease in debtors	(459,351)	190,081
Increase in creditors	142,955	137,200
Net cash provided by operating activities	685,312	1,115,423

23. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	2,247,301	1,712,216
Total cash and cash equivalents	2,247,301	1,712,216

24. Analysis of changes in net debt

	At 1 February 2024 £	Cash flows £	At 31 January 2025 £
Cash at bank and in hand	1,712,216	535,085	2,247,301
	1,712,216	535,085	2,247,301

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £285,421 (2024: £228,510). Contributions totalling £42,973 (2024: £36,708) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

At 31 January 2025 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Not later than 1 year	15,788	10,940	15,788	10,940
Later than 1 year and not later than 5 years	1,050	1,101	1,050	1,101
	16,838	12,041	16,838	12,041

27. Related party transactions

During the course of the year, the charity purchased goods from its subsidiary Azure Garden Centre Limited amounting to £623 (2024: £4,747) on normal commercial terms. During the course of the year, the charity sold goods to its subsidiary Azure Garden Centre Limited amounting to £2,717 (2024: £2,470). During the course of the year, the charity provided management services to Azure Garden Centre Limited amounting to £130,980 (2024: £172,348). During the year there were also recharges of costs between the charity and Azure Garden Centre Limited. The net amount outstanding at the year end was £87,116 owing to the charity (2024: £356,624 owing to the charity).

During the course of the year, the charity purchased goods from its subsidiary Azure Property Management Limited amounting to £18,695 (2024: £14,268) on normal commercial terms. During the course of the year, the charity sold goods to its subsidiary Azure Property Management Limited amounting to £780 (2024: £815) on normal commercial terms. During the course of the year the charity provided management services to Azure Property Management Limited amounting to £7,705 (2024: £9,660). During the year there were also recharges of costs between the charity and Azure Property Management Limited. The net amount outstanding at the year end was £356,317 owing from the charity (2024: £294,123 owing from the charity).

During the course of the year the charity sold goods to I Hindle, a trustee, totalling £7,667 (2024: £10,261) on normal commercial terms. The amount outstanding at the year end, included in the charitable company's debtors, is £697 (2024: £1,843).

During the course of the year the charity purchased services from Muckle LLP, a company where RJ Adams is a partner, totalling £7,128 (2024: £2,880), on normal commercial terms. The amount outstanding at the yearend, included in the charitable company's creditors, is £nil (2024: £nil).

The Azure Charitable Foundation (previously Azure Charitable Enterprises)

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 January 2025

28. Controlling party

In the opinion of the trustees there is no ultimate controlling party, other than the trustees themselves.