

Clarion Futures

**Annual Report and Financial Statements
For the year ended 31 March 2019**

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

SATURDAY



A8CJVSKB

A11

24/08/2019

#372

COMPANIES HOUSE

CONTENTS

Trustees and Advisers	3
Report of the Trustees (including Strategic Report)	4-11
Statement of Responsibilities of the Trustees of Clarion Futures in Respect of the Report of the Trustees (Including Strategic Report) and the Financial Statements	12
Independent Auditor's Report to the Members of Clarion Futures	13-15
Statement of Financial Activities (including Income and Expenditure Account)	16
Statement of Financial Position	17
Notes to the Financial Statements	18-30

TRUSTEES AND ADVISERS

Trustee Directors

Sue Killen	(Chair)
John Ball	(appointed 22 June 2018)
Cllr. Peter Fortune	
Patrick Hughes	(appointed 22 June 2018)
Dr. Usha Sundaram	
Robert Dinwiddy	(resigned 9 July 2018)
Lisa Gamble JP	(resigned 13 September 2018)

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

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

Company Secretary

Louise Hyde	(appointed 16 October 2018)
Clare Miller	(resigned 16 October 2018)

Registered and Principal Office

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

Principal Solicitors

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Auditors

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

NatWest Bank plc
143 High Street
Bromley
Kent
BR1 1JH

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT)

The trustees of Clarion Futures present their annual report and financial statements for the year ended 31 March 2019.

Formation

Clarion Futures ("the charity") is a subsidiary of Clarion Housing Group Limited ("Clarion Housing Group", "the Group"), a charitable registered society and a registered provider of social housing. The Group's mission as a business for social purpose is 'Building Homes, Developing Futures', from whence the name came from. The registered provider of social housing within the Clarion Housing Group is Clarion Housing Association Limited ("the Association"), a charitable community benefit society.

Objects

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

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

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

Structure and Governance

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

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

There are currently five trustees, who are:

- one non-executive director of other organisations within the Group;
- one non-executive director of the Group; and
- three independent trustees.

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

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

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

Significant decisions, such as the approval of the annual budget and business plan, are taken by the trustees. The trustees meet formally throughout the year.

Day-to-day management of the charity is delegated to the Clarion Housing Group Executive Team, and in turn to operational and administrative staff.

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

Grantmaking policy

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

Investment Policy

The trustees have noted the rating assigned by Moody's to Clarion Housing Group was downgraded from A2 to A3 following the rating agency's downgrade of the UK Sovereign in September 2017. As this is still a strong investment grade consistent with Clarion Futures' credit risk appetite, funds continue to be lent to the Association on a short-term basis.

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

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

As at 31 March 2019, £42.7 million is lent on an arm's length basis to the Association (2018: £48.0 million).

Reserves Policy

In accordance with the wishes of the donors, the donations from the Association have been retained as an expendable endowment in order to invest and generate future income to support Clarion Futures' charitable activities. It is intended that the charity's expenditure will continue to be well in excess of income, and the expendable endowment will continue to be converted to income to make up the shortfall; £9.5 million of the endowment is budgeted to be expended in 2019/20.

No general fund balance has been carried forward, and any additional excess of charitable expenditure over income will continue to be funded by converting the expendable endowment.

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

STRATEGIC REPORT

Achievements and Performance

During the year funding was received from a number of sources including the European Social fund for 'Love London Working' and a number of charitable trusts. Activities focussed on communities where the Association operates.

The strategic objectives for Clarion Futures are as follows:

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

All of the charity's activity in the period has been focussed on delivering programmes that aim to achieve these objectives. As the rest of the Clarion Housing Group is focussed on providing housing accommodation and assistance, the charity is not currently active in this area but will keep this under review. The Group has kindly made available its specialist staff from the Community Investment team to set up and run these programmes and Clarion Futures has reimbursed their direct costs. The Group charged the charity £1.1 million (2018: £0.2 million) for central management costs incurred in supporting the programme, including IT, HR, Governance and Finance support; a further £2.0 million of these costs were not recharged and have been recognised as donated services (2018: £1.4 million)

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

Helping Residents into Work and Training

As welfare reforms continue to bite, the charity has continued to recognise the importance of helping people into work and training. Clarion Futures achieves this through four main services:

1. **Jobs & Training employment service:** this team supports unemployed people across the country in two key ways:
 - (i) Pre-Employment support - helps the unemployed get ready for work through face-to-face support, advice and guidance, confidence building, vocational and sector-specific training programmes, numeracy, literacy and IT support, work-focused volunteering, job clubs, grants and support with costs such as childcare and travel; and
 - (ii) Employer Engagement - works with employers and the pre-employment team to source and place unemployed people directly into job vacancies as well as providing 'in-work' support and apprenticeship opportunities.
2. **Love London Working:** in October 2015, the charity secured £6.64 million from the European Social Fund ("ESF", managed by the Greater London Authority, "GLA"), to deliver a £13.3 million project to support thousands of London's most vulnerable and excluded residents into employment and training. The project is called 'Love London Working'. Clarion Futures is the accountable body and is leading the project on behalf of 13 housing associations in London; of the grant and spend amounts above, around one-quarter is expected to be the charity's share over the course of the project.

The contract with the GLA was signed in June 2016 and delivery started soon after. Progress has been good and by the end of March 2019, 14,000 people had been enrolled onto the programme and 4,325 helped into work. The project will continue through to September 2019.

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

3. **Apprenticeships:** working with employers and Clarion Housing Group, Clarion Futures continued to provide a wide-ranging apprenticeship programme, supporting a record 250 apprenticeships. As part of National Apprenticeship week in March the charity celebrated supporting its 1,000th apprenticeship since the programme started 8 years ago.
4. **Self-employment** – setting up your own business is a helpful and flexible route into work for some people and the charity has supported residents with training and grant support for a number of years. The programme was boosted this year by the start of an EU funded programme in the East of England providing training and mentoring support to help residents set up in business. We are pleased to report that our business start-up activities supported 132 new business start-ups during the year.

In total these four services have enabled Clarion Futures to support a record 4,009 people into work against 3,035 last year, an increase of 32%. Just as critically, the 'In-Work' support service has helped 81% of our clients retain their jobs past the critical 6 month milestone.

A range of other activities are provided to support people taking part in the main programmes including:

Work placements: voluntary work placements are a vital support for many unemployed people as a way back into paid employment. They allow individuals to build confidence, hone their workplace skills and enhance their CVs within a formal workplace setting. The charity supported a wide range of work placements during the year with a total of 530 placements provided.

Training: Clarion Futures offers a wide range of training opportunities for residents. The programme focuses on 3 key areas:

- (i) Pre-employment skills - helping people to develop the skills needed to access employment. This includes confidence, motivation, CV writing and interview skills;
- (ii) E-learning - the charity has a comprehensive e-learning programme offering access to training in subjects such as health and safety, manual handling and IT essentials; and
- (iii) Vocational training - the charity works with employers and work placement hosts to offer residents accredited training opportunities that aim to lead to voluntary work placements and/or work. In the last year we have run vocational courses in subjects such as Construction Skills, Security Industry Authority awards, Personal Track Safety and Customer Service.

These programmes resulted in a record 5,725 training outcomes during the year.

Money and Digital Service

Clarion Futures continues to promote an extensive Financial and Digital Inclusion programme through its 'Money' and 'Digital' services. In the main, the services are provided through partners to help the Association's residents improve their financial circumstances and enjoy the benefits of being online. The national offer covers seven areas of support:

Access to banking and Credit Union services: our National Banking Offer with Leeds City Credit Union offers a full range of on-line and phone-based banking services coupled with savings, loans and a range of other affordable financial products. We also continue to work with a number of regional credit unions and a total of 258 new Credit Union accounts were opened during the year.

Affordable loans: through our partnerships with credit unions we helped provide access to a total of 1,146 affordable loans.

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

Money Guidance: the telephone based one-to-one service delivered through Guideline continues to provide extensive support to residents with budgeting and financial capability support. A total of 17,522 support interventions were delivered by the service during the year, up from 14,375 the previous year.

Hardship Fund: our 'Money Matters' Support Fund continues to provide grants for financially-constrained residents to buy white goods and cookers. During the year 203 awards were made, for £66,000 in total.

Energy saving guidance – a new national team was established to deliver guidance to residents on how to save money by reducing energy use and utility bills. A total of 672 households were supported.

Debt Advice: Clarion Futures provides access to free telephone-based debt advice through partnerships with Step Change Debt Charity, Penny Smart and a number of local Citizens' Advice Bureau (CAB). A total of 3,731 of the Association's residents were referred for debt advice during the year.

Access to the Internet (digital inclusion): digital inclusion continues to be a key focus for Clarion Futures and during the year we continued to deliver our Digital Communities Fund which enables local communities to run their own digital skills sessions. During the year 16 digital grants were awarded for a total of £76,000. Clarion Futures is also a partner in the 'One Digital' partnership funded by the Big Lottery. Our aim is to work with other Housing Associations to embed digital inclusion support into their employment programmes. Alongside this we continued to promote the Digital Champions programme who delivered a total of 2,804 hours of digital skills training. Overall, the 'Digital' service delivered a record 14,536 interventions.

Communities Programme - Supporting Young People and Improving Communities

During the year Clarion Futures continued to support a wide range of projects designed to improve communities and support young people. Some of the main highlights of the programme are outlined below:

Community Grants Programme: the eighth year of the national Community Grants Programme was successfully delivered in partnership with Groundwork UK. The Fund offers grants of £300 to £5,000 for projects benefitting the Association's residents and their wider neighbourhoods. During the year 59 projects received grant funding for a total of £261,000.

Youth Programme: the youth programme continued to deliver a range of youth initiatives across the country. We saw 27 Community Ambassador Programmes in delivery in 18/19 - including 17 partners delivering the programme internally (engaging young residents from Clarion estates) and 9 partners delivering the programme externally, reaching young residents from other areas (funded through our #iwill Big Lottery funding). Over 300 young people were engaged in the programme. Social action projects led by our young people have included fundraising events, campaigns to raise awareness on local issues & community cohesion initiatives. The sixth cohort of National Ambassadors oversaw several successful initiatives including training partners on disability awareness and challenging negative perceptions of young people.

Alongside these programmes, local Communities teams continue to deliver projects aimed at engaging young people in positive activities. These include sports and creative arts initiatives, intergenerational projects and activities designed to make communities stronger. Overall the Communities programme delivered 33,850 positive engagements of young people during the year, achieving 7,130 positive progressions including accredited training outcomes, volunteering placements and jobs.

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

Open spaces improvement: the Communities Team continued with its programme of working with residents on improving open spaces within their neighbourhoods. This included new food growing schemes and sports/leisure areas across a number of estates nationally. Examples included a new skate park and refurbished play area in Wisbech (Fenland); an extended community allotment and green space in Killingbeck (Leeds); and a complete refurbishment of Platt Hill Community Centre (Bolton). Significant progress was made on taking forward new (partially externally-funded) projects in North Kensington (greening a concrete courtyard) and Haringey (new play area and green space at the Sycamore Gardens estate).

In total Clarion Futures helped improve 31,239 square metres of communal land and buildings during the year.

Community Assets: we continue to work closely with the Association to enable their residents and local community organisations to access Clarion Housing Group's Community Assets (facilities). We now offer a bespoke capacity building programme called The Exchange which enables partners to access subsidies for training, events, visits or consultancy. As part of this a cohort of 14 partners attended the Locality Convention, an inspiring conference for community-led action. We also started a sector-leading learning programme called InterAct which offered community organisations a blend of grants, accredited training and expert support in community development, with considerable success in engaging and consulting tenants to ensure Community Assets can be more locally responsive, and encourage more active involvement.

Working with the Association, the charity transferred four Assets during the year: Bromley Active Living Centre in Penge (Play Place Innov8), William Sutton Community Hall in Sheffield (All About You), Sutton Community Centre in Bradford (Kyffin Place Community Centre) and Doxey Hub in Stafford (Signposts Staffordshire).

Financial Review

The statement of financial activities is set out on page 15 and shows the result for the year.

The charity's income for the year was £4.9 million (2018: £3.2 million), and this included £2.0 million (2018: £1.4 million) of donated services from Clarion Housing Group, which increased broadly in line with the charity's increased activity. As a result of sourcing additional external funding to support the charity's activity and expenditure, income recognised on external grants and contracts rose to £1.9 million (2018: £0.7 million).

No Gift Aid income was recognised in the year (2018: £32,000 received from Old Ford Homes Limited). Interest income from the investment of the charity's endowment rose slightly to £1.1 million (2018: £1.0 million) as a result of the increase in LIBOR.

A total of £12.3 million was spent in line with the charity's charitable objectives and the agreed budget for the period, an increase on the prior year (2018: £10.5 million). An analysis of this expenditure, by type and between Clarion Futures' four strategic objectives, is provided in note 4 to the financial statements.

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

Plans for Future Periods

A key objective for the Group is to do more to support its residents and wider communities, and as a result to grow Clarion Futures' programme. To enable this to happen the new Group Board have agreed an increased level of support for the charity, contributing £10 million annually by 2020/21.

Clarion Futures' Trustees has reviewed its programmes and set challenging targets for 2019/20:

- 3,500 unemployed people supported into work;
- 80% of newly-employed residents staying in work for 6 months or longer;
- 250 new apprenticeships;
- 3,700 residents referred for free debt advice;
- 2,500 residents supported by GuideLine;
- 7,500 young people making positive progressions; and
- 35,000 square metres of communal land and buildings provided or improved.

Principal Risks and Uncertainties

The Board reviews the key risks facing the charity on a regular basis, the current principal risks are set out below;

- Delivering large and complex externally-funded partnership programmes, such as the Love London Working ESF project – risks include potential clawback of funding if the project under performs and reputational risks relating to the management and performance of supply chain partners;
- Inability to promote Futures services, particularly to Clarion residents, due to marketing restrictions in the privacy and electronic communications regulations;
- Clarion Futures does not have sufficient resources to support people affected by welfare reform – this risk relates to the availability of long term funding from external organisations such as European structural funds which may be impacted by the UK's proposed departure from the EU; and
- A loss of reputation for both Clarion Futures and the overall Clarion Housing Group as a result of a poor outcome from a charitable activity – this includes health & safety risks relating in particular to managing Clarion's community facilities, compliance with FCA guidelines, safeguarding and data protection.

The trustees have considered Clarion Futures' risks and their mitigation such as insurance, crisis management plans, and control frameworks.

Brexit

The Group has been managing potential risks arising from Brexit including supply chain concerns, exposure to market sales and managing risks around its funding requirements. The Group has relatively low commercial exposure and has some protection from up and down-turns because of the counter-cyclical nature of rented stock. During the year the Group also raised £500 million of new capital market funding and renewed existing bank facilities to maintain high levels of liquidity.

The Audit and Risk Committee has reviewed the Business's preparation for Brexit, including its regular stress-tests of the business plan. Those stress tests showed that the Group's strong financial position means it is well placed to withstand the shocks of any Brexit scenario.

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

Disclosure of Information to Auditor

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

Auditor

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

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

A handwritten signature in black ink, appearing to read 'Sue Killen', with a long horizontal flourish extending to the right.

Sue Killen
Chair
8 July 2019

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLARION FUTURES

Opinion

We have audited the financial statements of Clarion Futures ("the charitable company") for the year ended 31 March 2019 which comprise the Statement of Financial Activities (including Income and Expenditure Account), Statement of Financial Position and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Trustees, such as the recoverable amount of debtors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charitable company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the charitable company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a charitable company and this is particularly the case in relation to Brexit.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Trustees' conclusions, we considered the inherent risks to the charitable company's business model, including the impact of Brexit, and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

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

Other information

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Fleur Nieboer (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

15 Canada Square, London, E14 5GL

15 July 2019

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019**

		2019	2019	2019	2019	2018
		Unrestricted	Restricted	Endowment	Total	Total
		funds	funds	funds	funds	funds
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from						
Donations and legacies	3	1,966	-	-	1,966	1,426
Charitable activities						
Grants and contracts	3	237	1,665	-	1,902	732
Investments						
Interest receivable	3	1,053	-	-	1,053	1,030
Gift Aid from Group members	3	-	-	-	-	32
Total		3,256	1,665	-	4,921	3,220
Expenditure on						
Charitable activities	4	(10,637)	(1,665)	-	(12,302)	(10,465)
Total		(10,637)	(1,665)	-	(12,302)	(10,465)
Net loss on investments		-	-	-	-	(50)
Transfers between funds		7,381	-	(7,381)	-	-
Net movement in funds		-	-	(7,381)	(7,381)	(7,295)
Reconciliation of funds						
Total funds brought forward	14	-	-	47,509	47,509	54,804
Total funds carried forward	14	-	-	40,128	40,128	47,509

All incoming resources and resources expended derive from continuing activities.

The comparative figures exclusively relate to Unrestricted funds with the exception of grant and contracts income and expenditure on charitable activities which both include £577,000 in relation to restricted income funds, total funds brought forward which includes £53,000,000 in relation to Endowment funds, and total funds carried forward which includes £47,509,000 in relation to Endowment funds.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Investments	9	42,650	47,950
Current assets			
Debtors: amounts falling due within one year	10	951	640
Cash and cash equivalents		419	405
		<u>1,370</u>	<u>1,045</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(1,192)	(1,486)
Net current assets/(liabilities)		<u>178</u>	<u>(441)</u>
Creditors: amounts falling due after more than one year	12	<u>(2,700)</u>	<u>-</u>
Net assets		<u><u>40,128</u></u>	<u><u>47,509</u></u>
The funds of the charity			
Share capital	13	-	-
Endowment funds	14	40,128	47,509
		<u><u>40,128</u></u>	<u><u>47,509</u></u>

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



Sue Killen
Chair
8 July 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (March 2018) ("FRS 102"), the Charities SORP (FRS 102): Accounting and Reporting by Charities Statement of Recommended Practice (October 2018) ("the SORP"), the Companies Act 2006 and the Charities Act 2011.

Clarion Futures is a public benefit entity.

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

Basis of preparation

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

Going concern

On the basis of their assessment of Clarion Futures' financial position and resources, the trustees believe that Clarion Futures is well placed to manage its business risks. Therefore Clarion Futures' trustees have a reasonable expectation that Clarion Futures has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Clarion Futures has provided confirmation to its subsidiary, Affinity Sutton Investments Limited, that it will support the company for at least twelve months after its accounts are signed, or until the company is struck off if earlier.

Basis of consolidation

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

Disclosure exemptions

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

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

Value Added Tax

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1. Accounting policies (continued)

Turnover

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

Donated services

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

Resources expended

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

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

Impairment

Debtors are assessed for recoverability at each reporting date.

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

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

Interest receivable

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

Corporation tax

Clarion Futures is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, Clarion Futures is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1. Accounting policies (continued)

Public benefit concessionary loans

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

Financial instruments

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

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

Where contractual cash flows meet the recognition requirements of IFRS 9, investments, short-term deposits and loans are subsequently measured at amortised cost, unless the difference between the historical cost and amortised cost basis is deemed immaterial. Amortised cost is calculated using the effective interest method which applies a rate of interest that exactly discounts estimated future cash payments or receipts (including any associated premium, discount or transaction costs) through the expected life of the financial instruments to the net carrying amount of the financial asset or liability. The current rate of LIBOR at the reporting date is used and assumed to be constant for the life of the loan. Loans and investments that are payable or receivable in one year are not discounted.

Where contractual cash flows do not meet the recognition requirements of IFRS 9, loans, investments and short-term deposits are subsequently measured at fair value with gains or losses taken to the Income Statement.

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

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

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

Unrestricted funds

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

Endowment funds

Endowment funds arise in accordance with the wishes of the donor. Income generated from endowments is treated as unrestricted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

2. Significant judgements and accounting estimates

Significant judgements

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

Accounting estimates

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

- 1 The recoverable amount of debtors.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

3. Income and endowments

	2019 Total £'000	2018 Total £'000
Donations and legacies		
From other members of the Clarion Housing Group	<u>1,966</u>	<u>1,426</u>

Included in donations and legacies from other members of the Clarion Housing Group is £1,966,000 (2018: £1,426,000) as an estimated value of the central costs and overheads which were incurred by Clarion Housing Group Limited in relation to Clarion Futures' activities, but not recharged. A corresponding amount has been included in support costs, where a further analysis has also been provided (see note 5).

	2019 Total £'000	2018 Total £'000
Grants and contracts		
Love London Working - grant	538	405
Love London Working - management fees charged to partners	237	155
One Digital	354	26
Housing Associations' Youth Network	211	-
Big Local	179	-
Trias Mores Energetica (Trime)	139	-
Work Programme	86	49
Comic Relief	38	35
Veolia Environmental Trust	28	28
Building Better Opportunities in Hertfordshire	28	-
English Sports Council Lottery Fund	26	-
Work Routes	25	11
National Heritage Fund	-	23
Other grants and contracts	13	-
	<u>1,902</u>	<u>732</u>

	2019 Total £'000	2018 Total £'000
Interest receivable		
Interest receivable on bank deposits	1	-
Interest on loans to Group undertakings	1,052	1,030
	<u>1,053</u>	<u>1,030</u>

	2019 Total £'000	2018 Total £'000
Gift Aid from Group members		
From Old Ford Homes Limited	<u>-</u>	<u>32</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

4. Analysis of expenditure on charitable activities

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young People and Improving Communities £'000	Governance £'000	2019 Total £'000
Grants made	-	260	544	-	804
Staff costs, including travel	2,918	1,388	1,784	-	6,090
Other costs	843	652	831	-	2,326
Costs directly allocated to activities	3,761	2,300	3,159	-	9,220
Support costs (see note 5)	1,216	617	733	516	3,082
Total resources expended	4,977	2,917	3,892	516	12,302

Expenditure is supported by:

Direct grant and contract income	1,035	382	485	-	1,902
Other income	3,942	2,535	3,407	516	10,400
	4,977	2,917	3,892	516	12,302

Grants made in the year ended 31 March 2019:

Money and Digital Service: £76,000 has been granted to the London Community Foundation to deliver the Digital Communities grants programme. £62,000 has been granted to regional Citizens Advice Bureau to provide debt advice. Additionally, £66,000 has been granted directly to financially-constrained individuals in order to buy white goods and cookers. Grants of up to £14,000, totalling £56,000 were made to other community groups.

Supporting Young People and Improving Communities: £261,000 has been granted to Groundwork UK, primarily for the Community Grants Programme; this in turn has been granted to third sector agencies and community groups in order to undertake projects which further one or more of the objects of the charity, such as holding community events, providing youth activities and supporting older people. Amounts have also been granted to the charity's Youth Programme partners, including £98,000 to Peabody Community Foundation, £32,000 to Sussex Clubs for Young People, £32,000 to UK Youth and £27,000 to Yellow Brick Road Projects. Grants of up to £20,000, totalling £94,000 were made to other community groups.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

4. Analysis of expenditure on charitable activities (continued)

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young People and Improving Communities £'000	Governance £'000	2018 Total £'000
Grants made	148	129	420	-	697
Staff costs, including travel	2,425	1,490	2,198	-	6,113
Other costs	789	476	679	-	1,944
Costs directly allocated to activities	3,362	2,095	3,297	-	8,754
Support costs (see note 5)	593	334	532	252	1,711
Total resources expended	3,955	2,429	3,829	252	10,465

Expenditure is supported by:

Direct grant and contract income	619	26	87	-	732
Other income	3,336	2,403	3,742	252	9,733
	3,955	2,429	3,829	252	10,465

Grants made in the year ended 31 March 2018:

Helping Residents into Work and Training: £125,000 has been granted to the London Community Foundation to deliver the Jobs & Training grants programme, primarily in 2017/18. In addition, £23,000 has been granted directly to individuals, mostly to assist with childcare costs.

Money and Digital Service: £73,000 has been granted to the London Community Foundation to deliver the Digital Communities grants programme. Additionally, £5,000 has been granted to Furnihelp Mid Sussex and £51,000 directly to financially-constrained individuals in order to buy white goods and cookers.

Supporting Young People and Improving Communities: £300,000 has been granted to Groundwork UK for the Community Grants Programme; this in turn has been granted to third sector agencies and community groups in order to undertake projects which further one or more of the objects of the charity, such as holding community events, providing youth activities and supporting older people. £25,000 has been granted to the Wisbech Reads project, which aims to improve literacy levels in local school pupils. £18,000 has been granted to community groups based at Clarion Housing Association's Lewisham estate for group events, including days out to the theatre and gardens, as well as to contribute towards the launch of the new community centre. £10,000 was granted to Chichester District Council for the Chichester Wellbeing programme, helping local residents to improve their physical and mental health. Grants of up to £5,000, totalling £68,000 were made to other community groups.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)**5. Analysis of support costs (including governance)**

The charity has recognised £3,015,000 of support costs in relation to services provided by Clarion Housing Group Limited (2018: £1,608,000), £1,966,000 of which were not recharged (2018: £1,426,000) (see note 3).

Head office staff costs have been allocated between charitable activities and governance based on the function of their department, and further between charitable activities based on their relative staff costs. General office costs have been allocated by total staff cost.

Additionally, the charity has paid support costs to other organisations including £36,000 to Leeds City Credit Union for the National Banking Offer (2018: £nil), £10,000 to Groundwork for managing the Community Grants programme (2018: £34,000) and £nil to London Community Foundation for managing the Jobs & Training (formerly known as Ready2Work) grant programme (2018: £55,000)

	Helping residents into work and training £'000	Financial Inclusion & Digital Inclusion £'000	Neighbourhood Investment £'000	Governance £'000	2019 Total £'000
Head office staff costs	227	108	135	372	842
General office costs	989	473	588	123	2,173
	1,216	581	723	495	3,015
Direct support costs	-	36	10	21	67
	1,216	617	733	516	3,082

	Helping residents into work and training £'000	Financial Inclusion & Digital Inclusion £'000	Neighbourhood Investment £'000	Governance £'000	2018 Total £'000
Head office staff costs	148	91	135	218	592
General office costs	390	240	353	33	1,016
	538	331	488	251	1,608
Direct support costs	55	3	44	1	103
	593	334	532	252	1,711

6. Trustees' remuneration

The Trustees (who are considered the key management personnel for the purposes of FRS 102) received no remuneration in respect of their services to Clarion Futures, in either the current or preceding year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)**7. Employee information**

Clarion Futures does not directly employ any staff but instead makes use of the employees of Clarion Housing Group Limited or Clarion Housing Association Limited, who it then reimburses at cost. The total recharge for the year, including non-payroll costs, was £7,261,000 (2018: £6,295,000).

The average monthly number of persons made use of during the period was:

	2019	2018
	Number	Number
Full time equivalents	<u>145</u>	<u>114</u>

	2019	2018
	£'000	£'000
Staff Costs:		
Wages and salaries	5,202	4,260
Compensation for loss of office	14	52
Social security costs	510	428
Pension costs	200	173
	<u>5,926</u>	<u>4,913</u>

The increase in staff costs is due to an increase in Futures' charitable activity.

Included in the recharge were employees with remuneration exceeding £60,000 as follows:

	2019	2018
	Number	Number
£90,001-£100,000	2	-
£80,001-£90,000	2	3
£70,001-£80,000	1	2
	<u>5</u>	<u>5</u>

Retirement benefits are accruing under a defined benefit scheme for 4 of these employees (2018: 4).

8. Net outgoing resources for the year

	2019	2018
	£'000	£'000
<u>Auditor's remuneration (exclusive of VAT)</u>		
- for statutory audit services	7	7
- for other services	-	-
	<u>7</u>	<u>7</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

9. Fixed asset investments

	2019 £'000	2018 £'000
Loans to Group undertakings		
At the beginning of the year	47,950	54,900
Net repayment	(5,300)	(6,950)
Written off	-	(50)
At the end of the year	<u>42,650</u>	<u>47,950</u>

All investments held during the year are held primarily to provide an investment return to the charity. At the reporting date, £42,650,000 is lent to Clarion Housing Association Limited (2018: £47,950,000). Interest is charged at LIBOR plus 1.5%.

During the prior year, the last £50,000 owed by ASIL was waived by Clarion Futures as it was agreed that it was unlikely that the company would be able to repay any of this amount.

10. Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year		
Prepayments and accrued income	237	595
Amounts due from Group undertakings: trading	690	32
Other debtors	24	13
	<u>951</u>	<u>640</u>

11. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	103	8
Accruals and deferred income	1,004	1,041
Other taxation and social security	3	-
Amounts due to Group undertakings: trading	-	437
Other creditors	82	-
	<u>1,192</u>	<u>1,486</u>

12. Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Amounts due to Group undertakings: loans	<u>2,700</u>	<u>-</u>
Loans are repayable, otherwise than by instalments as follows:		
After five years	<u>2,700</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)**13. Share capital**

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

14. Analysis of charitable funds

Analysis of movements in unrestricted funds	At 1 April 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Net loss on Investments £'000	At 31 March 2019 £'000
General fund	-	3,256	(10,637)	7,381	-	-

Analysis of movements in restricted funds	At 1 April 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Net loss on Investments £'000	At 31 March 2019 £'000
<i>Income funds</i>						
Love London Working	-	538	(538)	-	-	-
One Digital	-	354	(354)	-	-	-
HAYN	-	211	(211)	-	-	-
Big Local	-	179	(179)	-	-	-
Trime	-	139	(139)	-	-	-
Work Programme	-	86	(86)	-	-	-
Comic Relief	-	38	(38)	-	-	-
Veolia Environmental Trust	-	28	(28)	-	-	-
BBO Herts	-	28	(28)	-	-	-
English Sports Council Fund	-	26	(26)	-	-	-
Work Routes	-	25	(25)	-	-	-
Other grants and contracts	-	13	(13)	-	-	-
	-	1,665	(1,665)	-	-	-
<i>Endowment funds</i>						
Expendable endowment	47,509	-	-	(7,381)	-	40,128
Restricted / endowment	47,509	1,665	(1,665)	(7,381)	-	40,128

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

14. Analysis of charitable funds (continued)

	At 1 April 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Net loss on investments £'000	At 31 March 2018 £'000
Analysis of movements in unrestricted funds						
General fund	1,804	2,643	(9,888)	5,491	(50)	-
	At 1 April 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Net loss on investments £'000	At 31 March 2018 £'000
Analysis of movements in restricted funds						
<i>Income funds</i>						
Love London Working	-	405	(405)	-	-	-
One Digital	-	26	(26)	-	-	-
Work Programme	-	49	(49)	-	-	-
Comic Relief	-	35	(35)	-	-	-
Veolia Environmental Trust	-	28	(28)	-	-	-
Work Routes	-	11	(11)	-	-	-
National Heritage Fund	-	23	(23)	-	-	-
	-	577	(577)	-	-	-
<i>Endowment funds</i>						
Expendable endowment	53,000	-	-	(5,491)	-	47,509
Restricted / endowment	53,000	577	(577)	(5,491)	-	47,509

15. Legislative provisions

Clarion Futures is incorporated under the Companies Act 2006 with exempt charitable status and is registered with the Charity Commission under the Charities Act 2011.

16. Related Party Disclosures

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

Debtor and creditor balances with other members of the Group are either debt subject to a market rate of interest or trading balances which are non-interest bearing and are due to be settled within one year of their recognition.

No other related party transactions require disclosure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

17. Immediate and ultimate parent undertaking

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

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

18. Subsidiary undertakings and associates

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

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

Community Impact Partnership CIC	Private company limited by shares; Community Interest Company	25% (£1)	Social investment fund
----------------------------------	--	----------	------------------------