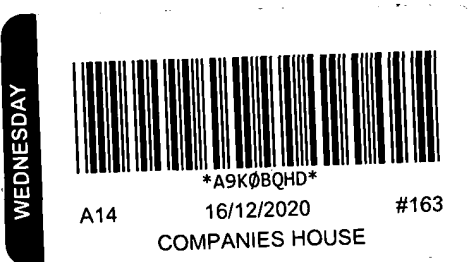


**Clarion Futures**

**Annual Report and Financial Statements  
For the year ended 31 March 2020**

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



**CONTENTS**

Trustees and Advisers	3
Report of the Trustees (including Strategic Report)	4-11
Statement of Responsibilities of the Trustees 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	18-36

## **TRUSTEES AND ADVISERS**

### **Trustee Directors**

Sue Killen (Chair)  
John Ball  
Patrick Hughes  
Terry Stacy MBE (appointed 2 August 2019)  
Dr. Usha Sundaram

Cllr. Peter Fortune (resigned 26 July 2019)

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

### **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 2020.

### **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. 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 the Group;
- one non-executive director of other organisations within 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 note the investment grade rating assigned to Clarion Housing Group by credit rating agencies Moody's (A3) and Standard and Poor's (A). These strong investment grade ratings are consistent with Clarion Futures' credit risk appetite, accordingly, funds continue to be lent to the Association on a short-term basis.

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 2020, £36.8 million is lent on an arm's length basis to the Association (2019: £42.7 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; £9.3 million of the endowment is budgeted to be expended in 2020/21.

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, reduce energy bills, 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 younger and older vulnerable residents 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 £0.6 million (2019: £1.1 million) for central management costs incurred in supporting the programme, including IT, HR, Governance and Finance support; a further £3.9 million of these costs were not recharged and have been recognised as donated services (2019: £2.0 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**

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 leads the project on behalf of 15 housing associations in London; of the grant and spend amounts above, around one-third is expected to be the charity's share over the course of the project. We are pleased to report that following a successful application the contract with the GLA was extended in August 2019 to March 2023. The total funding for the project has increased to £34million and the targets increased to a total of 28,000 people supported of which 7,500 will be helped into work. At the end of March 2020 a total of 18,000 had already been supported and 5,600 supported into work.

## 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 254 apprenticeships. This brings the overall number of apprenticeships supported by the charity to over 1,250 since the programme started 9 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 by an EU funded programme in the East of England called 'Increase VS' providing training and mentoring support to help residents set up in business. We are pleased to report that our business start-up activities supported a record 208 new business start-ups during the year.

In total these four services have enabled Clarion Futures to support 3,834 people into work in the last year making it one of the biggest employment support programmes in the country.

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 418 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 6,113 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 six 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.

**Affordable loans:** through our partnerships with credit unions we helped provide access to a total of 1,093 affordable loans.

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

**Money & Energy saving Guidance:** the telephone based one-to-one service delivered through our 'Guideline' service continues to provide extensive support to residents with budgeting, energy saving and financial capability support. A total of 16,201 support interventions were delivered by the service during the year.

**Hardship Fund:** our 'Money Matters' Support Fund provides grants for financially-constrained residents to buy white goods and cookers. During the year grants totaling £264,000 were obtained for financially constrained residents of which £124,000 was awarded through the Clarion Futures Money Support Fund and the remaining amounts raised by making applications to external charities on behalf of residents

**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 3,512 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 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 21 digital grants were awarded for a total of £79,000. Clarion Futures also completed the final delivery stages of the Lottery funded 'One Digital' programme. During the year this enabled a further 2,960 job seekers to be screened for digital skills gaps which may hinder their access to employment. Alongside this we continued to promote the Digital Champions programme who delivered a total of 3,465 hours of digital skills training. Overall, the 'Digital' service delivered a record 15,013 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 Clarion's younger and older residents. Some of the main highlights of the programme are outlined below:

#### **Community Grants Programme**

Grants of between £1,000 and £5,000 are available to organisations seeking to deliver innovative, well designed projects that support Clarion residents, and the wider community, to improve their local neighbourhoods and foster a sense of community. During the year a total of 63 projects were funded for a total of £255,000 grant funding.

#### **Youth Programme**

The youth programme continued to deliver a range of youth initiatives across the country. With funding from 'iwill Big Lottery' we delivered 20 new Community Ambassador Programmes in 19/20, including 8 projects on Clarion estates and a further 12 on other social housing estates. Overall 308 young people were engaged in the programme and social action projects led by our young people included fundraising events, campaigns to raise awareness on local issues & community cohesion initiatives. We were also successful in securing an extra £600,000 to extend our impact through a 'Mini-Ambassador' programme, engaging 5-11 year olds in youth social action and a 'Youth Connectors' initiative with young leaders connecting their peers into local and Clarion services.

The seventh cohort of National Ambassadors oversaw several successful initiatives which included Ambassadors training to be Community Assets researchers (ensuring our Assets are engaging with younger people), and a collaborative intergenerational perceptions project with our Clarion55 ambassadors. Our National Ambassadors also presented at key Clarion events, including our annual '#Room4YoungPeople' conference in November 2019.

Following the success of our youth National Ambassador Programme, and as part of the development of a new 'Ageing well' strategy for Clarion we launched Clarion55, our first ever national network for older residents. The group of seven have decided to focus on how Clarion can approach tackling social isolation and loneliness as the overarching priority for their year.



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

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 32,000 positive engagements of young people during the year, achieving 7,808 positive progressions including accredited training outcomes, volunteering placements and jobs.

### Community Assets

We continue to work closely with Clarion Housing Association to enable their residents and local community organisations to access Clarion's Community Assets (facilities). We offer a bespoke capacity building programme called 'The Exchange' which enables partners to access subsidies for training, events, visits or consultancy. We supported a cohort of partners to attend the Locality Convention, an inspiring conference for community-led action.

During the year we supported five more local organisations to take on Assets:

- Marfleet Centre transferred to Hull and East Yorkshire Timebank, who are encouraging volunteering and enterprise, and have attracted significant European funding;
- Spotlight who are developing youth opportunities at the Eastside Centre, Tower Hamlets;
- Geffreys Hall in Mottingham, London, to CEYP, who specialise in youth and intergenerational work;
- The Sutton Centre in Middlesbrough, to a partnership between Cleveland Fire Support Network, who will focus on neighbourliness and community safety, working with youth charity 'The Junction'; and
- Communities 1st a leading umbrella organisation supporting community activity in Hertfordshire will be taking over Organ Hall in Borehamwood.

### Open spaces improvement

The Communities Team continued its programme of working with residents to improve open spaces within their local areas. This included new leisure/physical activity areas, biodiversity zones and food growing sites across a number of neighbourhoods nationally. Examples include:

- a significant refurbishment of a previously poorly used and maintained hard landscaping public square in North Kensington;
- floodlighting and enhancement of a large free-access Multi-use Games Area in Wisbech (Fens); and
- a new network of small green spaces identified for our "Backyard Nature" campaign aimed at encouraging children, young people and families to get more involved with their local habitats

In total Clarion Futures helped improve 21,737 square metres of communal land and buildings during the year.

### Financial Review

The statement of financial activities is set out on page 16 and shows the result for the year.

The charity's income for the year was £6.9 million (2019: £4.9 million), and this included £3.9 million (2019: £2.0 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 £2.1 million (2019: £1.9 million).

Interest income from the investment of the charity's endowment was slightly lower at £0.9 million (2019 £1.1 million) as a result of reduced Endowment Funds.

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

A total of £16.4 million was spent in line with the charity's charitable objectives, an increase on the prior year (2019: £12.3 million). An analysis of this expenditure, by type and between Clarion Futures' four strategic objectives, is provided in note 4 to the financial statements.

As at 31 March 2020 £5.2 million was loaned from Circle Anglia Foundation at a zero interest rate, enabling Clarion Futures to on-lend this amount to Clarion Housing Association Limited and to increase the income to Clarion Futures (2019: £2.7 million).

### **Plans for Future Periods**

The Covid-19 pandemic has had a huge impact on Clarion's residents and communities and the impact is expected to continue well into 2020/21. The charity has reviewed the way it provides support and has established new products and ways of working to address the impact. Residents are being supported remotely by phone and video link and a new Emergency Support Grant Fund has been established to help our partners provide additional Covid-19 support to our communities. Extra resources have been made available to our Money Guidance team which has seen a big increase in calls. Targets for the coming year are being reviewed and will be closely monitored and updated throughout. New indicators have been introduced to track the Covid-19 support we are providing.

### **Principal Risks and Uncertainties**

The Board reviews the key risks facing the charity on a regular basis. All key risk areas have been impacted by the Covid-19 pandemic which occurred at the end of the reporting year and each of the principal risks which are set out below have been reviewed and updated to take account of the extra challenges provided by Covid-19. The current principal risks are;

- 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 residents and communities, particularly in light of the likely downturn in the economy following the Covid pandemic. This risk also relates to the availability of long term funding from external organisations such as European structural funds which may be impacted by the UK's 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 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 secured an additional £200 million of revolving bank facilities, in order to maintain high levels of liquidity in excess of its medium-term cash flow implied requirements.

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

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.

### **Covid-19**

In March 2020, major restrictions in activity were implemented by the British Government in response to the Covid-19 crisis. The Group actively manages risks associated with downturns in Income and many of the mitigations in place for Brexit are also being utilised for Covid-19. Operationally, the Group has been able to continue functioning due to modern working practices and, after an initial period of service disruption, is now focussed on returning to normal service levels and recovering backlogs.

The Group Executive and Group Board has reviewed updated Business Plans for the organisation after adjustment for the expected impacts of Covid-19 in terms of development activity and predicted cash flows. The Financial Position of the Group continues to be strong and the availability of high liquidity allows the Group to be confident of absorbing the shocks associated with lower economic activity.

### **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,



Sue Killen  
Chair  
23 October 2020

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

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

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

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the 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 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 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Going concern**

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

We have nothing to report in these respects.

### Trustees' responsibilities

As explained more fully in their statement set out on page 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

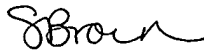
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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](http://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.



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

26 October 2020

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

		2020	2020	2020	2020	2019
		Unrestricted	Restricted	Endowment	Total	Total
		funds	funds	funds	funds	funds
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from</b>						
Donations and legacies	3	3,931	-	-	3,931	1,966
Charitable activities						
Grants and contracts	3	300	1,783	-	2,083	1,902
Investments						
Interest receivable	3	900	-	-	900	1,053
<b>Total</b>		<b>5,131</b>	<b>1,783</b>	<b>-</b>	<b>6,914</b>	<b>4,921</b>
<b>Expenditure on</b>						
Charitable activities	4	(14,618)	(1,783)	-	(16,401)	(12,302)
Other		(2)	-	-	(2)	-
<b>Total</b>		<b>(14,620)</b>	<b>(1,783)</b>	<b>-</b>	<b>(16,403)</b>	<b>(12,302)</b>
Transfers between funds		9,489	-	(9,489)	-	-
<b>Net movement in funds</b>		<b>-</b>	<b>-</b>	<b>(9,489)</b>	<b>(9,489)</b>	<b>(7,381)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	14	-	-	40,128	40,128	47,509
Total funds carried forward	14	-	-	30,639	30,639	40,128

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 £1,665,000 in relation to restricted income funds, total funds brought forward which includes £47,509,000 in relation to Endowment funds, and total funds carried forward which includes £40,128,000 in relation to Endowment funds.



**Clarion Futures**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Investments	9	36,814	42,650
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	1,149	951
Cash and cash equivalents		570	419
		<u>1,719</u>	<u>1,370</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(2,695)	(1,192)
<b>Net current (liabilities)/assets</b>		<u>(976)</u>	<u>178</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(5,199)	(2,700)
<b>Net assets</b>		<u><u>30,639</u></u>	<u><u>40,128</u></u>
<b>The funds of the charity</b>			
Share capital	13	-	-
Endowment funds	14	30,639	40,128
		<u><u>30,639</u></u>	<u><u>40,128</u></u>

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



Sue Killen  
Chair  
23 October 2020

## **Clarion Futures**

### **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**

Notwithstanding net current liabilities of £976,000 as at 31 March 2020, the financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 4.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of Covid-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Since the charity is in a net current liability position as at 31 March 2020, Clarion Housing Association Limited has provided a letter of support to the charity for a period of 12 months from the date of signing these financial statements.

#### **Basis of consolidation**

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

#### **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.

## **1. Accounting policies (continued)**

### **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.

### **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.

## **1. Accounting policies (continued)**

### **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.

### **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.

## **Clarion Futures**

### **1. Accounting policies (continued)**

#### **Unrestricted funds**

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

#### **Endowment funds**

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

### **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.

## Clarion Futures

### 3. Income and endowments

	2020	2019
	Total	Total
	£'000	£'000
<b>Donations and legacies</b>		
From other members of the Clarion Housing Group	<b>3,931</b>	<b>1,966</b>

Included in donations and legacies from other members of the Clarion Housing Group is £3,931,000 (2019: £1,966,000) 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).

	2020	2019
	Total	Total
	£'000	£'000
<b>Grants and contracts</b>		
Love London Working - grant	<b>724</b>	538
Love London Working - management fees charged to partners	<b>200</b>	237
Increase VS	<b>331</b>	-
Housing Associations' Youth Network	<b>290</b>	211
One Digital	<b>256</b>	354
Kier Group Social Value Contribution	<b>100</b>	-
Big Local	<b>67</b>	179
Mercer's Fund	<b>41</b>	-
Comic Relief	<b>4</b>	38
Work Routes	<b>4</b>	25
Trias Mores Energetica (Trime)	-	139
Work Programme	-	86
Veolia Environmental Trust	-	28
Building Better Opportunities Hertfordshire	-	28
English Sports Council Lottery Fund	-	26
Other grants and contracts	<b>66</b>	13
	<b>2,083</b>	<b>1,902</b>

	2020	2019
	Total	Total
	£'000	£'000
<b>Interest receivable</b>		
Interest receivable on bank deposits	<b>1</b>	1
Interest on loans to Group undertakings	<b>899</b>	1,052
	<b>900</b>	<b>1,053</b>

#### 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	2020 Total £'000
Grants made	143	309	508	-	960
Staff costs, including travel	3,398	1,713	1,911	-	7,022
Other costs	1,067	573	1,440	-	3,080
<b>Costs directly allocated to activities</b>	<b>4,608</b>	<b>2,595</b>	<b>3,859</b>	<b>-</b>	<b>11,062</b>
Support costs (see note 5)	2,229	1,193	1,238	679	5,339
<b>Total resources expended</b>	<b>6,837</b>	<b>3,788</b>	<b>5,097</b>	<b>679</b>	<b>16,401</b>

#### Expenditure is supported by:

Direct grant and contract income	1,389	256	438	-	2,083
Other income	5,448	3,532	4,659	679	14,318
	<b>6,837</b>	<b>3,788</b>	<b>5,097</b>	<b>679</b>	<b>16,401</b>

#### Grants made in the year ended 31 March 2020:

**Helping Residents into Work and Training:** £143,000 has been granted to Charis Grants Ltd to deliver the Jobs & Training grants programme.

**Money and Digital Service:** £79,000 has been granted to deliver the Digital Communities grants programme. £62,000 has been granted to regional Citizens Advice Bureau to provide debt advice. Additionally, £124,000 has been granted directly to financially-constrained individuals in order to buy white goods and cookers. Grants of up to £11,000, totalling £44,000 were made to other community groups.

**Supporting Young People and Improving Communities:** £255,000 has been granted for the Community Grants Programme. £124,000 has been paid directly by Clarion Futures and a further £131,000 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, £107,000 to Sussex Clubs for Young People, £32,000 to UK Youth and £14,000 to Yellow Brick Road Projects. A further £2,000 was granted to other community groups.

#### 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	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.



## 5. Analysis of support costs (including governance)

The charity has recognised £5,269,000 of support costs in relation to services provided by Clarion Housing Group Limited (2019: £3,015,000), £3,931,000 of which were not recharged (2019: £1,966,000) (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 (2019: £36,000) and £25,000 to Groundwork for managing the Community Grants programme (2019: £10,000).

	Helping residents into work and training £'000	Financial Inclusion & Digital Inclusion £'000	Neighbourhood Investment £'000	Governance £'000	2020 Total £'000
Head office staff costs	190	99	103	16	408
General office costs	2,039	1,058	1,110	654	4,861
	2,229	1,157	1,213	670	5,269
Direct support costs	-	36	25	9	70
	2,229	1,193	1,238	679	5,339

	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

***Clarion Futures***

**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.

## Clarion Futures

### 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 £8,146,000 (2019: £7,261,000).

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

	2020 Number	2019 Number
Full time equivalents	<u>156</u>	<u>145</u>

Staff Costs:	2020 £'000	2019 £'000
Wages and salaries	5,730	5,202
Compensation for loss of office	14	14
Social security costs	557	510
Pension costs	<u>275</u>	<u>200</u>
	<u>6,576</u>	<u>5,926</u>

The increase in staff costs is due to an increase in Futures' charitable activity. £1,300,000 (2019: £1,300,000) of the Wages and salaries above relates to employees on the Clarion Housing Group pension scheme, the liability for which is included in the financial statements of Clarion Housing Association Limited (see note 26 of the Clarion Housing Association Limited accounts). The above staff costs are included in the management recharge to Clarion Futures.

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

	2020 Number	2019 Number
£90,001-£100,000	2	2
£80,001-£90,000	1	2
£70,001-£80,000	2	1
£60,001-£70,000	<u>1</u>	<u>-</u>
	<u>6</u>	<u>5</u>

Retirement benefits are accruing under a defined benefit scheme for 4 of these employees (2019: 4).

**Clarion Futures**

**8. Net outgoing resources for the year**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<u>Auditor's remuneration (exclusive of VAT)</u>		
- for statutory audit services	<b>7</b>	<b>7</b>
- for other services	<b>-</b>	<b>-</b>
	<u><b>7</b></u>	<u><b>7</b></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.

**9. Fixed asset investments**

	<b>2020</b>	<b>2019</b>
<b>Loans to Group undertakings</b>	<b>£'000</b>	<b>£'000</b>
At the beginning of the year	<b>42,650</b>	47,950
Net repayment	<b>(5,836)</b>	(5,300)
At the end of the year	<b><u>36,814</u></b>	<b><u>42,650</u></b>

All investments held during the year are held primarily to provide an investment return to the charity. At the reporting date, £36,814,000 is lent to Clarion Housing Association Limited (2019: £42,650,000). Interest is charged at LIBOR plus 1.5%.

**Clarion Futures**

**10. Debtors**

	2020	2019
	£'000	£'000
Amounts falling due within one year		
Prepayments and accrued income	469	237
Amounts due from Group undertakings: trading	629	690
Other debtors	51	24
	<u>1,149</u>	<u>951</u>

**Clarion Futures**

**11. Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>79</b>	103
Accruals and deferred income	<b>1,048</b>	1,004
Other taxation and social security	<b>4</b>	3
Amounts due to Group undertakings: trading	<b>399</b>	-
Other creditors	<b>1,165</b>	82
	<b><u>2,695</u></b>	<b><u>1,192</u></b>

**Clarion Futures**

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

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Amounts due to Group undertakings: loans	<b>5,199</b>	2,700
Loans are repayable, otherwise than by instalments as follows:	<b>2020</b>	2019
	<b>£'000</b>	£'000
After five years	<b>5,199</b>	2,700

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



### **13. Share capital**

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

#### 14. Analysis of charitable funds

Analysis of movements in unrestricted funds	At 1 April 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Net loss on Investments £'000	At 31 March 2020 £'000
General fund	-	5,131	(14,620)	9,489	-	-

Analysis of movements in funds	At 1 April 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Net loss on Investments £'000	At 31 March 2020 £'000
<i>Income funds</i>						
<i>Restricted:</i>						
Love London Working	-	724	(724)	-	-	-
Increase VS	-	331	(331)	-	-	-
HAYN	-	290	(290)	-	-	-
One Digital	-	256	(256)	-	-	-
Big Local	-	67	(67)	-	-	-
Mercer's Fund	-	41	(41)	-	-	-
Comic Relief	-	4	(4)	-	-	-
Work Routes	-	4	(4)	-	-	-
Other grants and contracts	-	66	(66)	-	-	-
<i>Unrestricted:</i>						
Kier Group Social Value Contribution	-	100	(100)	-	-	-
	-	1,883	(1,883)	-	-	-
<i>Endowment funds</i>						
Expendable endowment	40,128	-	-	(9,489)	-	30,639
<b>Restricted / endowment</b>	<b>40,128</b>	<b>1,883</b>	<b>(1,883)</b>	<b>(9,489)</b>	<b>-</b>	<b>30,639</b>

#### 14. Analysis of charitable funds (continued)

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

## **Clarion Futures**

### **15. Legislative provisions**

Clarion Futures is incorporated under the Companies Act 2006 and is a registered charity with the Charity Commission under the Charities Act 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, public benefit concessionary loans where no interest is charged or trading balances which are non-interest bearing and are due to be settled within one year of their recognition.

No other related party transactions require disclosure.

### **17. Immediate and ultimate parent undertaking**

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

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

### **18. Subsidiary undertakings and associates**

<b>Name</b>	<b>Legislative Provisions</b>	<b>Proportion of voting rights of ordinary share capital held</b>	<b>Nature of business</b>
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