

Clarion Futures

**Annual Report and Financial Statements
For the year ended 31 March 2022**

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



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TRUSTEES AND ADVISERS

Trustee Directors

Lord Barwell (Chair, appointed 26 January 2022)

John Ball

Patrick Hughes

Terry Stacy MBE

Dr. Usha Sundaram

Sue Killen (resigned 1 April 2021)

Greg Reed (Chair, appointed 2 April 2021, resigned 16 November 2021)

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

Auditors

KPMG LLP

15 Canada Square

London

E14 5GL

REPORT OF THE TRUSTEES (INCLUDING STRATEGIC REPORT)

The trustees of Clarion Futures present their annual report and financial statements for the year ended 31 March 2022.

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 vision 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 and advance the education of the public in sustainable development and the protection, enhancement and rehabilitation of the environment;
- The promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation; and
- Providing housing accommodation and assistance to help house people and associated facilities and amenities for the relief of the aged, disabled, handicapped or chronically sick.

The trustees have had regard to public benefit in deciding to focus on communities where the Group has a substantial presence. The activities 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 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

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

The Trustees note the investment grade rating assigned to Clarion Housing Group by credit rating agencies Moody's (A3 with stable outlook) and Standard and Poor's (A- with stable outlook). These strong investment grade ratings are consistent with Clarion Futures' credit risk appetite, accordingly, funds continue to be lent to the Association on a short-term basis.

The investment strategy is considered as part of the charity's budget and business planning process. As at 31 March 2022 £18.0 million is lent on an arm's length basis to the Association (2021: £27.0 million) attracting interest at SONIA plus 1.5%

Reserves Policy

In accordance with the wishes of the donors, 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. The budget for the year ending 31 March 2022 and future years has been approved on the basis that the Association will provide for any expected shortfall below £20 million. On 28 April 2022 £7 million was transferred in order to fund the shortfall which existed as at 31 March 2022.

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 £0.9 million (2021: £0.7 million) for central management overheads incurred in supporting the programme, including IT, HR, Governance and Finance support; a further £2.1 million of these costs were not recharged and have been recognised as donated services (2021: £2.2 million).

As a result of the continuing Covid-19 pandemic the year ending March 2022 continued to be challenging. At times face to face delivery and community-based provision had to be curtailed and many community centres closed. During lockdowns staff worked hard to re-design services and deliver them by telephone or online, which worked well in most instances. Grants programmes were re-focussed on alleviating the worst impacts of Covid-19. This quick action meant that residents continued to receive vital support during the year and support returned to pre-pandemic levels in many areas.

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 five main services:

1. **Jobs & Training employment service:** this team supports unemployed people across the country in two key ways:
 - (i) Pre-Employment support - helps the unemployed get ready for work through bespoke support, advice and guidance, confidence building, vocational and sector-specific training programmes, numeracy, literacy and IT support, work placements volunteering, job clubs, grants and support with costs such as childcare and travel; and
 - (ii) Employer Engagement - working with employers and the pre-employment team to source and place unemployed people directly into job vacancies as well as providing 'in-work' support and apprenticeship opportunities.

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

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 40% is expected to be the charity's share over the course of the project. 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 £34 million 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 2022 a total of 22,832 had been supported with 7,160 supported into work.
3. **Apprenticeships:** working with employers and Clarion Housing Group, Clarion Futures continued to provide a wide-ranging apprenticeship programme, supporting 160 apprenticeships. This brings the overall number of apprenticeships supported by the charity to 1,625 (2021: 1,465) since the programme started 11 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 114 new business start-ups during the year (2021: 188).
5. **Kickstart:** recognising the particular challenges faced by young people as a result of the pandemic we set up the 'Kickstart Housing Partnership' with 85 partners. With funding from the government the partnership delivered 542 paid six month work placements for 16-24 year olds, 130 of these were in Clarion itself. The programme will end in 2022/23 and the focus will shift to supporting as many young people on the programme to progress into permanent employment when their placement ends.

These five services enabled Clarion Futures to support a total of 3,717 people into work in the last year (2021: 2,558).

Clarion Futures also offers a wide range of training opportunities for residents:

Pre-employment skills: helping people to develop the skills needed to access employment. This includes confidence, motivation, CV writing and interview skills;

E-learning: the charity has a comprehensive e-learning programme offering access to training in subjects such as health and safety, manual handling and IT essentials; and

Vocational training: the charity works with employers and work placement hosts to offer residents accredited training opportunities that aim to lead to 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 5,282 (2021: 5,157) 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. These proved to be vital during the pandemic. The national offer covers a number of 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 telephone-based banking services coupled with savings, loans and a range of other affordable financial products.

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

Money & Energy saving guidance: the telephone based one-to-one service continues to provide extensive support to residents with budgeting; energy saving and financial capability support. Over 20,000 support interventions were delivered by the service supporting 3,945 households during the year. The Money Guidance team also provided direct support to 2,529 (2021: 2,124) Universal Credit claimants, who were either new to claiming the benefit or had recently experienced a change in circumstances.

Hardship Fund: our 'Money Matters' Support Fund provides grants for financially-constrained residents to buy white goods and cookers. A total of £262,000 was provided to 869 households for household goods or a food or household energy voucher to give financial 'breathing space' while they got themselves back into a more stable financial position.

Debt Advice: Clarion Futures provides access to free telephone-based debt advice through partnerships with Step Change Debt Charity and Penny Smart. A total of 3,022 (2021: 3,584) of the Association's residents were referred for debt advice during the year. An additional £22,093 was awarded to community groups to support them to deliver money guidance activities.

Access to the internet (digital inclusion): the pandemic meant digital inclusion has been a key focus for Clarion Futures over the last couple of years. The Digital device loan scheme has rapidly expanded with more than 800 (2021: 350) laptops and wifi devices on loan to residents, job seekers, schools, Digital Champions and community groups. Alongside this we continued to deliver our digital skills training programme delivering a total of 3,110 (2021: 2,536) hours of training. Overall, the 'Digital' service delivered 28,858 (2021: 14,000) digital support interventions to 3,254 individuals.

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

A total of £611,031 in grants were awarded to 112 projects in Clarion communities, benefitting 17,000 Clarion residents and delivering 23,750 extra volunteer hours.

Age Friendly Communities

Over the last 12 months the Age Friendly Team has grown its programmes significantly, testing and learning new approaches to support our communities to age well.

The latest cohort of National Ambassadors saw seven inspirational young residents join the programme and take part in a busy calendar of volunteering and social action initiatives. Amongst their priorities they worked collaboratively in helping Clarion understand more fully how they could shape their services on a national and local scale. Their "brilliant business problem" was centred on how we can get more people involved in initiatives to make their neighbourhoods greener. The Ambassadors presented at key Clarion events, including the annual #Room4Young People conference involving multiple HAs and other key external stakeholders.

In addition, Clarion 55, our Ambassador group representing older residents (a central plank of our Age-friendly Strategy) has gone from strength to strength and has been instrumental in championing and co-designing several key pilot initiatives across Clarion Housing Group. These include Wellbeing 10 – a pilot designed to encourage Clarion Response contractors to spend up to 10 minutes extra per resident visit to check on their wellbeing and make referrals as appropriate (this will be rolled out across additional areas in 2022/23), and HomeShare – an exciting partnership with Homeshare UK looking at designing a model to enable older residents currently under-occupying to co-habit with younger people looking for affordable accommodation in return for help and companionship in the home.

One of the highlights was our Youth Exchange Programme which saw a group of 11 young people from our UK communities and Cyprus come together to share ideas and create

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

International social action projects. In May 2022 we travelled to Cyprus for the second part of the programme.

The launch of our Hometruths House programme has also been a great success, with all new young tenants being offered support and guidance when setting up their first tenancy through a one-off workshop, voucher for their home and ongoing advice through the Clarion Futures teams.

We have also launched our Play Programme through a series of 'Play Streets' – closing streets to campaign for children's 'right to play' in our communities. We have also worked across the Group to create a Play Strategy which will be launched in 2022/23.

Finally, we have been leading a Group-wide approach to improve our support offer for care leavers. The care leavers working group has been creating a set of Group-wide commitments to enhance our existing offer for those with care experience and develop new projects and programmes to ensure a positive experience living in our homes.

Overall the Communities programme delivered 47,000 positive engagements of young people during the year, achieving 10,434 positive progressions including accredited training outcomes, volunteering placements and jobs.

Community Assets

Clarion Futures continues to work closely with Clarion Housing Association to enable their residents and local community organisations to access Clarion's Community Assets (facilities). Several transfers of assets into local ownership were completed during the year, including assets in Salford, Bolton, Stevenage, and Birmingham.

Open spaces improvement

We have delivered over 10,000 m2 of improvements to underutilised open space and community facilities across our neighbourhoods. These included new initiatives based around biodiversity / environmental awareness; food growing initiatives on estates; and larger environmental improvement projects including new play areas, social spaces and fitness zones. Our 'Backyard Nature' partnership has brought together several like-minded HA partners to push forward the climate change agenda and make a real impact on eco-diversity on micro-sites across Clarion's housing estates.

Financial Review

The statement of financial activities is set out on page 17 and shows the result for the year.

The charity's income for the year was £6.6 million (2021: £5.4 million), which included £2.1 million (2021: £2.2 million) of donated services from Clarion Housing Group. 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 £4.1 million (2021: £2.7 million).

Interest income from the investment of the charity's endowment was lower at £0.4 million (2021 £0.6 million) as a result of reduced Endowment Funds and interest rates (2022: 1.64%; 2021: 1.75%).

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

A total of £16.0 million (2021: £13.7 million) was spent in line with the charity's charitable objectives. An analysis of this expenditure, by type and between Clarion Futures' four strategic objectives, is provided in note 4 to the financial statements.

As at 31 March 2022 £5.2 million (2021: £5.2 million) was loaned from Circle Anglia Foundation at a zero interest rate. This balance is included in the amount on-lent to Clarion Housing Association (2022: £18.0 million; 2021: £27.0 million) which attracts interest at SONIA plus 1.5%.

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 to be felt. The charity has reviewed the way it provides support and has established new products and ways of working to address the impact, for instance providing more online support and digital devices to residents. As the country reopens our residents are now facing an unprecedented increase in the 'cost of living' as a result of rising energy costs and inflation. Extra resources will be made available to our Money Guidance team over the coming year to support our residents, particularly those most vulnerable to fuel poverty. We will also continue to support our charitable partners on the ground by providing non-financial business advice and core cost support where needed.

The external funding environment is also changing with the launch of the UK Shared Prosperity Fund. Some of our key projects such as 'Love London Working' are reliant on external funding and during the coming year we will engage funders and commissioners to try and secure additional funding to enable us to continue this vital support.

The charity's strategy is currently under review, however, major changes are unlikely.

Principal Risks and Uncertainties

The Board reviews the key risks facing the charity on a regular basis. The current principal risks are:

- The availability of funding, particularly externally. Following the UK's withdrawal from the EU the external funding landscape is changing and there is a lot of uncertainty about the level of replacement funding available and how easy it will be to access.
- Clarion Futures does not have sufficient resources to support residents and communities, particularly in light of the recent increase in inflation and energy costs.
- 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, overseeing large externally funded partnership programmes, compliance with FCA guidelines, safeguarding and data protection.

The trustees have considered Clarion Futures' risks and their mitigation such as insurance, resourcing levels, fundraising strategy and control frameworks.

Events after the End of the Reporting Period

On 18 June 2022, Clarion Housing Group was subject to a cyber attack, which is still being investigated at the time of signing these subsidiary accounts. Whilst this impacts across the Group and its subsidiaries, there is no indication from the investigations being undertaken and commissioned by management that there has been any impact on these financial statements for the year ended 31 March 2022.

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

The Group's statutory audit contract was put out to tender during 2022, with the new auditor appointed in time to audit the annual report and financial statements for the year ended 31 March 2023. KPMG LLP, the Group's current auditors, have been successful in their tender. Accordingly, a resolution to reappoint them as auditor was passed at the July Trustees Meeting.

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

Gavin Barwell

Lord Barwell
Chair
31 August 2022

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 income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards 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 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Executive team who have delegated responsibility for the day to day management of the Charity, the audit committee and internal audit as to whether they have knowledge of any actual, suspected or alleged fraud.

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

- Reading Board of Trustee's and Audit Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the nature of the Charitable Company's material income streams. The Charitable Company is notified from external third parties of income it has been awarded or has earned and income is accounted for when receipt is probable and measurable.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations and other unusual journal characteristics;
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Executive team who have delegated responsibility for the day to day management of the Charity (as required by auditing standards). We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

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

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have 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

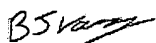
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

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.



Ben Lazarus (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

5 September 2022

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

		2022	2022	2022	2022	2021
		Unrestricted	Restricted	Endowment	Total	Total
		funds	funds	funds	funds	funds
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from						
Donations and legacies	3	2,157	-	-	2,157	2,156
Charitable activities						
Grants and contracts	3	319	3,746	-	4,065	2,694
Investments						
Interest receivable	3	401	-	-	401	556
Total		2,877	3,746	-	6,623	5,406
Expenditure on						
Charitable activities	4	(12,238)	(3,746)	-	(15,984)	(13,657)
Other		(9)	-	-	(9)	(21)
Total		(12,247)	(3,746)	-	(15,993)	(13,678)
Transfers between funds		9,370	-	(9,370)	-	-
Net movement in funds		-	-	(9,370)	(9,370)	(8,272)
Reconciliation of funds						
Total funds brought forward	14	-	-	22,367	22,367	30,639
Total funds carried forward	14	-	-	12,997	12,997	22,367

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 £2,421,000 in relation to restricted income funds, total funds brought forward which includes £30,639,000 in relation to Endowment funds, and total funds carried forward which includes £22,367,000 in relation to Endowment funds.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	9	17,997	27,014
Current assets			
Debtors: amounts falling due within one year	10	1,444	661
Cash and cash equivalents		1,671	2,046
		<u>3,115</u>	<u>2,707</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(2,916)	(2,155)
		<u>199</u>	<u>552</u>
Net current assets			
Creditors: amounts falling due after one year	12	(5,199)	(5,199)
Net assets		<u>12,997</u>	<u>22,367</u>
The funds of the charity			
Share capital	13	-	-
Endowment funds	14	12,997	22,367
		<u>12,997</u>	<u>22,367</u>

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

Gavin Barwell

Lord Barwell
Chair
31 August 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 (January 2022) ("FRS 102"), the Charities SORP (FRS 102): Accounting and Reporting by Charities Statement of Recommended Practice (October 2019) ("the SORP"), the Companies Act 2006 and the Charities Act 2011.

Clarion Futures is a public benefit entity.

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

Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

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

The Trustees have reviewed the charity's financial plan, including 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

1. Accounting policies (continued)

Corporation tax

Clarion Futures is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Public benefit concessionary loans

As a "public benefit entity" (as defined by FRS 102), loans which are made or received as part of Clarion Futures'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 Clarion Futures are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price.

On initial recognition, a financial asset is classified as measured at either amortised cost, fair value through other comprehensive income ("FVOCI") debt investment, FVOCI equity investment or fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- i. it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- i. it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

1. Accounting policies (continued)

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.

Restricted funds

Restricted funds must be used for the specific purpose(s) set out by the donor(s).

Endowment funds

Endowment funds arise in accordance with the wishes of the donor. Income generated from endowments is treated as unrestricted if there are no conditions as to the use of this income.

2. Significant judgements and accounting estimates

Significant judgements

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

Accounting estimates

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

- 1 The recoverable amount of debtors.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

3. Income and endowments

	2022 Total £'000	2021 Total £'000
Donations and legacies		
From other members of the Clarion Housing Group	<u>2,157</u>	<u>2,156</u>

Included in donations and legacies from other members of the Clarion Housing Group is £2,085,000 (2021: £2,156,000) 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). Other intra-group funding of £72,000 (2021: £nil) is included.

	2022 Total £'000	2021 Total £'000
Grants and contracts		
<u>Unrestricted</u>		
Love London Working - management fees charged to partners	<u>319</u>	<u>273</u>
	319	273
<u>Restricted</u>		
Love London Working - grant	1,166	994
Increase VS	535	676
Housing Associations' Youth Network	474	533
One Digital	62	46
Big Local	59	57
Mercer's Fund	33	5
Kickstart	912	-
Social levy	136	-
Communities Programmes	206	-
Other grants and contracts	<u>163</u>	<u>110</u>
	3,746	2,421
	<u>4,065</u>	<u>2,694</u>

	2022 Total £'000	2021 Total £'000
Interest receivable		
Interest on loans to Group undertakings	<u>401</u>	<u>556</u>
	401	556

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

4. Analysis of expenditure on charitable activities

Year ended 31 March 2022 :

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young People and Improving Communities £'000	Governance £'000	2022 Total £'000
Grants made	98	356	537	-	991
Staff costs including travel (note 7)	4,349	1,419	1,897	-	7,665
Other costs	896	506	1,974	-	3,376
Costs directly allocated to activities	5,343	2,281	4,408	-	12,032
Support costs (note 5)	1,638	516	689	1,109	3,952
Total resources expended	6,981	2,797	5,097	1,109	15,984

Expenditure is supported by:

Direct grant and contract income	3,044	62	927	32	4,065
Other income	3,937	2,735	4,170	1,077	11,919
	6,981	2,797	5,097	1,109	15,984

As per note 7, Clarion Futures does not directly employ staff and is recharged staff costs, including on-costs, by a fellow Group member.

Grants made in the year ended 31 March 2022:

Helping Residents into Work and Training: grants made in 2021-2022 include 107 related to Retraining (£66,208), 170 to Rework (£13,766), 19 to Business start ups (£16,962) and 10 to Business Rework (£1,136).

Money and Digital Service: grants made in 2021-2022 include £93,966 awarded to 21 projects through the Digital Inclusion Grants Programme and £262,104 awarded in grants to households.

Supporting Young People and Improving Communities: grants made in 2021-2022 include a total of £516,065 awarded to 91 projects focused on supporting young people and improving communities across the Bounce Back Project Grants, Digital Inclusion Grants, Hackney Community Grants, West Ealing Community Grants, Recovery and the Resilience Care Costs Grants Programmes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

4. Analysis of expenditure on charitable activities (continued)

Year ended 31 March 2021 :

	Helping Residents into Work and Training £'000	Money and Digital Service £'000	Supporting Young People and Improving Communities £'000	Governance £'000	2021 Total £'000
Grants made	71	124	518	-	713
Staff costs including travel (note 7)	3,416	1,468	1,646	-	6,530
Other costs	590	487	1,722	-	2,799
Costs directly allocated to activities	4,077	2,079	3,886	-	10,042
Support costs (note 5)	1,424	597	666	928	3,615
Total resources expended	5,501	2,676	4,552	928	13,657

Expenditure is supported by:

Direct grant and contract income	1,942	48	690	14	2,694
Other income	3,559	2,628	3,862	914	10,963
	5,501	2,676	4,552	928	13,657

Grants made in the year ended 31 March 2021:

Helping Residents into Work and Training: £71,000 has been granted to Charis Grants to deliver the Jobs and Training grants programme.

Money and Digital Service: A total of £124,000 was awarded to 23 projects providing essential digital skills training.

Supporting Young People and Improving Communities: The Clarion Futures Emergency Support Fund was launched within two weeks of the first national lockdown with two new funding schemes set up to support partners' response to the impact of Covid-19. The two schemes focussed on food poverty relief and general community welfare support. Two further areas were identified for action during the extended crisis. This led to the swift design and launch of a Holiday Hunger Fund and a Summer Catch-Up Fund to support young people during the holiday period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)**5. Analysis of support costs (including governance)**

The charity has recognised £3,926,000 of support costs in relation to services provided by Clarion Housing Group Limited (2021: £3,591,000), £2,085,000 of which were not recharged (2021: £2,156,000) (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 £25,880 to Charis Grants Limited to administer the Ready 2 Work (Jobs & Training) grants (2021: £19,000).

Year ended 31 March 2022 :

	Helping residents into work and training £'000	Money and Digital Service £'000	Supporting Young People and Improving Communities £'000	Governance £'000	2022 Total £'000
Head office staff costs	483	158	211	671	1,523
General office costs	1,129	358	478	438	2,403
	1,612	516	689	1,109	3,926
Direct support costs	26	-	-	-	26
	1,638	516	689	1,109	3,952

Year ended 31 March 2021 :

	Helping residents into work and training £'000	Money and Digital Service £'000	Supporting Young People and Improving Communities £'000	Governance £'000	2021 Total £'000
Head office staff costs	600	255	283	572	1,710
General office costs	805	342	378	356	1,881
	1,405	597	661	928	3,591
Direct support costs	19	-	5	-	24
	1,424	597	666	928	3,615

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 2022 (CONTINUED)**7. Employee information**

Clarion Futures does not directly employ any staff but instead makes use of the employees of Clarion Housing Association Limited, who it then reimburses at cost. The total recharge for the year, including non-payroll costs, was £9,239,000 (2021: £7,532,000).

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

	2022 Number	2021 Number
Full time equivalents	161	141

The average monthly headcount in the year was 167 (2021: 149).

Staff Costs:	2022 £'000	2021 £'000
Wages and salaries	6,495	5,835
Compensation for loss of office	38	41
Social security costs	634	570
Pension costs	318	286
	<u>7,485</u>	<u>6,732</u>

£1,101,000 (2021: £1,227,000) of the wages and salaries above relates to employees who are members of the Clarion Housing Group Pension Scheme, the liability for which is included in the financial statements of Clarion Housing Association Limited.

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

	2022 Number	2021 Number
£60,001-£70,000	6	5
£80,001-£90,000	1	3
£90,001-£100,000	3	3
	<u>10</u>	<u>11</u>

Retirement benefits are accruing under a defined benefit scheme for 6 of these employees (2021: 7).

For the current year we have incorporated the value of non-cash benefits. The comparatives have been amended for consistent presentation.

8. Net outgoing resources for the year.

	2022 £'000	2021 £'000
<u>Auditor's remuneration (exclusive of VAT)</u>		
- for statutory audit services	8	8
- for other services	-	-
	<u>8</u>	<u>8</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

9. Fixed asset investments

	2022 £'000	2021 £'000
Loans to Group undertakings		
At the beginning of the year	27,014	36,814
Net repayment	(9,017)	(9,800)
At the end of the year	<u>17,997</u>	<u>27,014</u>

All investments held during the year are held primarily to provide an investment return to the charity. At the reporting date, £17,997,000 is lent to Clarion Housing Association Limited (2021: £27,014,000). Interest is charged at SONIA plus 1.5%.

10. Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year		
Amounts due from Group undertakings: interest	1	73
Prepayments and accrued income	1,331	527
Amounts due from Group undertakings: trading	22	5
Other debtors	90	56
	<u>1,444</u>	<u>661</u>

11. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	82	130
Accruals and deferred income	1,035	982
Amounts due to Group undertakings: trading	1,494	332
VAT creditor	8	4
Other creditors	297	707
	<u>2,916</u>	<u>2,155</u>

£757,000 of deferred income is included within accruals and deferred income (2021: £769,000).

Deferred income relates to income received from donors which is subject to restrictions which prevent their use until a later date. £762,000 of the income deferred at 31 March 2021 was released in the year, and £750,000 received in the year was deferred.

12. Creditors: amounts falling due after one year

	2022 £'000	2021 £'000
Amounts due to Group undertakings: loans	<u>5,199</u>	<u>5,199</u>
Loans are repayable, otherwise than by instalments as follows:		
After five years	<u>5,199</u>	<u>5,199</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (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 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2022 £'000
General fund	-	2,877	(12,247)	9,370	-

Analysis of movements in restricted funds	At 1 April 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2022 £'000
<i>Income funds</i>					
Love London Working - grant	-	1,166	(1,166)	-	-
Increase VS	-	535	(535)	-	-
Housing Associations' Youth Network	-	474	(474)	-	-
One Digital	-	62	(62)	-	-
Big Local	-	59	(59)	-	-
Mercer's Fund	-	33	(33)	-	-
Kickstart	-	912	(912)	-	-
Social levy	-	136	(136)	-	-
Communities Programmes	-	206	(206)	-	-
Other grants and contracts	-	163	(163)	-	-
	-	3,746	(3,746)	-	-
<i>Endowment funds</i>					
Expendable endowment	22,367	-	-	(9,370)	12,997
	22,367	3,746	(3,746)	(9,370)	12,997

On 28 April 2022 Clarion Housing Association transferred £7 million to the charity in order to maintain the endowment fund at the agreed minimum of £20 million.

	At 1 April 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	At 31 March 2021 £'000
Analysis of movements in unrestricted funds					
General fund	-	2,985	(11,257)	8,272	-

15. Legislative provisions

16. Related Party Disclosures

No related party transactions have arisen from the personal interests of the Trustees. No other related party transactions require disclosure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (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
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Clarion Futures transferred its interest in Community Impact Partnership CIC to KeyFund in March 2022 for nil consideration.

19. Events after the end of the reporting period

On 28 April 2022 Clarion Housing Association transferred £7 million to the charity in order to maintain the endowment fund at the agreed minimum of £20 million.