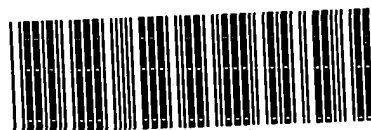


Charity Registration No. 1180693

Company Registration No. 11568263 (England and Wales)

INSPIRE NORTH
CHAIR'S REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023



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INSPIRE NORTH

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

Management Committee

Chair Claire Vilarrubi

Other Trustees: Karl Milner — Inspire North Group Trustee (Vice Chair)
Lisa Bradley – Inspire North Group Trustee (Treasurer)
Philip Turnpenny – Inspire North Group Trustee
Olivia Bradshaw – Inspire North Group Trustee (appointed 29 September 2023)
Duane Samuels – Inspire North Group Trustee (appointed 29 September 2023)

Executive Officers

Chief Executive Ruth Kettle
Director of Group Operations Michelle De Souza (until 08 March 2023)
Kira Moxon-Lumb and Will Goode (Interim) (from 09 March 2023)
Director of Development and Innovation Sinéad Cregan
Director of Finance and Corporate Services Ed Browne (until 13 June 2023)
Adam Miller (from 14 August 2023)
Director of People and Culture Donna Gooby

Company Secretary & Registered Office

Ruth Kettle
3 Limewood Way
Seacroft
Leeds
West Yorkshire
LS14 1AB

Registration Numbers

Registered Company No. 01657652
Registered Charity No. 0514779

Auditor

RSM UK Audit LLP
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Principal Bankers

Santander
Bridle Road
Bootle
Merseyside
L30 4GB

Principal Solicitors

Wrigleys

INSPIRE NORTH

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

19 Cookridge Street
Leeds
LS2 3AG

Ward Hadaway
5 Wellington Place
Leeds
LS1 4AP

INSPIRE NORTH

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

It has been four full years since the establishment of the Inspire North Group, and as Chair I am delighted to present a review of Inspire North for the 2022 to 2023 financial year.

Inspire North is the parent company of registered charities, Foundation and Community Links (Northern) Ltd and their subsidiary companies. The benefits of the group continue to be realised with a focus over the year on the delivery of transformational change projects, continuous improvement in the quality of our services and the standards of our housing, and healthy business growth.

During the period, we have made significant progress in becoming a trauma-informed organisation and our Social Value projects.

The former is our group-wide commitment to be a trauma-informed organisation by 2030. For Inspire North, becoming trauma-informed means recognising the widespread impact of trauma, stress, and adversity and viewing all aspects of our organisation through a trauma-informed lens. We have been laying the groundwork to achieve this over the past year. This has included developing and piloting a self-assessment tool for our services and establishing a working group and champions to spearhead change across the organisation.

In November 2022, we became the first organisation in Yorkshire to achieve the Social Value Quality Mark Level 1, recognising our commitment and progress in measuring our Social Value. Further achievements delivered by our Social Value project include finalising and implementing our Social Value strategy and launching our bespoke Social Value Framework. This vital work is helping the group to better understand, improve and evidence its impact on the communities and places in which we work. As we enter the next phase, data collection begins and over the next year we will develop an evidence base which robustly demonstrates the value of Inspire North.

Inspire North continues to establish itself as a strong supportive core and in response to the ongoing growth of our portfolio of services and diversification of funding, we have continued to make investments in operational delivery, and management as well as central service functions to ensure our services continue to be well-led, safe, and effective. Two new leadership roles were established in our Operations Team during the year, with our long-standing employees Will Goode and Kira Moxon-Lumb being appointed as Assistant Directors of Operations, forming part of the organisation's Senior Leadership Team. Both are currently acting as Directors of Operations on an interim basis. These appointments have helped to ensure continuity and strengthened and diversified our Senior Leadership Team at a crucial time for the group.

Recruitment and retention remain issues for the sector in general and Inspire North have continued to experience some challenges, particularly, considering the cost-of-living crisis. However, investment in dedicated talent acquisition resource, the use of more creative and flexible practices, and an enhanced use of social media have proven beneficial.

Our five-year Inspire North Strategy (2019 to 2024) enters its fourth year of delivery, which provides strategic direction for the Inspire North group.

Every aspect of Inspire North's work is guided by our group-wide values of People, Integrity, Passion and Collaboration. This is demonstrated by some of the Company's key achievements in the period which include:

Community Links' portfolio of dementia services has continued to grow, through the retention of our Kirklees Dementia Hub and the successful award of the Bradford District Dementia Advice and Support Service. The service offers information and advice for adults of any age diagnosed with dementia and their friends, family, and carers, to ensure people across Bradford have access to wide-ranging dementia information and advice. The service has afforded the group the opportunity to recommence service delivery in the Bradford District, and to establish a new partnership to ensure the service works proactively to provide equity of access for all of Bradford's communities.

Following last year's achievement of Foundation securing Investment Partner Status with Homes England, we have continued to make progress in expanding our portfolio of owned properties. We are pleased to have submitted a firm bid to Homes England for funding to transform Armley Lodge into high quality, environmentally

INSPIRE NORTH

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

friendly homes for our clients, and have been working hard to prepare all our properties to meet upcoming EPC and zero carbon requirements. Our commitment to housing development demonstrates our passion for clients and tenants as we strive to build innovative and sustainable futures for the people we support.

Our quality and excellence have been demonstrated in the year through a number of awards. Not only has the group retained its status as an Inclusive Top 50 UK Company, but Foundation has also been successful in being awarded Runner Up Organisation of the Year at The Howard League for Penal Reform for their amazing work delivering our services across North Yorkshire. A client group from Community Links' CFO Activity Hub were awarded Diversity Project of the Year at the Leeds Compassionate City Awards – which celebrates the positive work that local people do to make their communities a great place to live, work and visit. These accolades are telling signs that our core values are upheld and lived across the group, and showcase our commitment to equality, diversity and inclusion.

This commitment has been further demonstrated in the year by the launch of our very first Gender and Ethnicity Pay Gap Report, and we are proud to have a Senior Leadership Team with at least 60% female representation in the period, and a mean gender pay gap of -14.28%. We know that improving inclusion and diversity begins with holding ourselves to account and this report has helped us to do just that.

We have continued to increase our public profile and relaunched our successful #NoExcuseForAbuse campaign ahead of the FIFA World Cup 2022, in response to an expected increase in incidences throughout this period. The campaign aimed to help perpetrators and victims to recognise and act on abuse, seeking help. The combined daily reach of the platforms and publications we were featured in is over two million people and our efforts resulted in a direct increase in referrals for our +Choices perpetrator service.

During the year Foundation encountered financial challenges relating to void numbers, increasing maintenance costs and the external economic environment. To combat this senior leadership implemented a recovery plan and despite recording a deficit in the year it was successful in improving financial performance and ensuring a positive forecast for the coming year.

We are proud to have retained 100% of our services that came out to tender within the period and had the opportunity to expand several our services due to increased investment from our commissioners. As expected, Community Links' Stronger Families service came to an end due to an end in funding.

As I reflect on the last 12 months, the challenges we have faced, particularly in Foundation in relation to housing management and soaring costs, I see everything that has been accomplished, I would like to take the opportunity to share my sincere thanks and gratitude to everyone that has worked so hard, during the most challenging of times, to make a positive difference to the lives of our clients, to our Trustees for their commitment and time freely given to help make our group such a success.

I know that it has been another challenging year for all, and I have personally witnessed our values being embedded across every area of the group. Employees have continued to deliver high quality, person-centred support to people across the communities we serve. I am excited to see the group continue to realise its potential and grow and know that all our stakeholders can be relied on to ensure that Inspire North continues to sustainably build brighter futures across the North of England.



C Vilarrubi
29 September 2023

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Management Committee presents its report and the audited financial statements of Inspire North ("the Company") for the year ended 31 March 2023.

Organisational Overview

Incorporation

Inspire North was incorporated on 13 September 2018. Formed as the parent company of Community Links (Northern) Limited, and the charity and Registered Social Landlord, Foundation, enabling these charities to share risks and benefits. On 17 October 2018, the charity became the sole member of the following charities/companies:

- Foundation (charity number 515517, company number 01829004, HCA registration 4688)
- Community Links (Northern) Limited (charity number 0514779, company number 01657652)
- Bridging the Gap PD Services Limited (company number 08372806)
- Foundation Stone Enterprises Limited (company number 08895921)

Principal Activities

The Company is governed under its Memorandum and Articles of Association, approved by the Charity Commission and subsequently adopted by the Charity on 17 October 2018. The charitable objects are set out in the Memorandum of Association and, following review, remained unchanged throughout the year. The Memorandum and Articles of Association of all companies within the group are broadly aligned.

The Directors have complied with the duty (set out in Section 4 of the Charities Act 2011) to have due regard to public benefit guidance published by the Charity Commission. The Directors have considered the public benefit delivered by the company and have made the following response:

"Our aim is to provide support and accommodation to people with mental health and other complex problems and to those at risk of homelessness. We have a range of services which focus on recovery and support and work collaboratively with individuals to achieve their goals. We do this by providing support which is appropriate to their needs. Our services value diversity and are non-judgemental."

Inspire North's Vision is "Creating a World Where Everyone Matters" and its Purpose is "Building Brighter Futures". Charities within the group have their own underlying purposes. Foundation provides life-changing housing, support and domestic abuse services across the North of England, working with people who require a helping hand to establish a full and independent life in their local community. Community Links provides life-changing mental health and wellbeing services. Community Links offers support for a wide range of mental health and well-being issues, including anxiety and depression, psychosis and difficulties arising from experiencing trauma. We provide services in both community and residential settings, working across the Yorkshire region.

Across the group, we offer personalised support, focused upon the life journey of each client/tenant. We operate a wide variety of services across the North of England working closely with local authorities, the National Health Service and other key partners from the statutory and Third Sectors to deliver outstanding services and achieve positive outcomes for our clients.

In discharging its duties, the Board seeks to set a clear strategic framework for achieving these aims and to clarify the long and short-term objectives of the charity. In particular, the Board considers the guidance contained in the Charity Commission's general guidance on public benefit and how planned activities will contribute to the aims and objectives set.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Trustees

The trustees who held office during the year and up to the date of signature of the financial statements were as follows: -

Claire Vilarrubi (Chair)

Karl Milner (Vice Chair) (appointed 30 June 2023)

Damian Pocknell — Inspire North Group Trustee (Vice Chair) (retired 06 April 2023)

Lisa Bradley – Inspire North Group Trustee (Treasurer)

Philip Turnpenny – Inspire North Group Trustee

Alina Kaur – Inspire North Group Trustee (retired 26 October 2022)

David Strachan – Inspire North Group Trustee (retired 30 March 2023)

Olivia Bradshaw – Inspire North Group Trustee (appointed 29 September 2023)

Duane Samuels – Inspire North Group Trustee (appointed 29 September 2023)

Organisational structure

Inspire North was established on 17 October 2018 as the parent company and sole member of Community Links (Northern) and Foundation who each respectively own their subsidiaries (Bridging the Gap PD Services Limited and Foundation Stone Enterprises Limited).

The Inspire North governance structure ensures that there is a quorate of independent Trustees for Community Links (minimum of three) and Foundation (minimum of three) to protect each company's assets and ensure continued delivery of its charitable objectives and regulatory requirements. Foundation must have a qualified housing expert as a Trustee. Although we are not currently at quorate, plans are in place to resolve this by the end of September 2023. Independent Trustees are still able to identify any conflict of interests should they arise.

The Inspire North Group's Head Office is in Leeds and provides Community Links and Foundation with Senior Leadership, Operational Management and Professional Services via the ultimate parent company Inspire North.

Through the adoption of a group structure Community Links and Foundation can maintain their own identities and continue to deliver their frontline services, whilst the creation of a parent company affords the opportunity to create more comprehensive and efficient infrastructure and support services. This includes increased opportunity to access new markets and fully realise its potential.

Business Review

Details of the Company's performance for the year and its future plans are set out in the following sections of this report.

Objectives & Strategy

The five-year Strategy (2019 to 2024) is subject to annual review and the group is making steady progress against objectives.

Alongside the Strategy, a co-produced Group Vision, Purpose and Values were created and consistently adopted across the group.

Group Vision - Creating a World Where Everyone Matters

Group Purpose - Building Brighter Futures

Values –

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

- **People** are the heart of everything we do at Inspire North, and we strive every day to build brighter futures for the people who use our services. We engage our colleagues and people who use our services to build a sense of community and shared success. We want everyone to play a part in creating our vision.

Objectives & Strategy (continued)

- **Integrity** is our cornerstone; we will always do the right thing. We work hard to make sure our services offer the highest quality and professional standards, and that people are treated fairly and honestly.
- **Passion** is what fuels us. There is no better feeling in the world than making a positive difference, and that spurs us on to always go the extra mile – for the people who use our services, for each other, and for our vision of creating a world where everyone matters. We have the brightest and best innovative minds working every day to do more, and to do it better.
- **Collaboration** is how we came to be Inspire North. We were born out of the idea that working together, we can achieve more. Across our services we work with many partners, bringing together our expertise to meet varied needs in exceptional ways.

Our group-wide approach creates a consistent ethos for our work and employees, which complements the objectives outlined within our Memorandum of Association.

Annual plans, developed by each service or department within the group, enables the Board to monitor progress against strategic goals, alongside monitoring against the Corporate Performance Framework. Together, Annual Plans and the Corporate Performance Framework provide a robust mechanism for organisational accountability and challenge, whilst placing our values at the heart of our strategic objectives.

Achievement and performance

Performance against targets for 2022/23

Following the launch and roll-out of Inspire North's group-wide strategy, vision, purpose, values and branding in 2019, each year the Chief Executive issues a call to action, with a core aim for the 2022 to 2023 period being for all services and departments to focus on helping the Inspire North group to be a great place to work. Over the last financial year, our operational service teams achieved 71% of activities outlined within their annual plans and Central Service Teams achieved 73% of activities outlined within their annual plans. This is a significant improvement from the previous year and showcases steady performance in what has been another challenging year.

Performance is measured against an Annual Service Plan and Key Performance Indicators, with the overarching aim being to improve the quality and effectiveness of the services we deliver to our clients and tenants, sharing best practice across the group. As detailed below, the Inspire North group continues to succeed in performing well.

Sustainability

- Several service contracts held by the Inspire North group have been retendered in the period, with 100% retention achieved, totalling £379,180 annually, helping us to maintain stability during another challenging year. This includes Community Links' Kirklees Dementia Hub service and Foundation's North Yorkshire Child Therapeutic service.
- An additional £2,706,282 of new income has been secured within the period, through service expansions, the award of financial uplifts to existing contracts, and by securing new business through bidding activity. Key achievements have been securing two new Community Links services, the

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Bradford Dementia Hub worth £352,000 annually and due to commence on 1st July 2023, and the West Yorkshire Adult Eating Disorder Peer Support service worth £71,014 annually that commenced on 1st April 2022.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Be a Great Place to Work

- Our group wide voluntary turnover is 29% (in-line with Skills for Care average for the sector) and we have a stability index of 70% across the group for the period.
- The Inspire North Group secured 1-star Best Company status in 2022.
- The Inspire North Group retained its status as a Top 50 UK Inclusive Employer, ranking the second most inclusive charity.
- The Inspire North Group has retained its Safer Leeds Domestic Violence and Abuse quality mark awarded by the Safeguarding and Domestic Violence Team at Leeds City Council, highlighting our continued effort and support for high quality service provision for women, men and children affected by domestic violence in Leeds.

Create Together

- Our third group-wide conference was held in October 2022. This year hundreds of employees came together to reflect on the past year, plan for the group's future and showcase the hard work that has been taking place across our services.
- The Inspire North group was awarded Customer Service Excellence accreditation, achieving 'Compliance' in all 57 areas, with 'Compliance Plus' awarded to 13 areas. Areas of strength included our innovatively embedded co-production policy, our culture of continuous improvement and our analysis of client experience to drive positive changes.
- Clients of Community Links' Leeds Activity Hub service won Leeds Compassionate City Awards 2022 award for Diversity and Inclusion.

Innovate and Influence

- Our Social Value project has delivered a strategy and comprehensive framework for the group, with all services set to begin social value data collection from 1st April 2023. The group has also been awarded the Social Value Quality Mark Level 1 by Social Value Business, reflecting our commitment to Social Value.
- Updates have been implemented across our Finance Systems, to enhance and improve our internal processes for managing income, payments and financial reporting.
- Group Board meetings continue to run well with separate but common reporting frameworks for each company within the group to enable oversight of individual company performance.

Build Sustainable Futures

- Funding has been secured from new statutory agencies, including Bradford Council and new contracts mobilised commissioned by the NHS.
- Community Links have solidified its position as a quality provider of dementia services across West Yorkshire, now delivering advice and support hubs in Kirklees, Calderdale and Bradford, and day services in Leeds.
- Inspire North's new Funding Diversification Strategy is in development to outline our organisational objectives and plans to secure revenue from new income streams, including Trusts and Foundations and event sponsorship. This will include expansion of the Development Team's resources to enable its delivery.
- Bid Managers now have a thematic focus and an increased concentration of proactive pipeline development, helping the group to identify and plan for key opportunities in advance.
- A successful bid has been submitted to Homes England for the refurbishment of Armley lodge to develop 3 units of accommodation that meet sustainability standards.

Underpinned by the group's five-year strategy, the CEO has given a new Call to Action for all services and departments within the group to focus their 2023-24 Annual Plans on Innovation and Influence, with the aims of

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

being a catalyst for change, sharing best practice across the group, and developing and delivering high quality services.

Service Contracts

Throughout 2022 to 2023 we were successful in retaining 100% of our contracts which were re-tendered and awarded during the period. This includes Foundation's North Yorkshire Child Therapeutic Services and Community Links' Kirklees Dementia Hub, which provide vital services for vulnerable people across the North of England.

During the year we also saw healthy growth in our portfolio, successfully securing several brand-new services and projects including but not limited to:

- Community Links' new Bradford Dementia Hub, due to launch in July 2023, expanding and customising our evidence-based best practice model into a new area to reach more people affected by dementia.
- Expansion of Community Links' aspire service, to incorporate an At Risk Mental State (ARMS) pathway into our Early Intervention in Psychosis provision.
- Foundation's new RISE service, commissioned by the local authority through the UK Shared Prosperity Fund, replacing our previous Action Towards Inclusion service for North Yorkshire.
- Foundation's pilot to deliver one-to-one behaviour change with perpetrators of domestic abuse, as part of the West Yorkshire Liaison and Diversion service, in collaboration with Wakefield Council.

Contract extensions have also been secured for several of our long-standing Inspire North services, including Community Links' social prescribing partnership, Linking Leeds, and Foundation's Durham Complex Needs service, enabling the group to continue to provide vital support to clients at a time when it was never more needed.

Tendering activity for the Inspire North group overall has remained constant across the period and we are expecting to undergo further retendering exercises in the 2023-24 period.

Employees

Inspire North's employees are central to everything that we do, and we strive to be a great place to work. During 2022 to 2023, the group's recruitment challenges have continued, with the UK facing a national skills shortage across health services and the voluntary sector. However, new recruitment practices to support a more creative and agile approach are providing advantageous.

Key achievements have been:

- In June 2022, we produced a new recruitment video, highlighting the various rewarding roles a support worker carries out in a day. Coproduction was embedded throughout the process, with the video featuring clients and employees at multiple service sites including Community Links' mental health recovery residentials and Scarborough's Young People's Pathway service. Clients of CLEAR's Men's Talk also used their digital skills to work alongside the professional videography team to capture footage and create their own behind the scenes film. Our patron, Jamie Jones-Buchanan had a starring role in the video, helping to deliver our key message, that 'we are so much more than support workers, we are Inspire North'.
- This year we launched our very first Gender and Ethnicity Pay Gap Report. We are proud to have a Senior Leadership Team with at least 60% female representation and a mean gender pay gap of -14.28%. The median pay for white and ethnic minority colleagues is £15.84. This shows there is no pay gap and we are working to ensure this remains at 0%. We know that improving inclusion and diversity begins with holding ourselves to account and this report has helped us to do just that.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

- Inspire North has made a firm pledge to invest the time and resources necessary in becoming more anti-racist and work continues regarding education, increasing diversity and fostering a better sense of inclusion for all, especially those from racialised and marginalised communities. For Black History Month in October, we recorded and shared a podcast episode which was an honest and impactful conversations with black colleagues about what the month means to them and their experiences in and out of the workplace. In March, members of the People of Colour Network hosted an informative Ramadan session at head office about what this holy time means to our employees and advice on how to support fasting colleagues and clients. We also launched a fasting challenge, where employees were invited to participate by fasting throughout the week, for however long suited them. They were supported by daily check-ins with the Equality, Diversity and Inclusion Coordinator. We continue to progress our Anti-Racist work across the group to hold ourselves to account and help everyone continue their Anti-Racism journey.

We continue to develop our employment practices to support the well-being and recruitment of diverse talent and to this end The Inspire North Group are a Disability Confident Leader, a Mindful Employer and a Living Wage Employer.

Furthermore, we have a comprehensive and well used employee assistance scheme available to all employees, providing advice and support on a wide range of employment, health and legal concerns. This includes the introduction of access to an on-line GP.

Health and safety

Inspire North has a moral and legal responsibility to ensure that it provides for the health, safety and welfare of its employees, clients/tenants and anyone coming into contact with its business activity who may be affected by the way in which it carries out its work. Inspire North attaches the greatest importance to Health and Safety matters which are part of each employee's induction and e-learning and prioritises compliance with current legislation. Inspire North's Estates and Facilities Manager leads on occupational Health and Safety and is supported by our Operational Management Team and a network of team Health and Safety Champions across all Inspire North's offices and services, helping Inspire North to achieve high standards in Health and Safety across the group.

We remain committed to the provision and maintenance of:

- A safe and healthy working environment
- A safe and healthy living environment for clients/tenants and the on-going development of our relationships with partners in relation to safety and service
- Safe and healthy workspaces in third party and partner premises
- Supervision, advice and procedures as necessary for the safe performance of its operations
- Instructions, information and procedures, for safe systems of work
- Equipment fit for purpose and bespoke adaptations for employees who need them
- Appropriate training for employees within job requirements
- Environmentally sustainable or energy efficient systems.

Inspire North's Hybrid Working Policy, which sets out our group's approach to Hybrid Working and allows most employees to split their time between attending the workplace and working remotely, is proving successful, with employees thriving in the new working environment.

In the year, we introduced a Damp and Mould Register to centrally record all reported incidences across the group's accommodation provision, and all related reports are flagged as high priority and are managed as such by our Operational Teams. In 2023-24, a new Damp and Mould strategy will be launched across the group, and we will be working with our internal auditors to undergo a full organisation audit of our damp and mould policy and processes to ensure that any improvements in practice are identified and addressed.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Future Plans

Ambitions for 2023-24

The Inspire North Strategy (2019 to 24) is an ambitious strategy which sets out how the group, will make a real difference to those it supports, making best use of its assets and the unique specialisms of its daughter companies.

Our four key aims are to:

- **Create Together:** We know the way to excellence is through sharing expertise. We will create our services with the people who use them to get the best possible outcomes. Our clients are the leading voice in everything we do, as they are experts in what they need.
- **Be a Great Place to Work:** We bring together a diverse workforce with a wealth of skills and decades of experience. We empower our colleagues to make decisions using their specialist knowledge of the communities they serve, always putting our values front and centre.
- **Innovate and Influence:** We will drive innovation and influence and be a catalyst for change. We will share best practice with colleagues, trustees, partners and local communities to develop high-quality services that reflect the increasingly varied and complex needs of our clients.
- **Build Sustainable Futures:** We will use an evidence-based approach to inform what we do and develop more effective practices that deliver better outcomes. We will seek out new funding sources and partners. We will lead the way on sustainable approaches to working and providing services.

During 2022-2023 we have continued to embed our 5-year strategy, initiating key activities and monitoring progress at team and organisational levels. Priorities for the next year include:

- Further embedding an inclusive, values-led culture across the group, supported by robust, joined-up governance arrangements.
- Being a safe place to work, reviewing Health and Safety processes and ensuring our organisational approach and expectations are embedded.
- Embedding co-production and compliance with the Social Housing Regulation Act 2003 across the groups decision making, systems and processes. Including, fully delivering on and further embedding the Tenant Satisfaction Measures (TSM) within Foundation, introduced by the Tenant Satisfaction Measures Standard April 2023.
- Promoting the effectiveness of our services by collating our first full year of Social Value data across the group, showcasing our impact.
- Building a sustainable future, finalising, and initiating the implementation of our Funding Diversification Strategy.
- Set out clear plans for the group's long-term sustainability, factoring in social, financial, and environmental considerations, including decarbonisation and reducing our carbon footprint and our long-term commitment to driving and delivering upon Social Value.
- A decision was made to strike off Foundation Stone Enterprise a subsidiary of Foundation. The DS01 has been formally submitted to Companies House on 10th August 2023.

Principal Risks and Uncertainties

The Board assume responsibility for on-going review of the risks facing the Company. In this context, we define risk as the potential to fail to achieve our objectives and for loss, whether financial or reputational, inherent in the environment in which we operate. The system of internal control is designed to manage, rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, not absolute, assurance.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Board note the following specific areas that give rise to the potential major risk areas for the forthcoming financial year:

- On-going cuts to Local Authority and Health budgets and the cumulative impact of gradual, ongoing cuts to service budgets resulting in service closure or inability to re-tender for services.
- The current economic and political situation within the UK, largely but not exclusively because of the COVID-19 global pandemic, Brexit and the war in the Ukraine, leading to a continued increase in the cost of living and a rise in demand for services coupled with cutbacks in spending and procurement plans from some commissioners.
- The impact of national skills shortages and challenges in recruitment placing a strain on front line services, information governance, tendering and estates.
- The impact of several contracts that are due to be re-tendered, with the potential loss of income should these contracts not be secured.
- The risk that Foundation performance recovery is not sustained.
- The risk of cyber-attacks and fraudulent activity in-line with the National Cyber Security Centre announcement of increased threats in the sector due to the war in the Ukraine.
- The rising costs of managing and maintaining properties and macro-economic challenges impacting on the availability of suitable, affordable properties to lease on behalf of our tenants.
- Safeguarding our clients

All risks are reported on our robust risk register and mitigations reviewed quarterly at both subcommittee and Board meetings to check and challenge our plans.

Co-production

Across the Inspire North Group we aim to co-produce all aspects of our work. We strive to involve stakeholders from all areas of the group (from clients to members of the Board). There is currently a good level of co-production activity and several ways in which clients and tenants can be actively involved across the group:

- Local informal feedback from and through front-line employees
- Responding to text-based questions on quality and performance
- Annual satisfaction survey and report
- Client/tenant voice (representatives on our Board)
- Local co-production and activities groups
- Contributing to various working groups on quality, bidding for contracts and communications
- Clients/tenants involvement in recruitment processes
- Clients/tenants attendance at tender interviews so that they can outline their experience of our services to commissioners
- Clients/tenants progressing to volunteer roles, offering peer support (including paid roles) and gaining employment within the group
- Group-wide Internal Grants Scheme, offering clients/tenants the opportunity to develop innovative ideas which could receive funding through donations given to Community Links.

Co-production training is mandatory for all employees and volunteers across the group. We have established toolkits for both employees and clients/tenants to support effective co-production across our work. Inspire North believes clients/tenants bring skills, talents and real assets to the company which can be used for the benefit of their own journey, that of others, and for the wider work on the group.

Our group-wide Coproduction Strategy, developed by working with employees and clients across the group, outlines further steps and innovative approaches that the group will adopt to fully embed co-production within every aspect of our business and supports services and departments to understand the concept of coproduction and the importance of using this approach in the delivery of our services and the ways we work with clients, both internal and external.

During the period it has been fantastic to see true co-production evidenced within the Inspire North Group, through the continuation and expansion of the Men's Talk group. Originally, Community Links' clients, this

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

group sought to provide an opportunity to enhance men's engagement in mental health support using theatre. Having run for several years, the group is now an initiative very much led by its members and receives commissions for films and pieces of work to aid professional training and development – giving the members a real voice to challenge the stigma around mental health and transform perceptions.

Strategic Report

Financial Review and Resources

Going Concern

These financial statements have been prepared on a going concern basis as the board have given due consideration to the forecasts, projections and level of resources required for future operations.

Our services and funding continue to be at risk from ongoing cuts to Local Authority and National Health Service funding (and funding available from other statutory agencies), further exasperated by challenging economic conditions. Whilst the operating environment will remain challenging, management are confident that the reputation and competitiveness of the Company can contribute to continued growth. Trustees believe there are opportunities for the group to grow and we are actively pursuing those opportunities to further diversify our income stream

The two largest members of the group (Community Links (Northern) Limited and Foundation) are both members of the Social Housing Pension Scheme (SHPS) which has had a significant impact on the accounts of both Community Links and Foundation. These are the only two companies within the group with this liability. There is a scheme-wide plan in place to repay the deficit by March 2028. Whilst this represents a significant cash outflow for the group, the directors believe it is a going concern and can meet its obligations moving forwards.

Particular attention has been paid to Foundation which had a difficult 2022-23 due to high voids, maintenance spend and the challenging economic climate., however due to senior leadership intervention and the implementation of a recovery plan, performance has now improved. Current performance along with budgets, 5-year financial projections and cashflow modelling provide assurance that it has sufficient resources to fund operations.

Due to the extensions of several service contracts by Authorities during the pandemic period, we are expecting to experience several re-tendering exercises and new tendering opportunities into 2023/2024 to support growth.

Trustees are pleased to note that the group continues to see healthy growth beyond targets this year by securing new contracts which strengths our position going into a period of instability.

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Financial Performance and Position at End of Year

The Group incurred a deficit for the year of £758k (2022: £2,116k surplus). The main reasons for this is Foundation making a loss of £881k compared to a surplus in 2022 of £878k. The difference in actuarial performance, with a loss reported in 2023 of £829k compared to a gain in 2022 of £1,944k. As a result of this, the year-end Statement of Financial Position has moved from £3,664k to £2,906k.

Cash flow remains a priority for the company and is monitored routinely to ensure Inspire North can meet its liabilities. The Group cash position at the year-end was £4.5 million.

Reserves

The Trustees regularly review the reserves of the charity, considering the nature of the income and expenditure streams, the need to match variable levels of income with fixed and planned commitments and the make-up of the reserves. Whilst the Trustees and management do not wish to hold reserves unnecessarily, in view of the current high risk of the public sector funding cuts and greater competition for available funding, we believe that a prudent policy is preserving and increasing our unrestricted reserves to a level which provides for six months of operating costs (including designated funds). Trustees recognise that this objective will not be achieved until the Pension Scheme deficit is cleared). Free reserves for the group at the year end were £3,932k (2022: £3,771k), which is lower than six months operating costs per the statement of financial activities of £11,900k (2022: £11,400k). The group are working to build their free reserves, General and designated reserves for the Group stood at £2,906k at the end of the period (2022: £3,664k). The primary reason for the major swing is the revaluation of the defined pension scheme liability. All funds of the group as at 31 March 2023 were unrestricted and excluding the pension liability stood at £6,009k.

Investment policies

Inspire North has a policy whereby investments are held in a moderate portfolio managed by professional advisers. The Group Board regularly considers the most appropriate policy for investing the limited funds available within its reserves, informed by regular cash flow forecasts. It was decided due to cashflow issues within Foundation to withdraw the fund.

Accounting policies

The Company's principal accounting policies are set out on pages 31 to 36 of the financial statements.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Pensions

Executive Officers do not have any different pension arrangements to other employees. Those who have joined the Company's pension schemes are members either of the 1/60th Final Salary Social Housing Pension Scheme (SHPS) or if they joined after 1 April 2007, the Career Average Re-valued Earnings scheme also part of SHPS and also using a 1/60th accrual rate. The SHPS defined benefit scheme was closed as at 31 March 2013 and all employees are now eligible to join the defined contribution scheme with SHPS. Auto enrolment was implemented in February 2014.

Donations and Sponsorship

The Group has made no financial donations or sponsorship in the year.

Payment of creditors

In line with government guidance, it is the Group's policy to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier.

Financial instruments

The Group's approach to risk management is set out on pages 15-16 of this report.

Fixed assets

There have been tangible and intangible fixed asset additions amounting to £62k during the year.

Financial risk management

The Group's operations may expose it to a variety of financial risks, including the effects of changes in interest rates on debt, credit risk and liquidity risk.

The Group does not have material exposures in any of the areas identified above and, consequently, does not use derivative instruments to manage these exposures.

The Group's principal financial instruments comprise sterling cash and bank deposits and obligations under property leases together with trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the Group's financial instruments can be analysed as follows:

Price Risk

The Group has no exposure to securities price risk, as it holds no listed equity investment. Most of the Group's income is contracted providing pricing visibility and the fixed nature of many of the related costs mitigates associated risk.

Credit Risk

The Group's principal financial assets are bank balances, cash and trade debtors, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its tenant debtors. Credit risk is managed by monitoring the aggregate amounts and duration of exposure to any other tenant depending upon their credit history. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the Group's management based on prior experience.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Liquidity Risk

The Group holds its reserve in the form of bank and sterling money market deposits. It is therefore, not exposed to significant liquidity risk.

Interest bearing assets comprise cash and bank deposits, all of which earn interest at variable rates. There are no liabilities for loans or overdrafts.

Business Risk Register

The Company has a Business Risk Register identifying major risks and steps taken to mitigate the impact of likelihood of the risk occurring looking at operational, financial, governance and external risks. Risks mitigations are reported on and are reviewed quarterly at board meetings. Each subcommittee also undertakes a "deep dive" of a key risk each quarter. In relation to the key strands of our strategic plan, the key risks are:

- Changes to the wider economy including the cost-of-living crisis
- Loss of income through loss of contracts or funding cuts
- Inability to recruit suitably qualified or high calibre employees
- Breaches of General Data Protection Regulation
- Cyber attacks
- Regulatory or legal non-compliance e.g., damp and mould
- Ability to forecast and control expenditure whilst ensuring quality of service delivery
- Impact of changes in accounting treatment of pension scheme resulting in an increase in contribution levels.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Governance

Trustees and Executive Officers

The current Trustees and Executive Officers are set out on page 1. Inspire North's Board of Trustees (at 29 September 2023) comprises 6 Trustees (with each of our subsidiary companies having two independent Trustees each (1 post per subsidiary is vacant)) with a range of relevant skills and experience. The group had 2 vacancies at 29 September 2023 which are being actively recruited to. Individually and collectively, they exercise independent and objective judgement.

A sub-committee structure is in place to ensure sufficient time is given to the activities of the group. Each Trustee serves on one of the three main sub-committees, most of which meet quarterly:

- 1) Resources and Risk Assurance (chaired by the Treasurer);
- 2) Operations and Development (chaired by a Trustee); and
- 3) People and Culture; (chaired by a Trustee);
- 4) Nominations (meeting 4-monthly or as required for recruitment of Trustees) es and succession planning) (chaired by a Trustee).

To support the work of the Senior Leadership Team and adopt best practice, champion roles continue within the Group Board, with new Freedom to Speak Up and Decarbonisation champions introduced in the year:

Champion Areas	Trustee Lead
Clinical Governance	Vacant
Compliance	David Strachan (IN) (Until 30/3/23)
Co-production & Volunteers	Vacant
Decarbonisation	Vacant
Diversity & Inclusion	Cornelle Parker (CL) (Until 22/9/22)
Employee Wellbeing	Jacqueline Hallam (CL)
Freedom to Speak up	Philip Turnpenny (IN)
Housing Governance	Dave Roche (Fn)
Safeguarding	Philip Turnpenny (IN)
Value for Money	Lisa Bradley (CL)

Trustees and Executive Officers (continued)

The Group Board of Trustees has overall responsibility for the governance and strategic direction of the Company and Community Links' constitution empowers the Group Board to take such steps as are necessary to achieve the Company's objectives and make appropriate arrangements for the sound management of its business. When necessary, the Group Board considers the need to take independent professional advice and trustees receive all internal audit reports undertaken through the year.

Day to day management responsibilities are delegated by the Group Board to the Senior Leadership Team under the direction of the Chief Executive. The Chief Executive is appraised annually by the Chair of the Board including 360-degree feedback from all direct reports, Trustees and external stakeholders. Working closely with the Board, the Senior Leadership Team continues to provide leadership and professional support across the group.

We held two Group Board Away Days this year on 11th November 2022 and 10th March 2023. These were great opportunities to come together, away from Board meetings, and spend time reflecting on external

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

challenges and how we move forward as a group. The focus of the first away day was upon managing organisational risks, the impact of the Cost-of-Living Crisis upon our organisation, employees and clients, and the continued development of our five-year financial plan. The focus of the second away day was on ensuring organisational sustainability and developing the Board's Annual Plan for 23-24, which informs the development of individual plans by services and departments across the organisation.

We also held a Trustee Meet and Greet session on 16th December 2022 where employees and trustees had space to directly discuss their experience within services and have open conversations about the strategic direction of the group as well as any ideas for improvements.

Trustee appraisals are being carried out on a 12-month rolling rota basis.

The Charity has made qualifying third-party indemnity provisions for the benefit of its Trustees. These provisions remain in force at the reporting date.

Recruitment, Appointment and Training of Trustees

New Trustees are recruited through open advert and interviewed to ensure that collectively the Group Board maintains a broad range of varied backgrounds, skills and experience. We are looking for new ways to attract a more diverse range of trustees. We endeavour to ensure the needs of our beneficiaries are reflected by the diversity of the Group Board in terms of the skills and interests represented.

Under Article 7.8 of the Articles of Association, Trustees are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting. Trustees may serve for a maximum of three consecutive terms.

Whilst the Group Board may include Trustees who are ex-clients, co-production is ensured at a senior level within the group through client or tenant voice representation at all Trustee Meetings. Client or tenant voice representatives participating in Board level meetings are provided with a thorough induction and have access to support from their Linked Worker (if current client or tenant) and/or Directors of Operations (if ex-client or tenant), as required.

No Trustees had any other beneficial interest in any contract with the Company during the year. A declaration of interest register is kept, and all Trustees are expected to notify the Strategic Governance Lead of any changes as they occur, this expectation is reiterated annually at Board. Our Declaration of Interest Policy and Register of Conflicts are reviewed annually by the Group Board.

Conflict of interests are identified at the start of each Group Board or Sub-committee meeting in relation to specific agenda items.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Recruitment, Appointment and Training of Trustees (continued)

Clients/tenants invited to attend Group Board meetings or take up other associated duties on behalf of the Company receive a nominal allowance in line with the Memorandum and Articles. Travel and other expenses incurred in the discharge of Trustee duties are reimbursed to all Trustees. No Trustee received any remuneration for services as a member of the Group Board in 2022 to 2023. The group is due to launch a new policy on Trustee Expenses and Payments in 2023-24 due to changes in legislation by the UK Charity Commission.

Governance

Inspire North have ensured its Board governance aligns with the best practice set out in the Charity Code of Governance (updated 2020) and the NHF Code of Governance (updated 2020). We have identified areas for improvement and carried out these works, which include implementing a new Trustee Code of Conduct, 3-yearly External Governance Reviews (undertaken 2021, next due 2024) and improving our risk management framework.

Executive Remuneration

Where applicable the Senior Leadership Team have received pay rises in line with NJC pay agreements alongside all relevant employees within Inspire North. Terms and conditions of employment remained unchanged.

Internal controls assurance

The Group Board of Trustees acknowledges its overall responsibility for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, not absolute, assurance against material misstatement or loss. Our quarterly internal auditing approach has continued across the year, with the board agreeing reviews of the following areas in 2022-23: Health & Safety Landlord responsibilities, GDPR, Key Financial Controls and Client/Tenant Co-Production. Recommendations from all audits continue to be progressed.

In meeting its responsibilities, the board has adopted a risk-based approach to internal controls, which have been developed and embedded throughout the year through the normal management and governance process.

The Group Board cannot delegate ultimate responsibility for the system of internal control, but it has delegated authority to the Resources & Risk Assurance Committee to regularly review the effectiveness of the system of internal control. The Group Board receives the minutes of all Resources & Risk Assurance Committee meetings.

Inspire North continues to invest in improved technology and additional security measures such as Cyber Essentials Plus and maintaining our ISO27001 accreditation for information security.

The following key procedures are adopted which are designed to achieve effective internal financial control:

Monitoring and corrective action

Risks are monitored regularly by the senior leadership team and significant increases are reported to Board committees on a quarterly basis. Should any change in risk levels occur, the reasons for the change are established and the necessary action plans are developed and reported to the Board. In addition to a corporate Group risk register, each company in the group has an additional individual risk register in place to track risks which are specific to that company.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Environment and control procedures

Inspire North believes that environmental protection should form an integral part of standard operating procedures. The Company is concerned not only with its direct impact on the environment, but also any indirect effects caused by the Company's activities affecting its neighbours and the local community.

Inspire North maintained ISO 14001 and is developing a full environmental strategy to support the group reaching this accreditation across all our services.

In the year, the new Trustee role of Decarbonisation Champion was created to support the group's environmental objectives. This role is yet to be filled.

Inspire North's current environmental action plan articulates the Company's commitment to sound environmental management.

This action plan will be implemented through the following activity:

- Encouragement of environmental responsibility amongst our stakeholders, including clients/tenants, contractors, suppliers, and colleagues.
- Conducting our Operations in a way that minimises our consumption of natural resources and manages waste through responsible disposal and the reuse and recycling of materials, where economically feasible.
- Development of a group-wide environmental strategy that incorporates our road to Net Zero and aim of meeting PAS 2060, a specification for reaching carbon neutrality.

Information and financial reporting systems

Monthly accounts are prepared by the Inspire North Finance Team and distributed to Executive Officers, Senior Managers and Service or Project Managers, who report monthly on significant variances. Accounts are submitted to the Resources Subcommittee for review each quarter and then on to the main Group Board, also quarterly.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Employees

Disabled Persons

We have robust recruitment and selection processes to ensure the recruitment of high calibre employees, conducted in compliance with the Equality Act 2010. Our accreditations across the Group show our commitment to attract, develop and retain a diverse workforce, including Stonewall Diversity Champion, Mindful Employer, Disability Confident Leader, Investors in People, Sunday Times Top 100 Best Companies and Living Wage Employer. Our values-based recruitment and selection procedure (reviewed by an external consultant, which received positive feedback) includes:

- a diverse panel;
- a blind recruitment process, whereby personal demographic information is withheld from the panel so that all candidates are selected for interview based solely on their skills/qualifications/experience;
- a diversity commitment statement on our recruitment page;
- the essential criteria "demonstrate understanding and commitment to equal opportunities and diversity" on all person specifications. Candidates are also asked to demonstrate this at interview;
- launching new recruitment videos that have ensured a diverse representation of employees including people with disabilities;
- making sure that all our services are required to give due consideration to diversity in recruitment as part of Diversity Impact Assessments.

We are a Disability Confident Leader which is the highest level of accreditation. The Disability Confident Leader symbol is displayed on our website and clearly visible on all application packs. An equal opportunities statement is included on all recruitment adverts.

All job opportunities are widely circulated so that they are accessible to everyone.

All recruitment campaigns operate on the principle of anonymity which ensures that individuals are not identified or disadvantaged based on any of the protected characteristics.

We operate a panel interview process, using a diverse range of people, not only to cover the whole equality angle in general but to have people on that panel who have experience of disability/mental health problems. Every interview panel must also include a current client. They assist in assessing a candidate's general attitude towards our clients and disability/mental health.

All the recruitment panel must have completed Recruitment and Selection training. The Equality Act 2010 is covered in this training session, along with how this practically relates to the construction of job descriptions, person specifications and adverts. It also covers the application process, interview to the appointment stage.

The Inspire North application form states: -

"We recognise and actively promotes the benefits of a diverse workforce and is committed to treating all employees with dignity and respect regardless of age, race, gender, disability, sexual orientation, religion/belief, or mental health. We therefore welcome applications from all sections of the community. This section of the application will be detached and used for monitoring purposes. We ask you answer the questions below by ticking the appropriate boxes. If you do not wish to complete any part of the monitoring information, you do not have to do so."

As an organisation we do not conduct health checks as part of the recruitment process.

We have a robust supervision policy and process in place, which outlines that sessions are run constructively and in a spirit of mutual respect to ensure that all employees are meeting with their line manager on a regular basis.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Disabled Persons (continued)

Within this policy there is guidance on how to best format the meeting and key agenda topic. One topic is 'you'-how are you doing as an employee, very much addressing the 'how are you feeling' and recognising that this is key in delivering the work they are employed to do. This enables disabled employees to discuss any support they may need.

We are committed to providing a work environment of support and inform and encourage colleagues to use "Access to Work" services to ensure that reasonable adjustments can be identified fully, and appropriate support put in place.

We promote colleague health and well-being and actively retain people who have suffered ill health or disability during the course of their employment. We seek to positively address how continued employment may be maintained. We aim to put the responsibility and decision making for adjustments as close as possible to the individual and the work they do, but with support from specialists this has created a situation where managers and colleagues are able to make appropriate decisions on adjustments.

Managers support employees in achieving a satisfactory level of attendance by helping them to remain at work when they experience ill-health or return to work as soon as possible following a period of sickness absence.

We actively support the development and progression of all individuals throughout the organisation including those with a disability.

The process encourages individuals and line managers to discuss potential impacts of a disability during the course of regular performance discussions, focusing on what can be done to support those with a disability and/or long-term health condition, enabling them to overcome any barriers and reach their career goals.

Employee development and progression is on merit and there are no barriers to development and progression. This can be evidenced within the leadership team with at least 20% identifying themselves as disabled.

Employee involvement

The Chief Executive emails a weekly brief of news called "Keeping Connected" to all employees to keep everyone up to date on developments within the organisation and invites anyone with questions, queries or comments to please get in touch with her.

Each service has a Team Voice Representative who meet quarterly with the Chief Executive and Director of People and Culture in an open forum where ideas, suggestions and concerns can be discussed.

Performance Development Reviews (PDRs) take place annually within a 3-month window at the start of each new Business year to ensure all employees objectives are aligned to the years development and strategic plan.

Employees can book, and are encouraged, to attend an SLT meeting.

SLT attend all inductions to welcome new starters to the organisation and hold 1:1 induction meetings with a number of new starters, particularly those in leadership positions.

Every member of SLT mentors at least one employee to support them with their career progression.

We have a group wide SLT "Adopt-a-Service" scheme. This is a way of connecting employees at all levels of the organisation and a great way to ensure SLT stay connected with frontline colleagues to share information and ideas. The SLT member assigned endeavours to attend at least 1 team meeting each year of the services they have adopted in addition to offering support and encouragement.

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Related parties

No Trustee had any beneficial interest in any contract with the Company in 2022 – 2023. Tenants are also on normal commercial terms.

Inspire North is parent company to Community Links (Northern) and Foundation.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annual general meeting

The annual general meeting will be held on 29th September 2023.

Statement as to disclosure of information to the auditor

The Management Committee, who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditor is not aware. The Management Committee have confirmed that they have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

External auditor

The auditor, RSM UK Audit LLP has indicated their willingness to continue in office.

This report including Strategic report was approved by the Board on and signed on its behalf by:

INSPIRE NORTH

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023



Chair: Claire Vilarrubi

Date: 29 September 2023

INSPIRE NORTH

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Inspire North (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activity (incorporating the Income and Expenditure Account), the Consolidated balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INSPIRE NORTH

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Management Committees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Management Committees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Management Committees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INSPIRE NORTH

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction of Private Registered Providers of Social Housing 2019 and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities, and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974 and Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards) and the Care Quality Commission Standards. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition (completeness, existence and cut-off) as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and undertaking analytical review procedures and substantive tests of detail to ensure that revenue was appropriately recognized in the year.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Central Square, Fifth Floor
29 Wellington Street
Leeds
LS1 4DL
Date 29/09/23

INSPIRE NORTH

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
		£'000	£'000	£'000	£'000
<u>Income from:</u>					
Charitable activities		12,214	-	12,214	10,534
Other trading activities		1,180	-	1,180	1,147
Investments	5	-	-	-	26
Social housing	3	4,962	-	4,961	5,149
Other social housing activities	3	5,665	-	5,665	6,120
Total income		24,021	-	24,020	22,976
<u>Expenditure on:</u>					
Charitable activities	6	12,101	-	12,101	10,875
Other		807	-	807	701
Investment Loss	5	35	-	35	-
Social housing and social housing activities	3	11,006	-	11,006	11,228
Total Expenditure		23,949	-	23,949	22,804
Net income		72	-	71	172
<u>Other recognised (losses)/gains:</u>					
Actuarial (losses)/gains on defined benefit pension schemes	19	(829)	-	(829)	1,944
Net movement in funds before tax		(757)	-	(758)	2,116
Taxation	8	-	-	-	-
Net movement in funds after tax	7	(757)	-	(758)	2,116
<u>Reconciliation of funds:</u>					
Total funds brought forward		3,664	-	3,664	1,548
Total funds carried forward		2,906	-	2,906	3,664

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

All income and expenditure derive from continuing activities.

INSPIRE NORTH

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2023

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

INSPIRE NORTH

CONSOLIDATED BALANCE SHEET

AS AT YEAR ENDED 31 MARCH 2023

	Notes	2023	2022
		£'000	£'000
Fixed assets			
Intangible assets	11	10	5
Housing Properties	12	1,096	1,119
Tangible assets	13	1,102	1,167
Investments	14	-	671
		<u>2,208</u>	<u>2,962</u>
Current assets			
Debtors	15	4,735	4,956
Cash at bank and in hand		4,513	5,183
		<u>9,248</u>	<u>10,139</u>
Creditors: amounts falling due within one year	16	(5,316)	(6,368)
Net current assets		<u>3,932</u>	<u>3,771</u>
Total assets less current liabilities		<u>6,140</u>	<u>6,733</u>
Creditors: amounts falling due after more than one year	18	(131)	(134)
Provisions for liabilities			
Defined benefit pension scheme liability	19	(3,103)	(2,935)
Total Assets		<u>2,906</u>	<u>3,664</u>
The funds of the charity:			
Restricted income funds	20	-	-
Unrestricted income funds	20	2,906	3,664
Total charity funds		<u>2,906</u>	<u>3,664</u>

The financial statements on pages 29 to 61 were approved by the board of directors and authorised for issue on 29th September 2023 and are signed on its behalf by:



C Vilarrubi
Chair

INSPIRE NORTH

Company Registration No. 11568263

CHARITY BALANCE SHEET**AS AT 31 MARCH 2023**

	Notes	2023	2022
		£'000	£'000
Fixed assets			
Intangible assets	11	7	-
Other tangible assets	13	24	15
Investment	14	-	-
		<u>31</u>	<u>15</u>
Current assets			
Debtors	15	300	538
Cash at bank and in hand		234	55
		<u>534</u>	<u>593</u>
Creditors: amounts falling due within one year	16	(564)	(569)
Net current Assets		<u>(30)</u>	<u>24</u>
Total assets less current liabilities		<u>-</u>	<u>39</u>
Total Assets		<u>1</u>	<u>39</u>
The funds of the charity:			
Restricted income funds		-	-
Unrestricted income funds	21	1	39
Total charity funds		<u>1</u>	<u>39</u>

Parent Statement of Financial Activities

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent Charity is not presented as part of these financial statements. The Charity's deficit for the year was £38,000 (2022: £47,000 deficit).

The financial statements on pages 29 to 61 were approved by the board of directors and authorised for issue on 29th September 23 and are signed on its behalf by:



C Vilarrubi
Chair

INSPIRE NORTH

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	24		(1,159)		5
Interest paid			(89)		(78)
Income taxes paid			-		-
Net cash (outflow)/inflow from operating activities			(1,248)		(73)
Investing activities					
Purchase of intangible assets		(11)		(8)	
Purchase of tangible fixed assets		(62)		(416)	
Proceeds of disposal of tangible assets		-		73	
Disposal of other investments		661		-	
Interest received		(10)		26	
Net cash generated by/ (Used in) investing activities		578		(325)	
Net (decrease)/increase in cash and cash equivalents			(670)		(398)
Cash and cash equivalents at beginning of year			5,183		5,581
Cash and cash equivalents at end of year			4,513		5,183

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Inspire North is a charitable company limited by guarantee (company number 11568263) and also a Charity registered in England and Wales (charity number 1180693). The registered office is 3 Limewood Way, Seacroft, Leeds, LS14 1AB.

The charity's objectives and aims are disclosed in the Board of Trustees and Strategic Report.

Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum and articles of association, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are presented in Pound sterling £, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The charity constitutes a public benefit entity as defined by FRS102.

Going concern

The Trustees have prepared these financial statements on the going concern basis. Our planning process which included detailed budgets, 5 year financial projections along with cashflow modelling have been undertaken for all of the subsidiaries. These have taken into consideration external factors as detailed in the strategic report.

We acknowledge the impact of the pension deficit however there is a group wide plan in place to repay this by March 2028.

The financial assessments along with current performance and future plans have provided assurance that the group have sufficient funds to continue to operate for the foreseeable future, being a period of at least 12 months after the date the financial statements are signed.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Basis of consolidation

The charity became the sole /member of the following charities/companies:

Foundation (charity number 515517, company number 01829004, HCA registration 4688)
Community Links (Northern) Limited (charity number 0514779, company number 01657652)
Bridging The Gap PD Services (company number 08372806)
Foundation Stone Enterprises Limited (company number 08895921)

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

Reduced disclosure

The charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The charity has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – presentation of a statements of cash flow and related notes and disclosures;

Departures from Charities SORP

The following notes to the accounts have been included in order to comply with the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" of which the subsidiary entity, Foundation, is compliant with:

- Particulars of income and expenditure from social housing lettings; and
- Accommodation in management and development.

Income

All income is recognised once the Charity has legal entitlement to the income, it is probable that the income will be received and the amount of which can be measured reliably. All income is received in £ sterling. Value Added Tax is not applicable to the principal sources of income.

Charitable activities

The Charity carries out work for government bodies and income under these contracts is recognised once performance conditions attached to income have been met. Incoming resources on government contracts are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income

Investment income consists of interest on deposits and is included when receivable.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Other trading activities

Other trading activities consists of rental income, contract income and grant income.

Rental income is recognised on a receivable basis. Payment received from guests in advance of their stay is recorded as deferred income.

Contract income is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Grant income is recognised in the year in which entitlement exists and the amount can be measured with reasonable certainty and measurability.

Social housing

Social housing income comprises rental and service charge income receivable in the period and is recognised as the service is provided. The charity reviews the costs of delivering its services to its customers on an annual basis and sets the charges based on these costs.

Expenditure

All expenditure is included in the Statement of Financial Activities on an accruals basis.

Charitable funds

Unrestricted reserve funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Intangible Fixed Assets

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows: -

Purchased computer software	3 years
-----------------------------	---------

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Housing properties

Housing properties are carried on the balance sheet at cost. The estimated useful lives applied which are detailed below:

Building	100 years
Roof Tile	50 years
Windows and doors	30 years
Boiler and fire	15 years
Kitchen	20 years
Bathroom	30 years
Radiators	30 years
Wiring	30 years
Grant	25 years

Management have considered the impairment review rules and concluded that as there are no indicators of impairment, no formal review is required at the present time. Only two properties are let for social housing, the remaining properties are managed by Foundation and let to non-social housing tenants.

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit.

Completed housing properties are principally properties available for rent and are stated at historical cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings and development costs.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Tangible fixed assets

Depreciation is provided on a straight-line basis in order to write tangible fixed assets down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to direct charitable expenditure: provision of accommodation. The principal annual rates used are:

Freehold buildings (excluding land)	over 25-50 years
Land	Not depreciated
Improvements to leasehold property	over 5-12 years of the lease term
Fixtures, fittings and equipment	over 3-5 years

A full year's depreciation is charged in the year of acquisition. No depreciation in the year of disposal.

The de-minimis level for capital expenditure is £2,000.

Pensions

The Charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Foundation and Community Links (Northern) Limited began to participate in the Social Housing Pension Scheme (SHPS) from 1 January 1999. For the SHPS, it was previously not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. The group continues to operate a money purchase pension Scheme for employees who were in the existing Scheme as at 1 January 1999 and did not wish to enter the SHPS. The assets of the Scheme are invested and managed independently of the finances of the Company. The pension cost charged to the statement of financial activities represents contributions payable in the year.

Operating leases

Rentals payable under property leases are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Financial instruments

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Financial liabilities

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

Inspire North, Foundation and Community Links are registered charities and as such, are exempt from tax on income and gains falling within Chapter 3 Part II Corporation Tax Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable object. The Group's trading subsidiaries are liable to corporation tax on their trading profits.

Investments

Investments in subsidiary are recorded at cost less any provision for impairment losses.

Investments in quoted investments are carried at valuation based on the market price at the year-end date.

2 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following key judgements and estimates were made in preparing the financial statements:

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Details of depreciation rates can be found in note 1 and the depreciation charge in notes 12-13.

Pension liability discount rate

The rate of discount detailed in Note 19 is that provided by TPT Retirement Solutions who administer the SHPS Pension Scheme which is based on the market yields on AA corporate bonds at the reporting date.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty (continued)

Financial instruments

The Company enters into basic financial instrument transactions that meet the criteria of a basic financial instrument as defined in FRS102 Section 11, and that result in the recognition of financial assets and liabilities such as trade and other debtors and trade and other creditors. Where cash levels permit, the company invests in short term quoted investments. These instruments are initially recorded at the transaction price less any transaction cost (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however, the Company has calculated that the difference between the historical cost and amortised cost is not material and therefore these financial instruments are stated on the statement of financial position at historical cost.

Provision for bad and doubtful debts

The provision is calculated to cover the likelihood of rental income due from tenants not being received. The provision takes into account the age of the outstanding balance and whether it is payable through Housing Benefit or client contributions. Details of the provision are disclosed at note 15.

Defined benefit pension scheme

The present value of the Social Housing Pension Scheme (SHPS) defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. During the period, the SHPS is now able to be accounted for as a defined benefit scheme and the accounting has been changed from defined contribution scheme in the previous period.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3a Social housing and social housing activities

	Turnover £'000	2023 Operating Costs £'000	Operating Surplus/(Deficit) £'000	Turnover £'000	2022 Operating Costs £'000	Operating Surplus/(Deficit) £'000
Social housing activities						
Income and expenditure from lettings	4,961	(4,507)	454	5,149	(4,871)	278
Other social housing activities						
Supporting people contract income	5,645	(6,477)	(832)	6,099	(6,340)	(241)
Other social housing income and expenditure	20	(22)	(2)	21	(17)	4
	5,665	(6,499)	(834)	6,120	(6,357)	(237)
Total	10,626	(11,006)	(380)	11,269	(11,228)	41

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3b Particulars of income and expenditure from social housing lettings

	2023 Supported Housing £'000	2022 Supported Housing £'000
Turnover from social housing lettings		
Rent receivable	3,513	3,656
Void Costs	(464)	(392)
Service Charges Receivable	2,108	1,955
Debts written off	(196)	(70)
	<hr/>	<hr/>
Net rental income	4,961	5,149
Other revenue grants	-	-
	<hr/>	<hr/>
Turnover from social housing lettings	4,961	5,149
Expenditure on social housing lettings		
Rent	(2,547)	(2,725)
Costs relating to tenants	(11)	(52)
Light and heat	(107)	(83)
Routine maintenance	(223)	(239)
Planned maintenance	(959)	(781)
Staff costs	(589)	(853)
Other Costs	(42)	(43)
Bad Debts Provision	(29)	(95)
	<hr/>	<hr/>
Operating costs on social housing lettings	(4,507)	(4,871)
Operating Surplus on social housing lettings	454	278

4 Accommodation in management and development

At the end of the year, accommodation in management was as follows:

	2023 Units	2022 Units
Supported housing-owned	11	9
Supported housing managed	497	557
General Needs – owned	5	7
General Needs – managed	11	41
	<hr/>	<hr/>
Total units	524	614

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Investment income

The Group's investment made a loss of £35k (Gain 2022: £26k) due to financial market movements. It was decided due to cashflow issues that the fund would be withdrawn, and cash returned.

6 Analysis of expenditure on charitable activities

	2023 £'000	2022 £'000
Salaries and related costs	8,900	7,922
Consultant (External Services)	66	39
Rent and rates	336	320
Property repairs and maintenance	118	158
Voids and rent losses	21	32
Furnishing and decorating	98	125
Heating and lighting	67	67
Other property	23	29
Residents' food and laundry	83	70
Client activities	126	80
Depreciation	102	93
Publicity	18	26
Telephone, printing	71	85
Legal and professional	5	35
General office expenses	156	155
Subscriptions and donations	3	10
Bank charges	3	3
Employee counselling	23	21
Governance costs	26	17
Central Overheads	1,895	1,588
	<u>12,140</u>	<u>10,875</u>

7 Net movement in funds

Net movement in funds is stated after charging:

	2023 £'000	2022 £'000
Auditor's remuneration:		
Audit fees	45	40
Accountancy services		11
Depreciation	150	144
Amortisation	6	20
Operating lease rentals		
– Land and buildings	557	508
– office equipment		1
Release of Government Grant	(3)	(3)
	<u></u>	<u></u>

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Taxation

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on profits for the current period	-	-
Adjustment in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

The total tax charge for the year can be reconciled to the loss per the income statement as follows:

	2023 £'000	2022 £'000
Surplus/(loss) for the period	(758)	2,117
	<hr/>	<hr/>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2021: 19%)	(144)	402
Adjustments to tax charge in respect of prior periods	-	-
Non-taxable income	-	-
Losses not recognised	144	(402)
	<hr/>	<hr/>
Tax charge for the period	-	-
	<hr/>	<hr/>

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

Number of employees

The average monthly number of employees during the year was:

	Group		Charity	
	2023	2022	2023	2022
	Number	Number	Number	Number
Charitable work and provision of supported accommodation	514	433	-	-
Support services	72	69	72	69
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	£'000	£'000	£'000	£'000
Employment costs				
Salaries	13,410	12,408	2,089	1,838
Social Security Costs	1,269	1,104	219	184
Other pension costs	487	456	66	70
	<u>15,166</u>	<u>13,968</u>	<u>2,374</u>	<u>2,092</u>

Number of employees

The average monthly number of people employed during the year expressed as full-time equivalents was:

	Group		Charity	
	2023	2022	2023	2022
	Number	Number	Number	Number
Full-time equivalent employees	437	428	56	55

Group redundancy payments of £12,758 (2022: £7,000) were paid in the year.

Executive Officers' and senior staff emoluments

	Charity	
	2023	2022
	£	£
Aggregate emoluments paid to all Executive Officers, excluding pension contributions	350,247	205,730
Aggregate amount of all Executive Officers' pensions	13,960	15,750
Aggregate amount of all Executive Officers' Employer's NI Contribution	44,140	14,970
	<u>408,347</u>	<u>236,450</u>

Emoluments for the Officers fall into the following bands:

	2023	2022
	Number	Number
More than £60k but not more than £70k	4	2
More than £80k but not more than £90k	1	1

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Employees (continued)

Executive officers are entitled to the same company pension contributions as all other employees. The Chief Executive and Executive Officers are deemed to be the key management personnel of the Charity.

10 Trustees

The Memorandum and Articles of the Charity allow the payment of reasonable reimbursed expenses to Board Trustees. No Trustee expenses were paid in 2023 (2022: £nil). During the current and prior year, the directors received no remuneration.

11 Intangible assets

Group	Software £'000
Cost	
At 1 April 2022	407
Additions	11
	<hr/>
At 31 March 2023	418
	<hr/>
Amortisation	
At 1 April 2022	402
Charged in the year	6
	<hr/>
At 31 March 2023	408
	<hr/>
Net book value	
At 31 March 2023	10
	<hr/>
At 31 March 2022	5
	<hr/>

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Intangible assets (continued)

Charity	Software £'000
Cost	
At 1 April 2022	69
Additions	11
	<hr/>
At 31 March 2023	80
	<hr/>
Amortisation	
At 1 April 2022	69
Charged in the year	4
	<hr/>
At 31 March 2023	73
	<hr/>
Net book value	
At 31 March 2023	7
	<hr/>
At 31 March 2022	-
	<hr/>

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets – housing properties

Group

	Social housing properties held for letting £'000
Cost	
At 1 April 2022	1,611
Additions	-
	<hr/>
At 31 March 2023	1,611
	<hr/>
Depreciation	
At 1 April 2022	492
Charge for year	23
	<hr/>
At 31 March 2023	515
	<hr/>
Net book value	
At 31 March 2023	1,096
	<hr/>
At 31 March 2022	1,119
	<hr/>

Included in the above is a property in Scarborough with a net book value of £120k (2022: £123k). There is a 30-year charge on the property that is being used to house vulnerable people.

The charity had no housing property fixed assets as at 31 March 2023.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Tangible fixed assets

Group

	Freehold land and Buildings £'000	Improvements to leased property £'000	Fixtures, Fittings and equipment £'000	Total £'000
Cost				
At 1 April 2022	1,279	196	629	2,104
Additions	-	5	57	62
At 31 March 2023	1,279	201	686	2,166
Depreciation				
At 1 April 2022	310	171	456	937
Charged in the year	26	10	91	127
At 31 March 2023	336	181	547	1,064
Net book value				
At 31 March 2023	943	20	139	1,102
At 31 March 2022	969	25	173	1,167

Charity

	Fixture & Fittings £'000	Office equipment & IT Tangibles £'000	Total £'000
Cost			
At 1 April 2022	7	31	38
Additions	-	28	28
At 31 March 2023	7	59	66
Depreciation			
At 1 April 2022	2	21	23
Charged in the year	1	18	19
At 31 March 2023	3	39	42
Net book value			
At 31 March 2023	4	20	24
At 31 March 2022	5	10	15

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Fixed asset investments

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Listed investments	-	671	-	-
Investments in subsidiaries	-	-	-	-
	<u>-</u>	<u>671</u>	<u>-</u>	<u>-</u>
	-	671	-	-
	<u>-</u>	<u>671</u>	<u>-</u>	<u>-</u>

Through the controlling interest in Foundation and Community Links respectively, investments in subsidiaries represent the 100% holdings in Foundation Stone Enterprises Limited and Bridging the Gap PD Services Limited, both companies incorporated in England and Wales with a registered office at 3 Limewood Way, Seacroft, Leeds, LS14 1AB.

Foundation Stone Enterprises Limited delivered housing related legal services to a social lettings agency, during the year the company ceased trading and a decision has been made to strike off. Bridging the Gap PD Services Limited provides specialised services to men with personality disorders.

Listed investments

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Market value at 1 April	671	652	-	-
Additions	-	-	-	-
Fees and charges	(4)	(7)	-	-
Income received	10	7	-	-
Market movement	(47)	19	-	-
Withdrawal	(630)			
	<u>-</u>	<u>671</u>	<u>-</u>	<u>-</u>
Market value at 31 March	-	671	-	-
	<u>-</u>	<u>671</u>	<u>-</u>	<u>-</u>

Quoted investments consist of a portfolio of low risk equity and debt holdings managed by Charles Stanley. The fund was withdrawn in the year to support cashflow.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Debtors

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	3,658	3,040	17	26
Rents receivable	490	489	-	-
Other debtors	40	35	25	22
Amounts due from group undertakings	-	-	28	189
Prepayments and accrued income	547	1,392	230	301
	<u>4,735</u>	<u>4,956</u>	<u>300</u>	<u>538</u>

Rents receivable is stated after provision for bad debt of £297k (2022: £275k) in the group and £7k (2022: £7k) in the charity.

16 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	500	596	103	139
Grants and funding in advance	129	134	20	20
Other creditors	316	284	20	13
Other taxation and social security	295	261	54	45
Amounts due to group undertakings	-	-	271	240
Accruals and deferred income	4,076	5,093	96	112
	<u>5,316</u>	<u>6,368</u>	<u>564</u>	<u>569</u>

17 Deferred government grant and Deferred Income

Group

	Deferred income		Government grant	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Brought forward	4,199	1,834	137	140
Additions	9,107	8,949	-	-
Released during the year	(10,162)	(6,584)	(3)	(3)
	<u>3,144</u>	<u>4,199</u>	<u>134</u>	<u>137</u>

In the Charity there was no movement in the year in Grants and Other Funding in Advance.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Creditors: amounts falling due after more than one year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Grants and funding in advance	131	134	-	-
	<u>131</u>	<u>134</u>	<u>-</u>	<u>-</u>

19 Pension

Social Housing Pension Scheme (SHPS)

Within the group, Foundation and Community Links (Northern) Limited participate in the Social Housing Pension Scheme (the Scheme), a multiemployer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2019. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2020 to 29 February 2021 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2021 to inform the liabilities for accounting year ends from 31 March 2022 to 28 February 2023 inclusive.

	31 March 2023 £ '000	31 March 2022 £'000	31 March 2021 £ '000
Present value of provision	3,103	2,935	5,402

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Pension (continued)

Reconciliation of opening and closing provisions

	2023	2022	2021
	£'000	£'000	£'000
Provision at start of period	2,935	5,402	2,683
Unwinding of the discount factor (interest expense)	71	112	57
Deficit contribution paid	(750)	(659)	(646)
Expenses	24	24	24
Remeasurements – impact of any change in assumptions	823	(1,944)	3,284

Provision at the end of period	3,103	2,935	5,402
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Income and expenditure impact

	2023	2022	2021
	£'000	£'000	£'000
Interest expense	72	112	57
Expenses	24	24	24
Total income and expenditure impact	96	136	81

Assumptions	2023 % per annum	2022 % per annum	2021 % per Annum
Rate of discount	4.86	2.78	2.20

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The liabilities set out in this note have been calculated by an independent actuary based on the most recent full actuarial valuation. The results of the calculations and the assumptions that have been adopted are shown below.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Pension (continued)

Key assumptions

	2023 £'000
Discount rate	4.86
Inflation (RPI)	3.18
Inflation (CPI)	2.78
Salary growth	3.78

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2023 Periods
Retiring today	
Male	21.0
Female	23.4
Retiring in 20 years	
Male	22.2
Female	24.9

Amounts recognised in the Income and Expenditure account:

	2023 £'000
Expenses	24
Net interest on defined benefit liability	72
	96

Amounts taken to other recognised gains/(losses):

	2023 £'000
Experience gain on plan assets	(8,357)
Experience gain on plan liabilities	(638)
Effect of changes in demographic assumptions	38
Effect of changes in the financial assumptions	8,128
Total actuarial loss	(829)

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Pension (continued)

The amounts included in the statement of balance sheet arising from the group's obligations in respect of defined benefit plans are as follows:

	2023 £'000
Present value of defined benefit obligation	(17,543)
Fair value of plan assets	14,438
	<hr/>
Deficit in scheme	(3,105)
	<hr/>

Movements in the present value of defined benefit obligations:

	2023 £'000
Liabilities at 1 April 2022	24,792
Expenses	24
Interest cost	685
Actuarial gain due to scheme experience	637
Actuarial losses due to changes in demographic assumptions	(39)
Actuarial losses due to changes in financial assumptions	(8,130)
Benefits paid	(427)
	<hr/>
At 31 March 2023	17,542
	<hr/>

Movements in the fair value of plan assets:

	2023 £'000
Fair value of assets at 1 April 2022	21,857
Interest income	613
Experience on plan assets	(8,356)
Contributions by the employer	750
Benefits paid	(427)
	<hr/>
At 31 March 2023	14,437
	<hr/>

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Pension (continued)

The analysis of the scheme assets at the reporting date were as follows:

	2023 £'000
Global equity	270
Absolute return	156
Distressed opportunities	437
Credit relative value	545
Alternative risk premia	27
Emerging markets debt	78
Risk sharing	1,062
Insurance-linked securities	364
Property	622
Infrastructure	1,649
Private debt	642
Opportunistic illiquid Credit	617
High Yield	51
Opportunistic Credit	1
Cash	104
Long lease property	435
Secured income	663
Liability driven investment	6,649
Currency hedging	28
Net current assets	37
	<hr/>
	14,437

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of movement between

Group	Balance at 1 April 2022	Net Income/ (expenditure)	Transfer	Balance at 31 March 2023
	£'000	£'000	£'000	£'000
General funds				
Unrestricted funds	6,173	(588)	7	5,592
Pension reserve	(2,935)	(170)	-	(3,105)
	<u>3,238</u>	<u>(758)</u>	<u>7</u>	<u>2,487</u>
Designated funds:				
St Peter's Building	303	-	(5)	298
Scarborough Property	123	-	(2)	121
	<u>426</u>	<u>-</u>	<u>(7)</u>	<u>419</u>
Total general funds	<u>3,664</u>	<u>(758)</u>	<u>-</u>	<u>2,906</u>

The Charity net funds are all unrestricted funds and arose following net expenditure of £38k in the year.

Group	Balance at 1 April 2021	Net Income/ (expenditure)	Transfer	Balance at 31 March 2022
	£'000	£'000	£'000	£'000
General funds				
Unrestricted funds	6,515	(350)	8	6,173
Pension reserves	(5,401)	2,466	-	(2,935)
	<u>1,114</u>	<u>2,116</u>	<u>8</u>	<u>3,238</u>
Designated funds:				
St Peter's Building	309	-	(6)	303
Scarborough Property	125	-	(2)	123
	<u>434</u>	<u>-</u>	<u>(8)</u>	<u>426</u>
Total general funds	<u>1,548</u>	<u>2,116</u>	<u>-</u>	<u>3,664</u>

The Charity net funds are all unrestricted funds and arose following net income of £71k in the year.

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of movement between funds (continued)

While the amounts included in designated funds are not contractually committed at the year end, the Directors have earmarked the funds for the purposes listed below:

The St Peter's Building Fund has been designated by the Directors in respect of the five properties gifted by St Peter's Christian Project.

The Scarborough Property Fund is a property comprising three flats which was donated to Foundation.

Group	Unrestricted £'000	Restricted £'000	Total £'000
Fund balances at 31 March 2023 are represented by:			
Fixed assets	2,208	-	2,208
Current assets	9,249	-	9,249
Current liabilities	(5,316)	-	(5,316)
Non-Current liabilities	(131)	-	(131)
Pension provision	(3,104)	-	(3,104)
	<u>2,906</u>	<u>-</u>	<u>2,906</u>

Fund balances at 31 March 2022 are represented by:			
Fixed assets	2,962	-	2,962
Current assets	10,139	-	10,139
Current liabilities	(6,368)	-	(6,368)
Non-Current liabilities	(134)	-	(134)
Pension provision	(2,935)	-	(2,935)
	<u>3,664</u>	<u>-</u>	<u>3,664</u>

Charity	Unrestricted £'000
Fund balances at 31 March 2023 are represented by:	
Fixed assets	31
Current assets	534
Current liabilities	(564)
	<u>1</u>
Fund balances at 31 March 2022 are represented by:	
Fixed assets	15
Current assets	593
Current liabilities	(569)
	<u>39</u>

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Statement of financial activities – comparative note

	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022
For the year ended 31 March 2022	£'000	£'000	£'000
Income			
Charitable activities	12,214	-	12,214
Other trading activities	1,180	-	1,180
Investments	(35)	-	(35)
Social housing	4,962	-	4,962
Other social housing activities	5,665	-	5,665
Expenditure			
Charitable activities	12,102	-	12,102
Other	806	-	806
Social housing and social housing activities	11,006	-	11,006
Net Income	73	-	73
Other recognised gains:			
Actuarial losses on defined benefit pension schemes	(829)	-	(829)
Net movement in funds before tax			
Taxation	-	-	-
Net movement in funds after tax	(758)	-	(758)
Total funds as at 1 April 2022	3,665	-	3,665
Total funds as at 1 April 2023	2,906	-	2,906

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Commitments

Operating Leases

The Group has the following annual commitments under non-cancellable leases as follows:

	2023 £'000	2022 £'000
Within one year	320	317
Within two to five years	209	307
	<u>529</u>	<u>624</u>

The Company had no annual commitments under non-cancellable leases.

23 Related party transactions

Details of the executive officer's remuneration, who are considered to be key management personnel, are disclosed in Note 9.

During the period costs amounting to £1,577k (2022: £1,529k) were recharged from Inspire North to Foundation. At the year end there was an amount of £9k (2022: £240k owing by Foundation to Inspire North) owing by Inspire North to Foundation.

During the period costs amounting to £1,859k (2022: £1,556k) were recharged from Inspire North to Community Links. At the year end there was an amount of £nil (2022: £162k owed by) owing to Inspire North from Community Links.

At the end of the year there was £270k was owed to Community Links (Northern)

24 Net cash flow from operations

Group

	2023 £'000	2022 £'000
Net income for the year	71	172
Finance costs	89	78
Depreciation and amortisation	157	171
Change in market value of listed investments	-	(19)
Investment income	10	(26)
Pension scheme non-cash movement	(654)	(522)
(Increase)/decrease in debtors	220	(2,423)
Increase/(decrease) in creditors	(1,052)	2,574
	<u>(1,159)</u>	<u>5</u>

A consolidated analysis of changes in net debt is not presented as the Group had no net debt at 1 April 2022 or 31 March 2023

INSPIRE NORTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Post Balance Sheet Events

An application to strike off the subsidiary entity, Foundation Stone Enterprises Limited was made on 10th August 2023