

Company Number: 01829004
HCA Registration: 4688
Registered Charity Number: 515517

FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022

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FOUNDATION

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

Management Committee

Chair Claire Vilarrubi

Other Trustees: David Powell – Independent Trustee (Foundation)
Dave Roche – Independent Trustee (Foundation)
Damian Pocknell – Inspire North Group Trustee (Vice Chair)
Lisa Bradley – Inspire North Group Trustee (Treasurer)
Alina Kaur – Inspire North Group Trustee
Philip Turnpenny – Inspire North Group Trustee
David Strachan – Inspire North Group Trustee

Executive Officers

Chief Executive Ruth Kettle
Director of Operations Faye Oldroyd (until 01 October 2021)
Michelle De Souza (from 22 November 2021)
Director of Development and Innovation Sinead Cregan
Director of Finance and Corporate Services Caroline Watson (until 02 November 2021)
Ed Browne (from 20 September 2021)
Director of People and Culture Donna Gooby

Company Secretary & Registered Office

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

Registration Numbers

Company number 01829004
HCA registration number 4688
Registered charity number 515517

External Auditor

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

FOUNDATION

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

Solicitors

Wrigleys
19 Cookridge Street
Leeds
LS2 3AG

Claire Murphy Legal
Fairfax House
38 The Grove
Ilkley
LS29 9EE

Bankers

Santander
Bridle Road
Bootle
Merseyside
L30 4GB

FOUNDATION

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

It has been three full years since the establishment of the Inspire North Group, and as Chair I am delighted to present a review of Foundation for the period 2021 to 2022.

Inspire North is the parent company of Foundation and Community Links (Northern) Ltd and their subsidiary organisations. The benefits of the group are now being realised with a focus across the period on the integration of systems and processes, the delivery of enhanced learning and development for employees, improvement in service outcomes and a healthy growth in our business.

During the period we have made several advancements to improve the effectiveness of our collective business functions, realised through further integration of our processes and systems and the attainment of enhanced system and data governance accreditations. This includes successfully achieving the ISO 27001: 2013 Information Security accreditation, ensuring the highest standard in information security and management and the integration of our HR systems to create a single system for all HR activity.

We remain focussed on organisational sustainability and with procurement, commissioning and funding arrangements placing increasing importance upon demonstrable Social Value, we have made a commitment to understand, improve and evidence the impact we have on the communities and places in which Inspire North work.

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. We have appointed two new members to the Senior Leadership Team during the year Ed Browne joined the group as Director of Finance and Corporate Services having previously worked at Citizens Advice Leeds and briefly as Head of Finance for Inspire North. Ed brings significant and valuable experience managing finances and corporate services. Michelle de Souza has also joined the Senior Leadership Team as Group Director of Operations, after a period as Senior Operations Manager earlier this year. Michelle brings a wealth of expertise working in clinical and non-clinical settings, including 24 years in Leeds City Council working on domestic abuse and safeguarding issues. These new appointments have strengthened and diversified our Senior Leadership Team and their invaluable expertise will be crucial to ensuring Inspire North move forward with delivering our vision to "create a world where everyone matters".

This year has also seen the creation of new Central Services roles in the Inspire North Group, including a Bid Writer, Development Researcher, Information Governance Officer and an Equality, Diversity and Inclusion Coordinator, supporting our organisational growth, ensuring on-going compliance with Information Governance, policies, procedures and legislation and reinforcing our group-wide commitment to anti-racism and achieving equity, diversity and inclusion in all that we do. Recruitment remains an issue for the sector in general and Inspire North is no different. To get ahead of the game we have recruited a Talent Co-ordinator to enable Inspire North to have a focus on recruitment issues and practices and help us be more creative in attracting top talent across the group.

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

Every aspect of Foundation'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:

- Achieving Investment Partner Status with Homes England, this opens new opportunities for Foundation as we diversify our income sources, enabling Foundation to draw down grants from the Affordable Homes Programme to purchase and refurbish properties in accordance with Decent Homes Standards. This includes Armley Lodge, where funding will support Foundation to make improvements related to help us achieve zero carbon homes by 2050, demonstrating our passion for clients and tenants as we strive to build innovative and sustainable futures for the people we support.

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CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

- The group continues to have group-wide 2* Best Companies and Investors in People status. Showcasing the group's commitment to its people, these awards are further supported by the group receiving 30th place at the Inclusive Top 50 Companies in the UK awards, and 63rd place in Best Large Companies to Work For 2021, supported by a special award for Learning and Development. These accolades are telling signs that our core values are upheld and lived across the group.
- Inspire North has embarked on its journey towards Becoming a Trauma Informed Organisation. We are taking a systems approach to trauma, allowing us to assess our processes, policies, growth, and operations generally against trauma informed criteria. Becoming a Trauma Informed organisation means Inspire North recognises the widespread impact of trauma, stress, and adversity, viewing all aspects of our organisation through a trauma-informed lens. Acting with integrity, and being trauma informed will ensure we do not re-traumatise our clients as we continue to respond fully and meaningfully, integrating and embedding, knowledge about trauma into policies, procedures, language, culture and practices.
- Inspire North's group-wide response to the impact of the post COVID-19 pandemic demonstrates our dedication to working hard to make sure our services are safe, and offer the highest quality and professional standards, and that people are treated fairly and honestly. We continue to address new regulations as they come into effect.
- The organisation has adopted the NHF Code of Governance 2020 and is satisfied that it complies with the spirit of the code and the principles set out in it.

Furthermore, I am delighted to say that this year Rhinos Assistant Coach and former player, Jamie Jones-Buchanan became the first-ever patron of Inspire North. As patron Jamie will help to raise awareness of a broad range of issues including mental health and wellbeing, domestic abuse, as well as how sport can be a huge benefit to young people. We have been working closely with Jamie and the Leeds Rhinos Foundation to develop projects that cement our partnership. It is an honour to have Jamie working with us and I am looking forward to seeing his contribution being realised over the coming years.

Jamie has backed our No Excuse for Abuse awareness raising campaign, to raise awareness of domestic abuse and the very real dangers posed to victims during lockdown, driving home important safety messages to victims, neighbours and employers. Jamie has championed the campaign to help spread the message that support is available and no one needs to suffer in silence.

It is with great sadness that this year saw the loss of our domestic abuse refuge in the North East of England for victims and their children, as our contract came to an end on 31 March 2022. I have to say that I was immensely proud of the way in which our teams worked together to ensure there was a safe and professional handover to the incoming provider, demonstrating an on-going passion for ensuring continuous support for the women and children at the refuge. I am delighted however that we have managed to retain local Police and Crime Commissioner and grant funding in the area and our new Redcar offices are open. We are now fully recruited to our new Community IDVA service, and we are currently exploring additional funding options to expand our domestic abuse portfolio across the North of England.

As I reflect on the last 12 months and look back on all 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. Their diverse yet complementary expertise and experience continues to provide the whole of the Inspire North group with vital specialist advice, challenge and strategic governance.

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CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2022

I know that it has been another challenging year for all, and I have personally witnessed our group-wide values being embedded and flourish. 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.



Claire Varrubi
Chair

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Management Committee presents its report and the audited financial statements of Foundation ("the Company") for the year ended 31 March 2022.

Organisational Overview

Principal Activities

Foundation was established as a registered charity limited by guarantee, incorporated on 29 June 1984 and registered as a charity on 4 September 1984. The company became a Registered Social Landlord in January 2012. The Company is governed under its Memorandum and Articles of Association, revised and approved by the Charity Commission and subsequently adopted by the Charity on 17 October 2018. The charitable objects are set out in Article 3 of the Memorandum of Association and following review, remained unchanged throughout the year:

"Educate and train and relieve poverty and sickness amongst persons in conditions of need, hardship and distress, particularly such persons who are in housing need within the Yorkshire and Humberside region and neighbouring districts by such charitable means as the Trustees may from time to time determine."

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. Foundation's support is personalised and focused upon the life journey of each client/tenant. It can include help to access and manage a tenancy, look for work, tackle addictions, improve family relationships and access basic services, such as a GP or setting up a bank account. Foundation operates a wide variety of services across Yorkshire, Greater Manchester and in the North East working closely with local authorities 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

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

Lisa Bradley – Independent Trustee (Foundation) (resigned 10 December 2021)

David Powell – Independent Trustee (Foundation)

Dave Roche – Independent Trustee (Foundation) (appointed 10 December 2021)

Chris Welch – Independent Trustee (Foundation) (resigned 25 June 2021)

Damian Pocknell – Inspire North Group Trustee (Vice Chair)

Lisa Bradley – Inspire North Group Trustee (Treasurer) (appointed 10 December 2021)

Alina Kaur – Inspire North Group Trustee

Richard Parry – Inspire North Group Trustee (resigned 23 September 2021)

Philip Turnpenny – Inspire North Group Trustee

David Strachan – Inspire North Group Trustee

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Organisational Structure

Foundation sits within the Inspire North Group. Inspire North is Foundation's sole parent company, with Community Links (Northern Ltd) its sister company. Foundation has a trading subsidiary, Foundation Stone Enterprises Limited.

The Inspire North governance structure ensures that there is a quorate of independent Trustees for Foundation (minimum of three) to protect its assets and ensure continued delivery of its charitable objectives.

The Inspire North Group's Head Office is in Leeds and provides Foundation with Senior Leadership, Operational Management and Professional Services.

Through the adoption of a group structure Foundation can maintain its own identity and continue to deliver its 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.

In October 2019, our first Inspire North Strategy (group-wide) was launched at our first group-wide Annual Conference.

The five-year Strategy (2019 to 2024) was created following a series of nine roadshows across the North of England which saw the CEO engage with over 250 employees, Trustees and volunteers to gain their views and ideas for the future of the group. Employees also engaged directly with their clients to gather feedback which informed the development of the Strategy.

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

Group Vision - Creating a World Where Everyone Matters

Group Purpose - Building Brighter Futures

Values –

- **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.
- **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's 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.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

- **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 Foundation's Memorandum of Association. Contributing towards the achievement of our group purpose, Foundation has its own charitable purpose: ***to provide life-changing housing, support and domestic abuse services.***

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.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Achievement and performance

This year (April 2021 to March 2022), Foundation has worked with a total of 2,703 individual clients or tenants to assist them in achieving their goals for a better life.

For each client leaving the service during this period, data has been collected to identify what kinds of support each client required from the service and whether a positive outcome was achieved in each area by the end of their time with the service. This includes 81% of outgoing clients/tenants having a successful move-on from service.

Foundation Performance against targets for 2021/22

Following the launch and roll-out of Inspire North's group-wide strategy, vision, purpose, values and branding in 2019 to 2020, a core aim for the 2021 to 2022 period has been for all services and departments to deliver against their co-produced annual service plans. During the third year of our strategy, our operational service teams achieved 63% of activities outlined within their annual plans and Central Service Teams achieved 60% of activities outlined within their annual plans. This is 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/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 that were due for re-tender in the period have been extended by commissioning authorities, helping us to maintain stability during another challenging year. This includes Foundation's North Yorkshire Young People's Pathway which secured and extension until September 2023.
- Up to the end of the period, Development have retained 83% of contracts across the Inspire North group, to a total contract value of just over £1.4 million.

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 have been rated as a 2-star Best Company.
- The Inspire North Group have been placed 63rd at Top 100 Sunday Times award for Best Large Companies to Work For 2021 and received a special award for Learning and Development. This was the first time the group was being considered within this category, competing against other companies who are leaders in their field.
- The Inspire North Group have been placed 10th in Charity's 30 Best Organisations, 10th in Top 30 North East Best Companies and 28th in Top 75 Yorkshire and the Humber Best Companies.
- The Inspire North Group have been awarded the Safer Leeds Domestic Violence and Abuse quality mark 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

- Inspire North have launched a new Speak Up initiative, established to promote a culture of openness, encouraging effective and honest communication at all levels of the group.
- Our second group-wide conference was held in October 2021. This year we were able to meet in person, bringing together hundreds of employees 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

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Create Together (continued)

- Inspire North launched the new Client Board, an inclusive board where clients take a lead role in shaping future ideas, supporting the organisation in understanding where we can make positive changes.
- Customer Service Excellence Awarded for Community Links, with group-wide applications submitted for the coming year.

Innovate and Influence

- Joint system implementation has been achieved across our HR Systems, improving our internal processes for supporting colleagues and we will be looking at further system enhancements during 2022-2023 to support our continued organisational growth.
- 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.
- Datix, which was launched across the group during 2021-2022 to centrally manage our incident reporting, concerns, compliments and complaints and our client satisfaction survey, has been enhanced and now includes the functionality to log and record client satisfaction, service health checks and our response to environmental complaints and incidents (in support of our green ambitions and commitment to Social Value).
- In 2020 we launched the group intranet, INsite, with information on each Central Service Department. A feedback survey sent to managers in January 2021 reported overall positive feedback, with 70% saying the intranet was easy or extremely easy to use, and 75% using the intranet daily or weekly. During the period we have enhanced InSite to include pages for our various employee networks and an Anti-Racism resource page with a resource suggestion form for recommended reading and viewing. New features have been added to help employees get to know other colleagues around the group, for example, the Welcome Gallery of new employees and "Day in the Life" page.

Build Sustainable Futures

- Funding has been secured from new statutory agencies and Homes England and new contracts mobilised commissioned by HMPPS.
- Foundation have expanded their support in Craven, delivering additional accommodation units under the North Yorkshire Specialist Mental Health Supported Accommodation contract.
- Foundation have been approached to deliver up to 15 units of accommodation through Somewhere Safe to Live for a period of two years. This is a new project in Leeds for women with Multiple and Complex Needs. Foundation will be working with Together Women, the support provider, to scale up the provision, bringing properties into the service as they become available.
- Supporting our ambitions to grow our portfolio of housing, we have purchased a property (Armley Lodge) from the open market that consists of three 1-bed flats, bringing in an expected £15,000 per annum of rental income. Once completed, the flats will be used within Foundation's Our Way Leeds service to provide cluster accommodation to young people leaving care.
- Charities Aid Foundation (CAF) Donate has now gone live, enabling Inspire North to raise funds on-line and process our donations more efficiently.
- The new Development Researcher role is well embedded within the team developing well and is working closely with the Head of Development to support more informed service modelling and innovations.

Underpinned by the group's five-year strategy, the CEO gave a new Call to Action for all services and departments within the group to focus their 2021-22 Annual Plans on co-production and a new Co-production Strategy has been launched, developed by working with employees and clients across the group.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Service Contracts

Throughout 2021 to 2022 tendering activity was primarily focussed on retention and we are delighted that we were successful in retaining 86% our contracts which were re-tendered during the period. This includes our Darlington Housing Related Support Services and North Yorkshire Resettlement and Community Safety Scheme (RACS), which provide vital services for vulnerable people across the North of England. We also received an up-lift in our Craven Specialist Mental Health Supported Accommodation contract, securing funding to deliver additional units through the service and support more people to receive person-centred, accommodation-based mental health support in the district.

Contract extensions have also been secured for several of Foundation's services, including our North Yorkshire Young People's Pathway, enabling Foundation to continue to deliver essential support to young people across North Yorkshire.

Tendering activity for the Inspire North group overall has remained constant across the period and as a result of a number of extensions to existing services, we are expecting to see an increase in tendering activity in the 2022-23 period, with a number of key services likely to be retendered.

Employees

Foundation's employees are central to everything that we do, and we strive to be a great place to work. During 2021 to 2022 we have been met with recruitment challenges as the UK faces a national skills shortage across health services and the voluntary sector. This has led us to review our recruitment practices to be more creative and agile.

Key achievements have been:

- An enhanced recruitment approach, with the launch of our Indeed (recruitment website) brand to increase candidate engagement with our company. We post company updates on Indeed and encourage employees to leave reviews, so candidates gain more of an insight into our organisational personality. We have also developed our presence on LinkedIn, which allows us to post job adverts and actively head hunt promising candidates. Furthermore, we have placed a strong focus on 'dynamic attraction' including working with additional external advertising agencies such as Charity Jobs, where vacancies are advertised as an 'enhanced advert' and the use of more inclusive methods of advertisement, for example, we work with Gaydio, the UK's largest LGBTQIA+ radio station where over 100 recruitment adverts for Inspire North have been broadcast to date.
- The introduction of a recruitment Talent Co-ordinator to enable us to be more creative in attracting top talent. We will monitor the impact of this role in terms of reducing time to recruit and increasing our recruiting first time ability.
- The re-launch of the Inspire North Management Mentoring Scheme, which is open to all employees as part of our approach to developing leaders and our particular commitment to increasing diversity within leadership. We also have the Moving Forward Together (Reverse Mentoring Programme) & Future Leaders (management programme) which is a good first step to considering a career in management before progressing to Future Leaders, helping us to nurture our own talent. An improved training platform through the launch of Careskills Academy, a leading Skills for Care endorsed eLearning provider, with courses created by health and social care experts. This provides Inspire North with greater intuitive learning management and reporting, empowering all employees to take responsibility for their own learning and development, which includes our enhanced mandatory training package comprising of Anti-Racism, Safeguarding Adults and Children, Diversity & Inclusion, Co-production, Health & Safety, Supervision Skills and Professional Boundaries.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Key achievements (continued)

- 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. We have conducted a survey across the Inspire North Group to understand more about the experiences of our employees, particularly those who identify as BAME and year we were supported by Words of Colour to develop our leadership capability. This included leaders participating in a one-day virtual learning in action event, attended by over 70 leaders, including the Senior Leadership Team and CEO. It was an opportunity to share the learning – and to be candid - while working together in a solution-focused way. Mandatory anti-racist training has been rolled out across the group and by the end of March 2022, was attended by the majority of our employees. We continue to progress our Anti-Racist work, across the group to hold ourselves to account and help everyone continue their Anti-Racism journey.
- Inspire North has made a firm pledge to invest the time and resources necessary in becoming more anti-racist. In recognition of the central role that our employees and their experiences play in making the group what it is, we conducted a survey to understand more about the experiences of our employees, particularly those who identify as BAME. We have circulated this report and have entered into a period of consultation to gather insights. Our work to become more anti-racist has also entailed the development of a new Anti-Racism Strategy, the development of mandatory Anti-Racism Training, the introduction of a requirement for all employees to have a performance objective related to Anti-Racism, and robust reviews of our processes, tools and communications. Importantly, this work has been underpinned by the incredible work of our BAME Network of employees.

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 now includes the introduction of access to an on-line GP.

Health and safety

Foundation 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. Foundation 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 Foundation's offices and services, helping Foundation to achieve high standards in Health and Safety across the group.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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.

COVID-19 continued to present challenges in relation to the Health & Safety of all our employees but particularly those working in front line services, including our residential services.

We responded promptly to the Government call for people to work from home and since restrictions have been lifted, we introduced our group-wide Hybrid Working Policy, which sets out our group's approach to Hybrid Working, and allows employees to split their time between attending the workplace and working remotely. This approach is an important element of both our strategy for adapting to, and thriving in, the new working environment following the COVID-19 pandemic and our commitment to supporting a positive work-life balance for our employees.

Future Plans

Ambitions for 2022-23

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.

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During 2021-2022 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 across the groups decision making, systems and processes.
- Promoting the effectiveness of our services and our brand with key stakeholders and potential partners, establishing a more unified, clear group identity, ensuring that our branding facilitates stakeholder engagement and an understanding of our purpose and vision.
- Building a sustainable future, ensuring that our systems and processes are fit for purpose and future proof, through decarbonisation and reducing our carbon footprint
- 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.

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 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 an 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 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 continued impact of BREXIT on both public services and employment opportunities for clients/tenants.
- The continued impact of COVID-19 on service delivery and the health, safety and wellbeing of our employees and clients/tenants.

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.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Co-production

Foundation aims to co-produce all aspects of its 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 company:

- 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.

A new group-wide Co-production Strategy has been launched, developed by working with employees and clients across the group. The Strategy outlines further steps and innovative approaches that the company 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.

Complaints and Feedback

Foundation has a robust group-wide policy and procedure for the reporting and recording of concerns, complaints and compliments, captured and reported through Datix, ensuring timely and appropriate resolution or response.

A bi-annual Complaints, Comments and Compliments analysis report outlines outcomes and actions and is reviewed by the Operations and Development Subcommittee. Quarterly reports update service commissioners regarding patterns or trends regarding comments, compliments, or complaints. For the 2021 to 2022 period, Foundation received 40 complaints, 27 compliments and 2 concerns. In line with our policy, 81% of these were acknowledged within 3-days and 50% resolved within 10-days.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Strategic Report

Financial Review and Resources

Going Concern

These financial statements have been prepared on a going concern basis as the Board of Trustees 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). Whilst the operating environment will remain challenging, the Group Board of Trustees is confident that the reputation and competitiveness of the Company can contribute to modest growth in the next two years. The development of clear sustainability plans for the Group, alongside investment in dedicated resource for fundraising and grant related activity and the launch of new funding-related initiatives in the 2021-22 period, supports this belief.

Foundation is a member of the Social Housing Pension Scheme (SHPS) which has had a significant impact on Foundation's accounts. Foundation and its sister company Community Links 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 is able to meet its obligations moving forwards.

Due to the extensions of several service contracts by Authorities as a result of the pandemic in the 2021 to 2022 period, we are expecting a number of re-tenders and new tendering opportunities into next year. However, Trustees are pleased to note that the group has seen healthy growth beyond targets this year by securing new contracts which strengths our position going into a period of instability.

Financial Performance and Position at End of Year

The Company incurred a surplus for the year of £879k (2021: £1,502k deficit). The difference in the result for the year was largely due to the difference in actuarial performance, with a gain of £841k being recorded in 2021/22 compared to the loss of £1,940k in the prior year. As a result of this, the year end Statement of Financial Position has moved to a surplus of £377k from a deficit of £502k. The retendering of several contracts combined with aggressive cost control across the business resulted in an operating surplus of £90k (2021: £387k).

Cash flow remains a priority target for the company and is monitored regularly to ensure Foundation can meet its liabilities.

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 a minimum six months of operating costs (including designated funds). Free reserves at the year end were £1,834k (2021: £2,127k), which is lower than six months operating costs per the statement of financial activities of £5,700k (2021: £5,300k). Trustees are working to further grow the free reserves. General and designated reserves for the Company stood at surplus of £377k at the end of the period (2021: £502k deficit). The primary reason for the major swing is the revaluation of the defined pension scheme liability to £1,889k. Excluding the pension liability unrestricted funds amount to £2,266k.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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. The funds arose from the sale of Foundation's head office. A formal investment policy was adopted by Trustees and Charles Stanley were appointed as professional investment advisers. Investment of the net sale proceeds of a property sale in 2018 led to a low to moderate risk investment portfolio, commencing in May 2018. The aim of the investment was to produce a return sufficient to protect the capital and generate income greater than cash deposit rates. This aim was achieved in previous financial years and also in 21-22, however this year performance has been lower than the previous years at 3% return, reflecting economic instability in relation to the pandemic (2021: 17%).

Accounting policies

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

Capital structure and treasury policy

Foundation does not have any loan facilities; the Company is supported by the current cash in hand of £540k (2021: £1,586k).

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 Company has made no financial donations or sponsorship in the year.

Payment of creditors

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

Financial instruments

The Company's approach to risk management is set out on page 18 of this report.

Housing property assets

Details of changes to the Company's housing property assets are shown in Note 12 to the financial statements. Housing properties are carried at historic cost. A review for impairment of the housing property assets has been conducted with no impairment identified.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Financial risk management

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

The Company'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 Company's financial instruments can be analysed as follows:

Price Risk

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

Credit Risk

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

The Company'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 Company'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 Company has no significant concentration of credit risk, with exposure spread over a large number of tenants.

Liquidity Risk

The Company holds most of 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 are reviewed quarterly at board meetings. In relation to the key strands of our strategic plan, the key risks are:

- Loss of income through loss of contracts or funding cuts
- Inability to recruit suitably qualified or high calibre employees
- General Data Protection Regulation
- Impact of legal challenges
- Impact of changes in accounting treatment of pension scheme
- Potential impact of Covid-19

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Value for Money (VFM):

Foundation registered with the Homes and Communities Agency (now Homes England) in January 2012 and a formal VFM strategy and policy was ratified by Trustees in February 2015.

Data for 2021/22 are as follows:

- Standard of Accommodation: -
 - 83% Standard of Accommodation Excellent (2021 Customer Survey)
- Repairs and maintenance standards:
 - 61% Repairs concluded on timely basis
 - 74% Tenants happy with heating and insulation
 - 82% Tenants feel safe and secure
- Rent collected
 - 96.3% rent collected
- Void loss
 - 7.4%
- Bad debts
 - 106 write offs processed

These statistics represent a significant improvement on the previous year. There is a decrease in rent collected and an increase in voids which in part can be explained by the increase in throughput (19%) after covid restrictions removed.

Value for Money Metrics

The 2018 Value for Money standard introduced seven metrics to be reported on across the sector. These are as follows:

1. Reinvestment (financial investment in acquiring and developing new properties) - 3 Armley Lodge..
2. New Supply Delivered. This measure is not applicable as Foundation did not acquire properties. The number of properties rented can vary in relation to the contracts being delivered.
3. Gearing - Foundation does not have any debt.
4. Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included. This is an interest cover test that is an indicator for liquidity and investment capacity. As Foundation does not pay tax or interest, this is not a relevant measure.
5. Headline Social Housing Cost per Unit includes both owned and managed properties. The costs for Foundation were;

	2022	2021
	£7,779	£5,793

The decrease in costs reflects the unusual nature of the size of handbacks with associated costs in 2018/19

6. Operating Margin - this demonstrates the profitability of operating assets before non-recurring expenses are considered.

	2022	2021
➢ Social Housing lettings Only	5.0 %	14.6%

The spend on repairs was limited to essential only for a number of months. It is expected the margin will decrease again in 2021/22 as planned improvement programmes take place.

7. Return on Capital employed (ROCE) % measures the efficient investment of capital resources.

	2021	2021
	3.75%	14.3%

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Governance

Trustees and Executive Officers

The current Trustees and Executive Officers are set out on page 1. Foundation's Management Committee (at 31 March 2022 comprises nine Trustees (three independent to Foundation; six who represent the Inspire North group) with a range of relevant skills and experience. Individually and collectively, they exercise independent and objective judgement.

During 2019, a review of the sub-committee structure took place and Trustees agreed to create three sub-committees to ensure sufficient time could be given to the activities of the group. Each Trustee serves on one of the three sub-committees:

- 1) Resources & Risk Assurance (chaired by the Treasurer);
- 2) Operations and Development (chaired by the Clinical Governance Lead);
- 3) People and Culture (chaired by the Employee Well-being Champion); and
- 4) Nominations (with effect from 2022/23)

To support the work of the Senior Leadership Team and adopt best practice, new champion roles have been introduced within the Group Board:

Champion Areas	Trustee Lead
Compliance	David Strachan (IN)
Co-production & Volunteers	Alina Kaur (IN)
Diversity & Inclusion	Cornelle Parker (CL)
Employee Wellbeing	Jaqueline Hallam (CL)
Freedom to Speak Up	Philip Turnpenny (IN)
Governance	<i>Vacant</i>
Housing	Dave Roche (Fn)
Safeguarding	Richard Parry (IN) (until 23/09/2021) <i>Currently vacant</i>
Value for Money	Lisa Bradley (CL)

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 29th April 2021 and 14th Feb 2022. This was a great opportunity to come together with new Trustees, away from Board meetings and spend time reflecting on how we move forward as a group. A main focus of the day was our anti-racism agenda, we held a facilitated training session for our Trustees on anti-racism which was well received and provided a constructive, safe space to explore issues being faced by our BAME clients, Trustees and employees as well as the wider-community.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Trustees and Executive Officers (continued)

Trustees discussed the implementation of Client Voice as well as developing their Annual Plan. In February we developed our risk appetite statement and reviewed and updated the Code of Conduct.

The Charity has made qualifying third party indemnity provisions for the benefit of its Trustees during the year. 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 Management Committee 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 Management Committee in terms of the skills and interests represented. Following an open recruitment process in late 2021, Dave Roche was appointed as a new independent Trustee for Foundation. Additionally, Lisa Bradley moved to Inspire North and was appointed the Group Treasurer on 10th December 2021.

Under Article 3.5 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 Management Committee level meetings are provided with a thorough induction and have access to mentoring support from other Trustees, the Chief Executive and/or Group Director of Operations 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 Executive Assistant of any changes as they occur.

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

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 Management Committee in 2021 to 2022.

Governance

The Board uses the Charity Code of Governance and have overseen updates since the code was updated in 2020 to ensure the group's activities align with the code.

In line with good governance, we engaged an external consultant to carry out an external review of our processes, having been 3 years since this was last undertaken. They reviewed our policies and procedures, attended sub committee and Board meetings and met with employees, Senior Leaders and Trustees to get a full overview of the current governance structure. They produced a full report which has led to several changes including the creation of a Nominations Committee who will meet as required (minimum of 2 a year) to undertake a full skills audit of Trustees, review recruitment of Trustees, succession planning for board and ensuring a diverse and inclusive board. We also expanded the remit of our Resources sub-committee and expanded its remit on 2nd March 2022 to Resources and Risk Assurance to ensure full oversight of risks affecting the group.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Executive Remuneration

Where applicable, the Executive 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.

A full pay evaluation took place on Senior Leaders pay in December 2018. We used independent external consultants to conduct the Job Evaluations. Job Evaluation is a means of establishing the relative worth of a job within an organisation and having a rational basis for pay structures. It considers what is being done, not how well and measures jobs not people so takes away bias. It includes factor such as knowledge, responsibility for people/budgets, initiative etc. Job Evaluation ensure salaries are fair and equitable and people are paid equally for equal jobs as achieving equal pay is important to us as an organisation.

Internal controls assurance

The Management Committee 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, and not absolute, assurance against material misstatement or loss.

In meeting its responsibilities, the Management Committee 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 board have appointed internal auditors to conduct 4 audits a year on areas the Trustees agree require review. The 4 areas reviewed as part of 2021 – 2022 were Bids & Tenders, Anti-Fraud, Rent Setting and Risk Escalation.

The Management Committee cannot delegate ultimate responsibility for the system of internal control, but it has delegated authority to the Resources Committee to regularly review the effectiveness of the system of internal control. The Management Committee receives the minutes of all Resources 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.

Monitoring and corrective action

Risks are monitored regularly by the senior leadership team and significant variances 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 taken 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. A separate risk register has been created in relation to Covid-19.

Environment and control procedures

Foundation 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 is continuing to maintain ISO 14001 for our Head office and is developing a full environmental strategy to meet this standard across the whole of our services.

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

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Environment and control procedures (continued)

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 Management Committee, also quarterly.

Related parties

No Trustee had any beneficial interest in any contract with the Company in 2021 to 2022. Tenants are also on normal commercial terms.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law and registered social housing legislation requires the Trustees to prepare financial statements for each financial period. Under that law Trustees (who are also Directors of the charitable company) have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year. In preparing these financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing. It is also responsible for taking reasonable steps to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Housing SORP 2018 Statement of Recommended Practice for Social Housing Providers.

The Board is also responsible for the maintenance and integrity of the corporate and financial information on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Annual general meeting

The annual general meeting will be held on September 22nd 2022.

Statement as to disclosure of information to the auditor

The Board of Trustees, 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 Board of Trustees 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:


Chair: Claire Vilarrubi

Date: 22 September 2022

FOUNDATION

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

Opinion

We have audited the financial statements of Foundation for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves 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 company's affairs as at 31 March 2022 and of the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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.

FOUNDATION

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

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 Strategic Report and the Management Committee's Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Management Committee's Annual Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Management Committee's Annual Report.

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

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

Respective responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 23, the Trustees (who are also the directors of the 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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.

FOUNDATION

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

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.

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

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the company operates in and how the 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, the Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance regulations. 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 company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The 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 substantive tests of detail to ensure that revenue was appropriately recognised 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: <https://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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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 27/09/22

FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Turnover	4	11,514	10,964
Operating costs	4	(11,424)	(10,577)
Operating Surplus		90	387
Interest receivable and other income	6	7	10
Interest payable and similar charges	7	(78)	(46)
Movement in fair value of financial Instruments		19	87
Surplus on ordinary activities before taxation		38	438
Tax on surplus on ordinary activities		-	-
Surplus for the financial year		38	438
Actuarial Gain/(loss) in respect of defined benefit pension scheme	23	841	(1,940)
Total Comprehensive Income/(loss) for the year		879	(1,502)


The notes on pages 31 to 54 form part of these financial statements.

The turnover and operating result for the year arises from continuing operations.

The financial statements on pages 28 to 54 were approved by the Board and authorised for issue on 22 September 2022 and are signed on its behalf by:



Chair: Claire Vilarrubi



Chair of Resources Committee: Lisa Bradley

FOUNDATION

Company number: 01829004

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021 As restated	
	Note	£'000	£'000	£'000	£'000
Tangible fixed assets					
Intangible Assets	11	-	-	-	-
Housing properties	12	962		840	
Other tangible fixed assets	13	32		1	
Investment	14	671		652	
Total fixed assets			1,665		1,493
Current assets					
Debtors	15	1,841		938	
Cash and cash equivalents		540		1,586	
		2,381		2,524	
Creditors: Amounts falling due within one year	16	(1,646)		(1,318)	
Net current assets			735		1,206
Total assets less current liabilities			2,400		2,699
Creditors: Amounts falling due After more than one year	18	(134)		(138)	
Provisions for liabilities					
Defined benefit pension scheme liability	23	(1,889)		(3,063)	
		(2,023)		(3,201)	
Net assets/(liabilities)			377		(502)
Capital and reserves					
Reserves	20		377		(502)
			377		(502)

The financial statements on pages 28 to 54 were approved by the Board and authorised for issue on 22 September 2022 and are signed on its behalf by:

Chair: Claire Vilarrubi

Chair of Resources Committee: Lisa Bradley

FOUNDATION

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2022

	General reserve £'000	Total £'000
Balance at 1 April 2021	(502)	(502)
Surplus for the year	38	38
Actuarial gain	841	841
	<hr/>	<hr/>
Balance as at 31 March 2022	377	377
	<hr/>	<hr/>

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

The Company is registered under the Companies Act 2006 and is registered with Homes England (previously the Homes and Communities Agency) as a social landlord. The Company is limited by guarantee and is a registered charity. The address of the Company's registered office and principal place of business is 3 Limewood Way, Seacroft, Leeds, West Yorkshire, LS14 1AB. The Company's principal activities are provided on page 6.

Basis of Preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Reduced disclosure

The company 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 company 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;

The financial statements of the company are consolidated in the financial statements of Inspire North, a charitable company limited by guarantee (company number 11568263) and also a charity registered in England and Wales (charity number 1180693). These consolidated financial statements are available from its registered office, 3 Limewood Way, Leeds, United Kingdom, LS14 1AB.

Basis of consolidation

The company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

Prior period adjustment

Investments previously included as current assets have been reclassified as fixed assets as per note 3.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (continued)

Going Concern

The Trustees have prepared these financial statements on the going concern basis. The Trustees have prepared detailed annual forecasts and the company is included in the Group 5-year strategic plan. The Trustees believe that the Charity will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Trustees have historically prepared a 5 Year Financial Plan to March 2025. Based on the information currently available in respect of the future, the Trustees consider that the Charity has the plans and resources to manage its business risks successfully.

Our services and funding continue to be at risk from cuts to Local Authority funding and Trustees recognise that this risk has increased given the current economic climate and the potential for major local authority spending cuts.

Turnover

Turnover comprises rental and service charge income receivable in the period, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period. Grants and other income are recognised in the year in which entitlement exists and the amount can be measured with reasonable certainty and measurability. Income such as donations and gifts are accounted for as received by the company at the fair value at the time of receipt.

All other turnover is recognised as the service is provided.

Service Charges

The Company reviews the costs of delivering its services to its clients/tenants on an annual basis and sets the charges based on these costs.

Taxation

As a charity the Company is 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 objects. No tax charges have arisen in the Charity.

The company's trading subsidiary is liable to corporation tax on its taxable profits.

Value Added Tax

Although Foundation is partially exempt from VAT, the amount of taxable income is so small relative to overall turnover, VAT is only recovered at 1% of VAT incurred and therefore VAT effectively represents a 19% additional cost to the Company where charged.

Interest Payable

Interest payable is charged to the Statement of Comprehensive Income in the period it falls due.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting Policies (continued)

Pensions

The Charity 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 Charity 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.

The Charity also 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.

Social Housing and Other Grants

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate. Grants in respect of capital expenditure are credited to liabilities and released over the life of the associated asset.

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Contract Income

Charges for support services are recognised as they fall due under the contractual arrangements with Administering Authorities.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The holiday year ends at the reporting date and employees are entitled to carry forward up to five days of unused leave at that date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for the termination of benefits is recognised immediately as an expense when Foundation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting Policies (continued)

Housing Properties

Housing properties which are carried on the statement of financial position at cost.

The estimated useful lives applied to the components of these, 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 there are no indicators of impairment at this time.

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.

Investments

Investments in subsidiaries 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.

Management of liquid resources

Liquid resources are cash at bank and in hand. In the event that the Company has money market deposits held for more than 24 hours, they can be withdrawn without penalty on maturity or by giving notice of more than one working day.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting Policies (continued)

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.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their effective working lives as follows:

Freehold Properties	over 25 years
Fixtures, fittings and equipment	over 10 years or over life of the lease
Other tangible fixed assets	over 3 years

Operating Leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Financial instruments

The Company 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 Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company 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.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting Policies (continued)

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.

Other financial assets, including investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

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.

2 Critical accounting judgements and 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 fixed assets is sensitive to the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed 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. See notes 11 and 12 for the carrying amount of tangible fixed assets and note 1 for the useful economic lives of each class of assets.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting judgements and 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.

Pension liability discount rate

The rate of discount detailed in Note 15 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.

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 22, will impact the carrying amount of the pension liability.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Prior period adjustment

A misstatement has been identified in relation to the historic presentation of investments as a current asset in prior year financial statements.

The investments are held for the longer term and consequently meet the definition of a non-current asset. A restatement of the prior year balance sheet has been made to appropriately present the investment balance as a non-current asset.

	As previously stated £'000	Adjustment £'000	As restated £'000
Tangible fixed assets	841	-	841
Investment	-	652	652
Total fixed assets	841	652	1,493
Current assets	2,524	-	2,524
Investment	652	(652)	-
Net current assets	3,176	(652)	2,524

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Turnover, cost of sales, operating costs and operating Surplus/(Deficit)

Continuing activities

	Turnover £'000	2022 Operating Costs £'000	Operating Surplus/(Deficit) £'000	Turnover £'000	2021 Operating Costs £'000	Operating Surplus/(Deficit) £'000
Social housing activities						
Income and expenditure from lettings	5,149	(4,871)	278	4,977	(4,249)	728
Other social housing activities						
Supporting people contract income	6,099	(6,340)	(241)	5,775	(6,123)	(348)
Other social housing income and expenditure	21	(17)	4	20	(19)	1
Non-social housing activities	245	(196)	49	192	(186)	6
Total	11,514	(11,424)	90	10,964	(10,577)	387

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Turnover, cost of sales, operating costs and operating surplus/(deficit) (continued)

Particulars of income and expenditure from social housing lettings

	2022 Supported Housing £'000	2021 Supported Housing £'000
Turnover from social housing lettings		
Rent receivable	3,656	3,473
Void Costs	(392)	(241)
Service Charges Receivable	1,955	1,872
Debts written off	(70)	(127)
Net rental income	5,149	4,977
Other revenue grants	-	-
Turnover from social housing lettings	5,149	4,977
Expenditure on social housing lettings		
Rent	(2,725)	(2,593)
Costs relating to tenants	(52)	(73)
Light and heat	(83)	(68)
Routine maintenance	(239)	(152)
Planned maintenance	(781)	(650)
Staff costs	(853)	(679)
Other Costs	(43)	(54)
Bad Debts Provision	(95)	20
Operating Costs on social housing Lettings	(4,871)	(4,249)
Operating Surplus on social housing lettings	278	728

5 Accommodation in management and development

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

	2022 Units	2021 Units
Supported housing - owned	9	9
Supported housing - managed	557	547
General Needs – owned	7	7
General Needs – managed	41	39
Total units	614	602

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Interest receivable and other income

	2022 £'000	2021 £'000
Bank interest	<u>7</u>	<u>10</u>
	7	10

7 Interest payable and similar charges

	2022 £'000	2021 £'000
Pension scheme – net finance charge	<u>78</u>	<u>46</u>
	78	46

8 Operating Surplus

This is arrived at after charging/(crediting):

	2022 £'000	2021 £'000
Release of capital grant	(3)	(3)
Depreciation of tangible fixed assets	42	32
Amortisation of Intangible fixed assets	-	1
Operating lease rentals		
- land and buildings	217	218
- office equipment	1	2
External Auditor's remuneration (including VAT)		
- external audit services	16	15
- accountancy and taxation services	<u>1</u>	<u>1</u>

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Employees

The average monthly number of persons employed during the year was:

	2022 Average Number	2021 Average Number
Charitable work	176	168

All staff employed in Foundation are considered front line workers delivering its charitable objectives.

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

	2022 Average FTEs	2021 Average FTEs
Charitable work	144	139
	144	139

Employee costs:

	2022 £'000	2021 £'000
Wages and salaries	3,846	3,743
Social security costs	305	284
Other pension costs	127	114
	4,278	4,141

The Company's employees were eligible to be members of the Social Housing Pension Scheme. Further information on the scheme is given at note 22.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Executive Officers' and senior staff emoluments

No employee received emoluments of more than £60,000.

Executive Officers' and senior staff emoluments are borne by the parent undertaking, Inspire North, as the employer of these individuals. Disclosure of their key management personnel is included within the parent entity financial statements. Executive officers are entitled to the same company pension contributions into a defined contribution scheme as all other employees.

The Memorandum and Articles of the Charity allow the payment of reasonable reimbursed expenses to Board Trustees and a nominal allowance to Board Trustees drawn from our customer base for the undertaking of additional tasks to inform the internal systems of the Charity. The expenditure for the year is made up of:

	2022 Number	2021 Number
Number of Trustees who were paid expenses	-	-

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Intangible fixed assets

	Purchased computer software £'000
Cost	
At 1 April 2021 & 31 March 2022	169
Amortisation	
At 1 April 2021 & 31 March 2022	169
Net book value	
At 31 March 2022	-
At 31 March 2021	-

12 Tangible fixed assets – housing properties

	Social housing properties held for letting £'000
Cost	
At 1 April 2021	1,191
Additions	226
Disposals	(87)
At 31 March 2022	1,330
Depreciation	
At 1 April 2021	351
Charge for year	31
On disposals	(14)
At 31 March 2022	368
Net book value	
At 31 March 2022	962
At 31 March 2021	840

Included in the above is a property in Scarborough with a net book value of £122,733 (2021: £124,880). There is a 30-year charge on the property that is being used to house vulnerable people.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Other tangible fixed assets – Other

	Office/Leasehold Fixtures £'000	Furniture Equipment £'000	Computer & Accessories £'000	Total £'000
Cost				
At 1 April 2021	165	29	26	220
Additions	31	8	3	42
At 31 March 2022	196	37	29	262
Depreciation				
At 1 April 2021	165	28	26	219
Depreciation charge for the year	6	4	1	11
At 31 March 2022	171	32	27	230
Net book value				
At 31 March 2022	25	5	2	32
At 31 March 2021	-	1	-	1

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Investments

	Quoted investments £'000 Valuation	Investment in subsidiary £ Cost
1 April 2021	652	1
Fees and Charges	(7)	-
Income received	7	-
Market movement	19	-
	<hr/>	<hr/>
At 31 March 2022	671	1

The investment in subsidiary represents the 100% holding of the issued share capital of Foundation Stone Enterprises Limited, registered office 3 Limewood Way, Seacroft, Leeds, LS14 1AB. The Company is winding down its activities and is currently a non-gong concern. Quoted investments includes investment gain and income received of £19k and £7k respectively and charges incurred of £6k. They consist of a portfolio of low risk equity and debt holdings managed by Charles Stanley. The investments were previously included as current asset investment but have been reclassified as a fixed asset investment per note 3.

15 Debtors

	2022 £'000	2021 £'000
Rent and service charges receivable	712	616
Less: provision for bad and doubtful debts	(268)	(163)
	<hr/>	<hr/>
	444	453
	<hr/>	<hr/>
Amounts due from group undertakings	396	2
Other debtors	708	276
Prepayments and accrued income	293	207
	<hr/>	<hr/>
	1,841	938

16 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	305	211
Other taxes and social security	72	72
Other creditors	140	168
Accruals	465	323
Deferred income	661	541
Deferred government grant (note 18)	3	3
	<hr/>	<hr/>
	1,646	1,318

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Creditors: amounts falling due within one year (continued)

Deferred income includes £15,556 of underspend (2021: £15,556) relating to a project in North Yorkshire working with disadvantaged young people funded by the Big Lottery Reaching Communities Scheme. The project finished on 2 October 2018.

17 Deferred income

Contractual income is deferred when income is invoiced or received in advance of delivery of the associated service. Movements in deferred unrestrictive income during the year are as follows:

	2022 £'000	2021 £'000
Brought forward (Note 12)	(541)	(291)
Released during the year	2,390	1,136
Deferred during the year	(2,510)	(1,386)
Carried forward (Note 12)	(661)	(541)

18 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Deferred government grant (note 18)	134	138

19 Deferred government grant

	2022 £'000	2021 £'000
Balance at 1 April	140	143
Additions	-	-
Released during the year	(3)	(3)
Balance at 31 March	137	140

20 Reserves

	Undesignated Reserve £'000	Designated Reserve £'000	General Reserve £'000
At 1 April 2021	(936)	434	(502)
Surplus for the year	46	(8)	38
Actuarial gain	841	-	841
Transfers to general reserve	-	-	-
At 31 March 2022	(49)	426	377

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Reserves (continued)

Designated Reserves	1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	31 March 2022 £'000
St Peter's Building	309	-	(6)	-	303
Scarborough Property Fund	125	-	(2)	-	123
Total designated reserves	434	-	(8)	-	426

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

The **St Peters Building Fund** has been designated by the Trustees 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.

21 Other commitments

At 31 March 2022 the Company had total future minimum payments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Expiry Date:				
Within one year	220	156	-	1
Between two and five years	193	201	-	-
	413	357	-	1

The notice period required for termination of agreement on tenant accommodation, rented by the charity, is less than one year with the majority requiring one month. Therefore, the rental cost of tenant accommodation is not included in the operating lease commitments.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

22 Contingent liabilities

The company had no contingent liabilities at the balance sheet date.

23 Pension Obligations

Social Housing Pension Scheme (SHPS)

The company participates in the Social Housing Pension Scheme (the Scheme), a Multi-employer 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 2022 £ '000	31 March 2021 £'000	31 March 2020 £ '000
Present value of provision	1,889	3,063	1,480

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Pension Obligations (continued)

Reconciliation of opening and closing provisions

	Period Ending 31 March 2022 £'000	Period Ending 31 March 2021 £'000	Period Ending 31 March 2020 £'000
Provision at start of year	3,063	1,480	3,972
Interest Expense	63	31	88
Expenses	15	15	15
Deficit contribution paid	(411)	(403)	(396)
Remeasurements	(841)	1,940	(2,199)
Provision at end of year	1,889	3,063	1,480

Income and expenditure impact

	Period Ending 31 March 2022 £'000	Period Ending 31 March 2021 £'000	Period Ending 31 March 2020 £'000
Interest expense	63	31	88
Expenses	15	15	15
Costs recognised in income and expenditure account	78	46	103

ASSUMPTIONS

	31 March 2022 % per annum	31 March 2021 % per annum	31 March 2020 % per annum
Rate of discount	2.79	2.18	2.37

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.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Pension Obligations (continued)

Key assumptions

	2022 %
Discount rate	2.79
Inflation (RPI)	3.57
Inflation (CPI)	3.19
Salary growth	4.19

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2022 Years
Retiring today	
Male	21.1
Female	23.7
Retiring in 20 years	
Male	22.4
Female	25.2

Amounts recognised in the income statement:

	2022 £'000
Expenses	15
Net interest on defined benefit liability	63
	78

Amounts taken to other comprehensive income

	2022 £'000
Experience gain on plan assets	190
Experience gain on plan liabilities	(702)
Effect of changes in demographic assumptions	236
Effect of changes in the financial assumptions	1,117
Total actuarial loss	841

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Pension Obligations (continued)

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

	2022 £'000
Present value of defined benefit obligation	14,996
Fair value of plan assets	13,107
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Deficit in scheme	(1,889)
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Movements in the present value of defined benefit obligations:

	2022 £'000
Liabilities at 1 April 2021	15,695
Expenses	15
Interest cost	338
Actuarial gain due to scheme experience	702
Actuarial losses due to changes in demographic assumptions	(236)
Actuarial losses due to changes in financial assumptions	(1,117)
Benefits paid	(401)
	<hr/>
At 31 March 2022	14,996
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Movements in the fair value of plan assets:

	2022 £'000
Fair value of assets at 1 April 2021	12,632
Interest income	275
Experience on plan assets	190
Contributions by the employer	411
Benefits paid	(401)
	<hr/>
At 31 March 2022	13,107
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The actual return on plan assets was £465,000

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Pension Obligations (continued)

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

	2022 £'000
Global equity	2,515
Absolute return	526
Distressed opportunities	469
Credit relative value	436
Alternative risk premia	432
Emerging markets debt	381
Risk sharing	432
Insurance-linked securities	306
Property	354
Infrastructure	934
Private debt	336
Opportunistic Liquid Credit	440
High Yield	113
Opportunistic Credit	47
Cash	45
Corporate bond fund	874
Long lease property	337
Secured income	488
Liability driven investment	3,657
Currency hedging	(51)
Net current assets	36
	<hr/>
	13,107
	<hr/>

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 Results of the subsidiary company

The wholly owned trading subsidiary, Foundation Stone Enterprises Limited (company number 08895921) is incorporated in England and Wales and has a registered office of 3 Limewood Way, Seacroft, Leeds, LS14 1AB.

The summary financial performance of the subsidiary is as follows:

	2022 £'000	2021 £'000
Income	21	210
Expenditure	26	(438)
Write-back of Inter-co balances	-	630
(Loss)/surplus for the period	(5)	402
	==	==

The net liabilities of Foundation Stone Enterprises Limited at 31 March 2022 were £46k (2021: £41k).

25 Related parties

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 £1,528,748 (2020/21 £1,505,700) were recharged from Inspire North to Foundation. At the year end there was an amount of £239,947 (2020/21 £1,104 owing by Foundation to Inspire North) owing by Inspire North to Foundation.

During the period costs amounting to £32,800 were recharged from Foundation to Community Links (Northern) Limited, a fellow group subsidiary. At the year end there was an amount of £102,653 (2021: £729) owing by Community Links (Northern) Limited.

26 Parent Company and Controlling Party

Inspire North, a company registered in England and Wales, is the immediate and ultimate parent company. This is the parent of the smallest and largest group for which consolidated accounts including Foundation are prepared. In the opinion of the directors, there is no single ultimate controlling party. The consolidated accounts of Inspire North can be obtained from the charity's registered office: 3 Limewood Way, Seacroft, Leeds, LS14 1AB.