

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

FOUNDATION

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024

FOUNDATION

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2024

Management Committee

Chair Claire Vilarrubi

Independent Trustees: Dave Roche
Vijay Assani
Sharon Whitehurst (appointed 14 December 2023)

Other Trustees Karl Milner -- Inspire North Group Trustee (Vice Chair) (appointed 30 June 2023, resigned 28 June 2024)
Lisa Bradley – Inspire North Group Trustee (Treasurer)
Philip Turnpenny – Inspire North Group Trustee
Olivia Bradshaw – Inspire North Group Trustee (appointed 29 September 2023)
Duane Samuels – Inspire North Group Trustee (appointed 22 November 2023)

Executive Officers

Chief Executive Ruth Kettle
Director of Group Operations Kira Moxon-Lumb and Will Goode (Interim)
Director of Development and Innovation Sinéad Cregan
Director of Finance and Corporate Services Ed Browne (until 13 June 2023)
Adam Miller (from 14 August 2023)

Director of People and Culture Donna Gooby

Company Secretary & Registered Office

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

Registration Numbers

Registered Company No. 01829004
HCA registration number 4688
Registered Charity No. 515517

Auditor

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

Principal Bankers

Santander

FOUNDATION

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2024

Bridle Road
Bootle
Merseyside
L30 4GB

Principal Solicitors

Wrigleys
19 Cookridge Street
Leeds
LS2 3AG

Ward Hadaway
5 Wellington Place
Leeds
LS1 4AP

FOUNDATION

CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Inspire North is the parent company of registered charities, Foundation and Community Links (Northern) Ltd and their subsidiary company. As Chair, I am delighted to present a review of Foundation for the 2023 to 2024 financial year.

Throughout 2023-24, the longer-term impacts of the cost-of-living crisis have begun to be felt within our communities, with thousands of families pushed below the poverty line and vital public services being stripped back leaving many struggling to access the right support. Nevertheless, our work has continued to transform people's lives in the North of England, at a time when it could not be more needed. Our teams have been providing the helping hand that many need to have a brighter future. Just some of the ways we have done this are by:

- **Supporting people to live independently:** delivering housing and holistic support that moves young people, families and those living with complexity into a more independent way of life where they are empowered and able to make choices.
- **Reducing harm:** preventing or minimising harm to people by working with those who harm to change behaviour and provide an alternative pathway where they meaningfully contribute to society.

There has also been a focus over the year on the delivery of transformational change projects, continuous improvement in the quality of our services and the standards of our housing, and healthy business growth.

Transformational Change

We have made significant progress in becoming a trauma-informed organisation and in capturing and enhancing the social value we offer.

Our commitment to be a trauma-informed organisation by 2030 continues. For Foundation, becoming trauma-informed means recognising the widespread impact of trauma, stress, and adversity and viewing all aspects of our organisation through a trauma-informed lens. We have been laying the groundwork to achieve this over the past year and now have a trauma-informed project lead in post to drive this work forward. To-date, we have developed and piloted a self-assessment tool for our services and established a working group and champions to spearhead change across the organisation.

In October 2023, the Inspire North group became one of only seven organisations nationally, and the only voluntary sector organisation in Yorkshire and the Humber, to be awarded the Social Value Quality Mark Level 2 (Silver). This demonstrates that we have open and transparent practice in delivering social and local value, including ethical governance, transparent decision-making, and an ethical culture. We have set our baseline in preparation to embed and progress to the Gold Award in 2025 and have launched our new 'Going for Gold' project to ensure continuous progress is made.

Quality Improvements

Our quality and excellence have been demonstrated in the year through a number of awards and accreditations. Not only has the group retained its status as an Inclusive Top 50 UK Company, but we have also retained Investors in People accreditation for a further three-years. These accolades are telling signs that our core values are upheld and lived across the group, and showcase our commitment to equality, diversity and inclusion.

Importantly, our housing income has stabilised and our increased focus on the group's management of voids and payment of arrears has brought significant benefits to the quality and sustainability of our owned and leased properties.

We have also completed the successful transformation of two of our owned properties in Leeds. Armley Lodge has been converted into four high quality, environmentally friendly homes for young people, and Stratford Street has been renovated to become a warm high-spec welcome house for young people arriving in the UK and seeking asylum.

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CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Healthy Business Growth

Despite a challenging external funding environment, we have managed to grow our income across the year through a combination of housing revenue, new grant opportunities, and some uplifts to existing contracts.

Our growth ambitions were modest due to 2023-24 being a period of significant recommissioning, and I am pleased to say that we have exceeded our own expectations. Most of our re-tendered services were also retained within the year bringing increased stability to the organisation, including the North Yorkshire Young People's Pathway, +Choices Service, and Durham Domestic Abuse Navigator contracts.

Inspire North continues to establish itself as a strong supportive core and we have invested in diversifying our income to help build longer-term financial resilience. We have also replaced the Director of Finance and Corporate services role to a new role ,Chief Finance Officer appointed to take a lead on managing the group's financial health.

2023-24 has been the concluding year of the Inspire North group's first business strategy, which has provided strategic direction over the last five years. Our new Inspire North's Inclusive Business and Growth Strategy: "Future Proof" (2024-2029) will guide the organisation for the next five years. It sets out our clear objectives to **better tell our story, make great decisions, be more inclusive and diverse, and demonstrate our value** – all with the view to widen the reach and deepen the impact of our work.

As we plan for the group's next phase we are commencing the process of amalgamating Inspire North, Community Links and Foundation from being individual limited companies to form one unified Community Benefit Society (CBS). By coming together as one entity, this strategic move will secure a more positive and sustainable future for our group as we will be able to deliver our services to our clients and tenants more effectively and innovatively. I am excited to see the organisation 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. We will continue to help the people in our communities who are too often overlooked and for which society has no aspirations. We will help them to have their voices heard and work with them to improve their lives.

I would like to take the opportunity to share my sincere thanks and gratitude to everyone that has worked so hard to make a positive difference to the lives of our clients. As the situation for many in our communities continues to worsen, public sector funding is being cut. It has been another challenging year, and we anticipate further challenges ahead. However, we also have fantastic opportunities that I know the group is ready to seize.

C Vilarrubi
2024



26/09/24

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Management Committee presents its report and the audited financial statements of Foundation (“the Company”) for the year ended 31 March 2024.

Organisational Overview

Principal Activities

Foundation was established as a registered charity limited by guarantee, incorporated on 29 June 1984 in England with a registration number of 01829004 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 and 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 - Inspire North Group Trustee (Chair)

Dave Roche – Independent Trustee

Vijay Assani – Independent Trustee

Sharon Whitehurst – Independent Trustee (appointed 14 December 2023)

Karl Milner - Inspire North Group Trustee (Vice Chair) (appointed 30 June 2023, resigned 28 June 2024)

Lisa Bradley – Inspire North Group Trustee (Treasurer)

Philip Turnpenny – Inspire North Group Trustee

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

Duane Samuels – Inspire North Group Trustee (appointed 22 November 2023)

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 had a trading subsidiary, Foundation Stone Enterprises Limited. Foundation Stone Enterprise Limited was dissolved on 7th November 2023.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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 and regulatory requirements. Foundation must have a qualified housing expert as a Trustee, this is Dave Roche.

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.

Objectives & Strategy

The group was able to demonstrate significant progress under the now retired five-year Strategy (2019 to 2024). The refreshed Strategy "Future Proofing" (2024-2029) is subject to annual review and the group's progress against objectives will be recorded.

For the next strategy period, the group's Vision, Purpose and Values remain.

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 is no better feeling in the world than making a positive difference, and that spurs us on to always go the extra mile – for the people who use our services, for each other, and for our vision of creating a world where everyone matters. We have the brightest and best innovative minds working every day to do more, and to do it better.
- **Collaboration** is how we came to be Inspire North. We were born out of the idea that working together, we can achieve more. Across our services we work with many partners, bringing together our expertise to meet varied needs in exceptional ways.

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

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

Achievement and performance

Performance against targets for 2023/24

Following the launch and roll-out of Inspire North's group-wide strategy, vision, purpose, values and branding in 2019, each year the Chief Executive issues a call to action, with a core aim for the 2023 to 2024 period being for all services and departments to drive innovation and influence to be a catalyst for change. Over the last financial year, our operational service teams achieved 76% of activities outlined within their annual plans and Central Service Teams achieved 61% of activities outlined within their annual plans. Our operational teams made significant improvement from the previous year, and this showcases steady performance in what has been another challenging year.

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

Sustainability

- The retendering of six key Foundation contracts dominated business development activity in the year. Only one of these was unfortunately lost (Kirklees Better Outcome Partnership contracts). The services successfully retained include North Yorkshire +Choices, RISE and Young People's Pathway services, Durham Domestic Abuse Navigator service, and Doncaster Care Leavers service. Whilst we had hoped for 100% retention, we are proud to have achieved such an outcome despite a year which brought such high levels of retendering activity.
- We have been able to secure a total of £774,393 of new income for Foundation through income generation activity conducted in the 2023-24 period. This has been secured through some service expansions, the award of financial uplifts to a limited number of existing contracts, and by securing new business. A key achievement has been establishing a Welcome House in Leeds for Unaccompanied Asylum-Seeking Children (UASC).

Be a Great Place to Work

- Foundation's voluntary turnover is 39% (above the Skills for Care average for the sector of 28%) and we have a stability index of 68% for the period (below the 75-85% ideal range). This rise in turnover can be attributed to essential changes in services as a result of retendering activity and reductions in funding.
- The Inspire North Group secured 2-star Best Company status in 2023 and is ranked the 13th best charity organisation to work for in the UK.
- The Inspire North Group retained its status as a Top 50 UK Inclusive Employer, one of only a handful of charities to do so.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

- The Inspire North Group has retained its Safer Leeds Domestic Violence and Abuse quality mark awarded by the Safeguarding and Domestic Violence Team at Leeds City Council, highlighting our continued effort and support for high quality service provision for women, men and children affected by domestic violence in Leeds.

Create Together

- Through late 2023, our CEO and Director of Development and Innovation held a roadshow to gather inputs for the group's new five-year Inclusive Business and Growth Strategy. This saw hundreds of employees come together from across Yorkshire and Humber and the Northeast to reflect on the successes of the previous strategy and plan for the group's future.
- The Inspire North group was awarded Customer Service Excellence accreditation, achieving 'Compliance' in all 55 areas, with 'Compliance Plus' awarded to 12 areas. Areas of strength included our commitment to co-design with clients, our culture of supporting employees and clients to "speak up" and our use of accessible information in aiding inclusivity and effective communication.

Innovate and Influence

- In October 2023, we became one of only seven organisations nationally, and the only voluntary sector organisation in Yorkshire and the Humber, to have been awarded the Social Value Quality Mark Level 2 (Silver). This demonstrates that as a group, Inspire North have an open and transparent practice to delivering social and local value, including ethical governance, transparent decision-making, and an ethical culture. We have set our baseline in preparation to embed and progress to the Gold Award in 2025.
- We are a third sector representative consulting with HM Prison and Probation Service (HMPPS) on the upcoming transformation of community rehabilitation services.

Build Sustainable Futures

- Funding diversification is a key priority for the group. Within the year, we have been taking steps towards exciting future initiatives. This includes conducting an exploratory study into business partnerships, appointing a full-time Fundraising and Grants Manager, and initiating a project to implement a new Customer Relationship Management system that will help the group to better manage funder and partner relationships as well as donations and contracts. The creation of an income generation framework is also providing the team with focus and clarity of direction – helping our resources to go further.
- Our work to develop more affordable, quality homes for clients has continued. Foundation have been successful in our transformation of Armley Lodge into high quality, environmentally friendly homes for our tenants. Work was completed on 19th December 2023, with all three available tenancies, which form part of Leeds City Council's Young Persons Housing Pathway, filled by 17th January 2024. The property has been refurbished to a high 'C' for the EPC rating (76) which ensures lower heating costs. The flats are modern, spacious, and bright, which we believe will assist with improving tenant wellbeing. We have also completed a full high-specification renovation of our Stratford Street property and have welcomed four Unaccompanied Asylum-Seeking Children to live there, with wrap-around support.

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Service Contracts

Throughout 2023 to 2024, six of Foundation's contracts were retendered. We are pleased to have retained five of these contracts, achieving 83% contract during the period. This includes North Yorkshire +Choices, Young People's Pathway services, Durham Domestic Abuse Navigator service, and our Doncaster Care Leavers service. All provide vital services for vulnerable people in the North of England.

We have seen an overall reduction in funding through our existing contracts due to cuts put in place by commissioners as part of retendering. This has required us to remodel many of our services to ensure ongoing financial viability and quality of delivery. We expect this trend to continue into the next financial year and have been working hard to develop a new business pipeline that will enable the group to continue to grow.

Direct awards or contract extensions have been secured for several of our long-standing services, including Foundation's Directions and Footsteps services in North Yorkshire, enabling the group to continue to provide vital support to clients at a time when it was never more needed.

Employees

Our employees are central to everything we do and we are committed to being a great place to work. Throughout 2023 to 2024, we have seen improvements in recruitment challenges, although the national skills shortage in health services and the voluntary sector is still having an impact. Our creative and agile approach to recruiting and retaining employees continues to show results, with key achievements being:

- Our second Gender and Ethnicity Pay Gap Report (2022-23) has revealed a mean gender pay gap of -5.15%. We are proud to have maintained our 0% ethnicity pay gap, despite an increase of 7.3% in our ethnic minority employees. We attribute both to our embedded culture of anti-racism, and our commitment to improving inclusion and diversity. Please note - Gender and Ethnicity Pay Gap reporting is a year behind financial reporting.
- Inspire North has made a firm pledge to invest the time and resources necessary in becoming more anti-racist and work continues regarding education, increasing diversity and fostering a better sense of inclusion for all, especially those from racialised and marginalised communities. For Black History Month in October, each member of our Senior Leadership Team made promises to advance their commitment to anti-racism and shared vlog updates on their progress which were shared with all employees each week. In March, members of the People of Colour Network developed and shared a suite of resources to help colleagues who were fasting during Ramadan and to understand more about the holy month. We continue to progress our Anti-Racist work across the group to hold ourselves to account and help everyone continue their Anti-Racism journey.

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

We offer a comprehensive and well used employee assistance programme available to all employees, providing advice and support on a wide range of employment, health and legal concerns. This includes the introduction of access to an on-line GP to further enhance our support offerings.

Health and safety

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

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FOR THE YEAR ENDED 31 MARCH 2024

Health and Safety Champions across all Inspire North's offices and services, helping Inspire North to achieve high standards in Health and Safety across the group.

We remain committed to the provision and maintenance of:

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

Our Hybrid Working Policy, which allows employees to split their time between the workplace (40%) and remote work, has been widely embraced and is proving highly successful. Employees appreciate the flexibility it brings to our working environment, contributing to their overall satisfaction and work life balance.

In the year, we have ceased the use of iAuditor (Safety Culture), migrating information into our centralised client management system, InspireNet. This has brought about cost savings as well as bringing all client and safety data into one accessible database. Additionally, we have implemented a tracking system for monitoring and reporting on health and safety audit recommendations and remedial actions, expected to improve our sites' current compliance level by 15%. To reduce our environmental impact, we have developed in-built storage spaces across our sites for the storage of unused furniture and other items. These can now be repurposed within the organisation and are also made available during the set-up of new services.

Future Plans

Ambitions for 2024-25

The Inspire North Strategy (2024 to 2029) 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 the organisation. To support our future plans we have commenced the process of amalgamating Inspire North, Community Links and Foundation from being individual limited companies to form one unified Community Benefit Society (CBS). Consolidating into one CBS will not only streamline processes but also enhance our efficiency, which is particularly crucial during these financially challenging times. This transformation will enable us to optimise resources, increase collaboration and ultimately improve the quality of the services we provide.

Our four key aims are:

- **Thriving Workplace:** We bring together a diverse workforce with a wealth of skills, knowledge, and decades of experience. We empower our employees to make decisions using their specialist knowledge of the communities they serve, always putting our values front and centre. We will build on our commitment to equality, diversity, and inclusion and to becoming more anti-racist.
- **Influencing and Inspiring:** We will drive innovation and influence and be a catalyst for change. We will share best practice with employees, trustees, partners, and local communities to develop high-quality services that reflect the increasingly varied and multiple needs of our clients and tenants.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

- **Innovating:** 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 and tenants are the leading voice in everything we do, as they are experts in what they need.
- **Sustaining:** 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 and tenants are the leading voice in everything we do, as they are experts in what they need.

During 2023-2024 we have continued to embed our previous 5-year strategy, initiating key activities and monitoring progress at team and organisational levels. Following the launch of our new strategy in April 2024, our priorities for the next year include:

- Developing and implementing a new IT strategy to ensure our people have the right technology to work effectively and productively.
- Embedding the delivery of Social Value and collation of data across the group, to further showcase and increase our impact.
- Developing and enhancing our partnerships and strategic representation to better influence systemic changes in the health and social care sectors, and organically grow funding opportunities.
- Strengthening our brand recognition and increasing the reach of our external communications, positioning the organisation as a fundraising charity.
- Continuing to source and develop quality, affordable homes, that meet Decent Homes Standards, and make improvements to minimise the environmental impact of our properties.

Principal Risks and Uncertainties

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

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 changes in government following the General Election, the Israel-Gaza war, and the war in the Ukraine, leading to a continued increase in the cost of living and a rise in demand for services coupled with under-funded public services.
- The impact of national skills shortages and challenges in recruitment placing a strain on front line services, information governance, tendering and estates.

Updated regulatory standards for landlords, particularly the inclusion of damp and mould requirements within the consumer standard and impact of non-compliance

- The impact of several contracts that are due to be re-tendered, with the potential loss of income should these contracts not be secured.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

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- The risk of cyber-attacks and fraudulent activity in-line with the National Cyber Security Centre announcement of increased threats in the sector due to the war in the Ukraine.
- The rising costs of managing and maintaining properties and macro-economic challenges impacting on the availability of suitable, affordable properties to lease on behalf of our tenants.
- Safeguarding our clients.

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

Co-production, Tenant Voice

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

- Local informal feedback from and through front-line employees
- Responding to text-based questions on quality and experience
- 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 Foundation.

In line with our obligation to monitor performance against The Tenant Satisfaction Measures (TSMs) introduced in 2023 by the Regulator of Social Housing (RSH), we ran a Tenant Perception Survey, completed by 181 of Foundation's 373 tenants. The survey showed that 91% of tenants were either very satisfied or fairly satisfied with the service provided by their landlord. Full results are used to inform improvements to Foundation's service to tenants.

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

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

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

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. This policy was updated in the year, informed by feedback from our clients and tenants.

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 2023 to 2024 period, Foundation received 30 complaints and 21 compliments. 74% of complaints were acknowledged within 3-days and 27% resolved within 10-days. Since 1st April 2024, we have updated our policy to acknowledge complaints within 5-days to align with the housing ombudsman.

Foundation has been implementing a number of quality improvement measures across the period, focused on:

- Empowering residents through dialogue and collaboration, by introducing a Tenant Voice Panel
- Addressing damp and mould concerns through proactive measures for tenant well-being
- Enhancing the responsiveness and oversight in repair services
- Streamlining complaints handling, preparing for regulatory changes and improving accessibility.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Strategic Report

Financial Review and Resources

Going Concern

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, competitiveness and future plans will ensure the Company is sustainable. Performance has seen significant improvement since last year after management focus on voids and maintenance spend and this operational performance is expected to be carried forward.

A decision was taken in June 2024 to commence the process of amalgamating Inspire North, Community Links (Northern) Limited and Foundation from being individual limited companies to form one unified Community Benefit Society (CBS) during the year ended 31 March 2025. It is therefore anticipated that the entity will cease trading entirely and wind up in the near future. As such the Trustees have deemed it appropriate to prepare the accounts on a non going concern basis.

Financial Performance and Position at End of Year

The Company delivered a surplus for the year of £16k (2023: £882k deficit). The difference in the result for the year was primarily due to an operational surplus of £448k against a loss of £473k in 2023. This operational improvement has been driven by a management focus on voids and cost control.

Cash flow remains a priority for the company and is monitored routinely to ensure Foundation can meet its liabilities. The current net liabilities position is due to the pension deficit for which we have an agreed repayment plan.

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 three months of operating costs (including designated funds).

Free reserves at the year-end were £616k (2023: £573k), which is lower than three months operating costs per the statement of financial activities of £2,716k (2023: £2,824k). Trustees are working to further grow the free reserves by reducing voids, controlling spend, growing income through additional services and driving overhead efficiencies. General and designated reserves for the Company stood at deficit of £489k at the end of the period (2023: £505k deficit). Excluding the pension liability unrestricted funds amount to £1,485k.

FOUNDATION

REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Accounting policies

The Company's principal accounting policies are set out on pages 33 to 38 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 £1,107k (2023: £662k).

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 of 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 16 of this report.

Housing property assets

Details of changes to the Company's housing property assets are shown in Note 11 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.

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REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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

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

Business Risk Register

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

- Strategic Direction – we must clearly articulate our purpose, priorities and performance
- Macro-economic risk and viability – we will need to stress test key assumptions and understand our assets and liabilities,
- Stock Decency – we must ensure that an effective system for repairs and maintenance is in place
- Tenant safety – we must comply with all health and safety legislation as an employer and as a registered landlord with both the economic and consumer standards as set out by the Regulator of Social Housing.
- Service deliverability and accountability – we must ensure good oversight of service delivery and regulatory compliance
- Workforce, we need to continue to recruit and retain high calibre employees

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- Breaches of General Data Protection Regulation – we must maintain the trust of those who data we hold.
- IT and Cyber-attacks – we need to actively manage these risks
- Quality of Care and Increase in demand - we must adapt service delivery to maintain quality whilst managing demand and looking after the well-being of our colleagues

The impact of not managing effectively the risks present in these areas could be:

- Regulatory breaches
- Organisational sustainability
- Widening inequalities and
- Inability to deliver on strategic objectives (mission and purpose)

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 2023/24 are as follows:

- Standard of Accommodation: -
 - 84.4% believe that the standard of their accommodation is high
- Repairs and maintenance standards:
 - 75% Repairs concluded on timely basis
 - 86% 'very' or 'fairly' satisfied with the maintenance of their homes
 - 78% Tenants feel safe and secure
- Rent collected
 - 97.0% rent collected
- Void loss
 - 5.6%
- Bad debts
 - 178 write offs processed

There is an increase in rent collected and a reduction in voids. Bad debt write off has increased due to the clearance of historical debt now written off.

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)
14% for FY2024, nil investment in FY 2023
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.

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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;

	2024	2023
	£8,697	£8,544

The increase in costs reflects the unusual nature of the size of hand backs and the associated costs of repairs in 2022/23.

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

	2024	2023
➤ Social Housing lettings Only	18.1%	9.2%

The spend on repairs was limited to essential only for a number of months. It is expected the margin will decrease again in 2023/24 as planned improvement programmes take place.

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

	2024	2023
	30.44%	-23.71%

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Governance

Trustees and Executive Officers

The current Trustees and Executive Officers are set out on page 1. Foundation's Board of Trustees (at 30 May 2024) comprises 9 Trustees, 6 of whom are Inspire North Group Trustees and 3 are independent Trustees each with a range of relevant skills and experience. Individually and collectively, they exercise independent and objective judgement.

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

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

To support the work of the Senior Leadership Team and adopt best practice, champion roles continue within the Group Board:

Champion Areas	Trustee Lead
Clinical Governance	Yannick Pakeeree (Sub-Committee Associate)
Compliance	<i>vacant</i>
Co-production & Volunteers	Osamudimwen T Iyekow (CL Trustee)
Cyber/IT	Brad Strutt (CL Trustee)
Decarbonisation	Duane Samuels (IN Trustee)
Diversity & Inclusion	Omowunmi A Ladejobi (CL Trustee)
Employee Wellbeing	Sharon Whitehurst (Fn Trustee)
Freedom to Speak up	Philip Turnpenny (IN Trustee)
Housing Governance/Member Responsible for Complaints	Dave Roche (Fn Trustee)
Safeguarding	Philip Turnpenny (IN Trustee)
Social Value	<i>Vacant</i>
Value for Money	Lisa Bradley (IN Trustee)

The Board of Trustees has overall responsibility for the governance and strategic direction of the Company and Foundation's constitution empowers the 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 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 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.

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We held a Group Board Away Day on 26 October 2023. Away Days give Board a great opportunity to come together, away from Board meetings, and spend time reflecting on external challenges and how we move forward as a group. A representative from each of our Networks (People of Colour, LGBT+ and Accessibility) supported by our EDI lead, led a session on the NHF (National Housing Federation) Chairs Challenge to further develop the inclusiveness of our Board and ensure it is accessible and equitable. Actions were identified and these have formed an action plan to drive further improvements. A session was held on Ofsted with the upcoming move for all providers of accommodation for children in care or care leavers up to the age of 18 to be regulated by Ofsted, we also had an external legal advisor run a session on Charity Trustee obligations and help ensure a consistent understanding of what legal obligations trustees must meet and also to consider how to better govern meetings.

We held our annual Trustee Meet and Greet session on 14 December 2023 where employees and trustees had space to directly discuss their experience within services and have open conversations about the strategic direction of the group as well as any ideas for improvements. Trustees were assured by the positive feedback coming from services as to their experiences working for Inspire North.

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

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

Recruitment, Appointment and Training of Trustees

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

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

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

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

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

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Recruitment, Appointment and Training of Trustees (continued)

Tenants invited to attend Board meetings or take up other associated duties on behalf of the Company receive a nominal allowance in line with our Payments to Clients and Carers for Involvement Activity Policy. Travel and other expenses incurred in the discharge of Trustee duties are reimbursed to all Trustees. £257.91 was reimbursed for expenses to Trustees and £184.80 to clients/tenants for services as a member of the Board in 2023 to 2024. The group launched a new Trustee Expenses and Payments in October 2023 due to changes in legislation by the UK Charity Commission. This also included some additional areas of support for trustees including childcare and carers support to enable attendance at meetings and encourage a more diverse Board.

In line with our commitment to develop an inclusive and diverse board of trustees, in December we welcomed Naeha Ganger as our Boardroom Apprentice. The scheme is supported by the Department for Levelling Up Housing and Communities and is designed to support people to become the next generation of trustees and we will provide Naeha with the opportunity to get to know our organisation and participate in board meetings.

Governance

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

Executive Remuneration

Following a consultation process, we have replaced a previous external payscale with an internal company payscale. This change enhances our control and ensures any salary increases are sustainable and aligned with our financial goals.

Our approach to the Senior Leadership Team aligns with our values of transparency and equity. They are on the company payscale and receive the same salary increases as all employees on that payscale.

Internal controls assurance

The Board of Trustees acknowledges its overall responsibility for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, not absolute, assurance against material misstatement or loss. Our quarterly internal auditing approach has continued across the year, with the board agreeing reviews of the following areas in 2023/4 Damp, Mould & Condensation, Service Delivery & Management and Business Critical Controls. Recommendations from all audits continue to be progressed.

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

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

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

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

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Monitoring and corrective action

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

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

The new Trustee role of Decarbonisation Champion has been filled, and Duane Samuels will support the organisation to achieve its environmental objectives.

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

This action plan will be implemented through the following activity:

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

Information and financial reporting systems

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

Employees

Disabled Persons

We maintain robust recruitment and selection processes to ensure the hiring of high-quality, talented employees and ensure disabled candidates receive fair consideration and equity of opportunities throughout the recruitment process in line with the Equality Act 2010.

Our various accreditations, such as Stonewall Diversity Champion, Mindful Employer, Disability Confident Leader, Investors in People, Best Companies 2* accreditation and Living Wage Employer highlight our

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dedication to building a diverse workforce. An external consultant reviewed our values-based recruitment and selection procedure and gave us positive feedback. Key points of our process include:

- Diverse representation on recruitment panels including a client to reduce the influence of cultural bias, unconscious bias, and other forms of bias, as well as decisions based on a limited set of characteristics.
- All recruitment panel members must complete Recruitment and Selection training including coverage of the Equality Act 2010.
- The recruitment panel cannot see any personally identifiable information, including equality and diversity monitoring information. This ensures that candidates are selected based solely on their skills, qualifications, and experience;
- All job adverts include an equality and diversity statement, creating an inclusive atmosphere from the very start of the recruitment process.
- All person specifications include a requirement for candidates to "demonstrate understanding and commitment to equal opportunities and diversity," which they must demonstrate during the selection process;
- We use recruitment videos that showcase a diverse range of employees, so potential candidates can see people who look like them working for our organisation. This helps break down barriers and encourages a more inclusive environment.
- We conduct a Diversity Impact Assessment annually which includes a review of recruitment to ensure that equity and inclusion are continuously reviewed, promoting ongoing improvement and best practices.
- adverts are placed to attract a diverse pool of candidates.

We proudly hold the highest level of accreditation as a Disability Confident Leader and prominently display the accreditation on our website and on all application packs.

We have an accessible employee network aimed at providing a safe, supportive, and welcoming environment for all employees who identify with having accessibility needs, including those who self-diagnose.

Within our supervision policy, we prioritise creating a supportive environment for all employees, including those with disabilities. One key agenda topic is dedicated to discussing the well-being of each employee, ensuring their needs are met in alignment with their work responsibilities. This approach is particularly beneficial for disabled employees as it provides a forum to openly discuss any support they may require.

We actively promote the use of "Access to Work" services among our colleagues. This service helps identify and implement reasonable adjustments tailored to the individual needs of disabled employees. By encouraging the use of these services, we ensure that appropriate support is in place to enable all employees to perform effectively and thrive in their roles.

We prioritise promoting colleague health and well-being, actively supporting individuals who have experienced ill health or disability during their employment. Our approach focuses on finding positive ways to maintain continued employment by addressing individual needs.

We actively support the development and progression of all colleagues across our organisation, including those with disabilities. Our process encourages open discussions between individuals and their line managers during regular performance reviews. These discussions focus on identifying ways to support employees with disabilities or long-term health conditions, enabling them to overcome barriers and achieve their career aspirations.

Employee development and progression are based on merit, ensuring there are no barriers to advancement. This commitment is reflected in our leadership team, where 17% identify themselves as disabled, showcasing our inclusive approach to leadership.

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Disabled Persons (continued)

These initiatives collectively contribute to creating a workplace where disabled employees feel valued, supported, and empowered to thrive.

Employee involvement

The Chief Executive sends out a weekly news brief titled "Keeping Connected" to all employees, ensuring everyone stays informed about organisational developments. She actively invites employees to reach out with any questions, queries or comments, fostering open communication and engagement.

Each service has a Team Voice Representative who meet quarterly with the Chief Executive and Director of People and Culture in an open forum. This collaborative environment allows for discussions where ideas, suggestions, and concerns are actively shared and addressed.

Our Performance Development Reviews (PDRs) are conducted annually within a focused three-month window at the start of each business year. This structured approach ensures that personal and professional goals align closely with our 5-year strategic plan and annual development plan, empowering everyone to contribute meaningfully to organisational success.

Transparency and employee development are fundamental to our culture which is why employees can and are encouraged to attend Senior Leadership Team (SLT) meetings. The CEO or a member of SLT attend all inductions to deliver a "vision and values" session and to welcome new starters to the organisation. Additionally, members of SLT attend inductions for lunch to meet and greet new starters. and the CEO and members of SLT hold 1:1 induction meetings new starters who are in leadership positions and those joining the Head Office team.

Through our Future Leaders Scheme and mentoring program, members of the Senior Leadership Team (SLT) demonstrate their commitment to employee development by mentoring at least one employee annually to support their career progression.

With almost 60 different services, as a group, our "Adopt-a-Service" scheme serves as a vital way to connect employees at all levels of the organisation with SLT. Each SLT member assigned to a service commits to attending at least one team meeting annually, providing valuable support, encouragement, and an opportunity for colleagues to ask questions. Additionally, it enables SLT members to build relationships with frontline colleagues, share information, and exchange ideas.

Related parties

No Trustee had any beneficial interest in any contract with the Company in 2023 – 2024. Tenants are also on normal commercial terms.

Foundation is part of the Inspire North group, daughter charity of Inspire North and sister charity to Community Links (Northern) Ltd.

Statement of Trustees' responsibilities

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

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

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

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

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

Annual general meeting

The annual general meeting will be held on 27th September 2024.

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: 2024

26/09/24

FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDATION

Opinion

We have audited the financial statements of Foundation for the year ended 31 March 2024 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 2024 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 2022.

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.

Emphasis of matter – non going concern basis of accounting

We draw attention to note 1 of the financial statements which describes the preparation of the financial statements on a non going concern basis. As described in note 1, the intention of the Trustees is to wind up this entity due a planned change of group structure, and the Trustees have concluded that it is no longer appropriate to prepare the financial statements for the year ended 31 March 2024 on a going concern basis. There have been no material adjustments made to the financial statements as a result of the application of the non going concern basis of accounting. Our opinion is not modified in respect of this matter.

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

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 24 to 25, 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

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDATION

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 2022 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

FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDATION

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.

Lucy Robson

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
29 Wellington Street
Leeds
LS1 4DL

Date 27/09/24

FOUNDATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £'000	2023 £'000
Turnover	3	11,405	10,927
Operating costs	3	(10,866)	(11,299)
Operating Surplus/(Loss)		<u>539</u>	<u>(372)</u>
Interest receivable and other income	5	10	10
Interest payable and similar charges	6	(101)	(64)
Movement in fair value of financial Instruments		-	(47)
Surplus/(Loss) on ordinary activities before taxation		<u>448</u>	<u>(473)</u>
Tax on surplus on ordinary activities		-	-
Surplus/(Loss) for the financial year		<u>448</u>	<u>(473)</u>
Actuarial (Loss) in respect of defined benefit pension scheme	23	(432)	(409)
Total Comprehensive Income Surplus/(Loss) for the year		<u>16</u>	<u>(882)</u>
Reconciliation of funds:			
Total funds brought forward		(505)	377
Total funds carried forward		<u>(489)</u>	<u>(505)</u>

The notes on pages 33 to 56 form part of these financial statements.

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

FOUNDATION

Company number: 01829004

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023	
	Note	£'000	£'000	£'000	£'000
Tangible fixed assets					
Intangible Assets	10	-	-	-	-
Housing properties	11	1,139		943	
Other tangible fixed assets	12	14		24	
Investment	13	-		1	
Total fixed assets			1,153		968
Current assets					
Debtors	14	866		1,439	
Cash and cash equivalents		1,107		662	
		1,973		2,101	
Creditors: Amounts falling due within one year	15	(1,357)		(1,528)	
Net current assets			616		573
Total assets less current liabilities			1,769		1,541
Creditors: Amounts falling due After more than one year	17	(284)		(131)	
Provisions for liabilities					
Defined benefit pension scheme liability	23	(1,974)		(1,915)	
		(2,258)		(2,046)	
Net (liabilities)			(489)		(505)
Capital and reserves					
Reserves	20		(489)		(505)
			(489)		(505)

The financial statements on pages 30 to 56 were approved by the Board and authorised for issue on 27th September 2024 and are signed on its behalf by:

Chair: Claire Vilarrubi



Treasurer: Lisa Bradley



FOUNDATION

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2024

	General Reserve 2024 £'000	2023 £'000
Balance at 1 April 2023	(505)	377
Surplus/(Loss) for the year	448	(473)
Actuarial (loss)	(432)	(409)
	<hr/>	<hr/>
Balance as at 31 March 2024	(489)	(505)
	<hr/> <hr/>	<hr/> <hr/>

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 5.

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;
- Section 33 'Related Party Disclosures' – compensation for key management personnel.

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.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (continued)

Going Concern

The Trustees assess whether the use of the going concern basis is appropriate. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

A decision was taken in June 2024 to commence the process of amalgamating Inspire North, Community Links (Northern) Limited and Foundation from being individual limited companies to form one unified Community Benefit Society (CBS) during the year ended 31 March 2025. It is therefore anticipated that the entity will cease trading entirely and wind up in the near future. As such the Trustees have deemed it appropriate to prepare the accounts on a non going concern basis.

No material adjustment arose as a result of ceasing to apply the going concern basis of accounting.

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 2024

1 Accounting Policies (continued)

Pensions

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 2024

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 2024

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 2024

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 2024

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 14.

Pension liability discount rate

The rate of discount detailed in Note 23 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 23, will impact the carrying amount of the pension liability.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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

Continuing activities

	2024			2023		
	Turnover £'000	Operating Costs £'000	Operating Surplus/(Deficit) £'000	Turnover £'000	Operating Costs £'000	Operating Surplus/(Deficit) £'000
Social housing activities						
Income and expenditure from lettings	5,407	(4,431)	976	4,961	(4,507)	454
Other social housing activities						
Supporting people contract income	5,894	(6,415)	(521)	5,638	(6,477)	(839)
Other social housing income and expenditure	-	-	-	20	(22)	(2)
Non-social housing activities	104	(20)	84	308	(293)	15
Total	11,405	(10,866)	539	10,927	(11,299)	(372)

The entity acted as agent in respect of one contract. £177,367 was received and paid by the charity as agents and nothing is outstanding/due as at the year end.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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

Particulars of income and expenditure from social housing lettings

	2024	2023
	Supported	Supported
	Housing	Housing
	£'000	£'000
Turnover from social housing lettings		
Rent receivable	3,404	3,513
Void Costs	(336)	(464)
Service Charges Receivable	2,559	2,108
Debts written off	(220)	(196)
	<hr/>	<hr/>
Net rental income	5,407	4,961
Other revenue grants	-	-
	<hr/>	<hr/>
Turnover from social housing lettings	5,407	4,961
	<hr/>	<hr/>
Expenditure on social housing lettings		
Rent	(2,519)	(2,547)
Costs relating to tenants	(1)	(11)
Light and heat	(99)	(107)
Routine maintenance	(200)	(223)
Planned maintenance	(624)	(959)
Staff costs	(892)	(589)
Other Costs	(49)	(42)
Bad Debts Provision	(47)	(29)
	<hr/>	<hr/>
Operating Costs on social housing Lettings	(4,431)	(4,507)
	<hr/>	<hr/>
Operating Surplus on social housing lettings	976	454
	<hr/> <hr/>	<hr/> <hr/>

4 Accommodation in management and development

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

	2024	2023
	Units	Units
Supported housing - owned	11	11
Supported housing - managed	478	497
General Needs – owned	5	5
General Needs – managed	10	11
	<hr/>	<hr/>
Total units	504	524
	<hr/> <hr/>	<hr/> <hr/>

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Interest receivable and other income

	2024	2023
	£'000	£'000
Bank interest	<u>10</u>	10
	10	10

6 Interest payable and similar charges

	2024	2023
	£'000	£'000
Pension scheme – net finance charge	<u>101</u>	64
	101	64

7 Operating Surplus

This is arrived at after charging/(crediting):

	2024	2023
	£'000	£'000
Release of capital grant	(6)	(3)
Depreciation of tangible fixed assets	37	33
Amortisation of Intangible fixed assets	-	-
Operating lease rentals		
- land and buildings	194	219
- office equipment	-	-
External Auditor's remuneration (including VAT)		
- external audit services	30	19
- accountancy and taxation services	-	-
DB Pension Expense	97	62

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Employees

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

	2024 Average Number	2023 Average Number
Charitable work	161	162

All staff employed in Foundation are considered front line workers delivering its charitable objectives, none front line workers are charged via Inspire North recharge.

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

	2024 Average FTEs	2023 Average FTEs
Charitable work	134	130
	134	130

Employee costs:

	2024 £'000	2023 £'000
Wages and salaries	4,029	3,781
Social security costs	337	323
Other pension costs	140	129
	4,506	4,233

The Company's employees were eligible to be members of the Social Housing Pension Scheme. Further information on the scheme is given at note 23.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Executive Officers' and senior staff emoluments

No employees received emoluments of more than £60,000 in the current and previous year.

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:

	2024	2023
	Number	Number
Number of Trustees who were paid expenses	-	-

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

10 Intangible fixed assets

	Purchased computer software £'000
Cost	
At 1 April 2023 & 31 March 2024	169
	<hr/>
Amortisation	
At 1 April 2023 & 31 March 2024	169
	<hr/>
Net book value	
At 31 March 2024	-
	<hr/>
At 31 March 2023	-
	<hr/>

11 Tangible fixed assets – housing properties

	Social housing properties held for letting £'000
Cost	
At 1 April 2023	1,330
Additions	217
	<hr/>
At 31 March 2024	1,547
	<hr/>
Depreciation	
At 1 April 2023	387
Charge for year	21
	<hr/>
At 31 March 2024	408
	<hr/>
Net book value	
At 31 March 2024	1,139
	<hr/>
At 31 March 2023	943
	<hr/>

Included in the above is a property in Scarborough with a net book value of £118,619 (2023: £120,647). There is a 30-year charge on the property that is being used to house vulnerable people from 2015 to 2045.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

12 Other tangible fixed assets – Other

	Office/Leasehold Fixtures £'000	Furniture Equipment £'000	Computer & Accessories £'000	Total £'000
Cost				
At 1 April 2023	202	37	29	268
Additions	6	-	-	6
At 31 March 2024	208	37	29	274
Depreciation				
At 1 April 2023	181	35	28	244
Depreciation charge for the year	13	2	1	16
At 31 March 2024	194	37	29	260
Net book value				
At 31 March 2024	14	0	0	14
At 31 March 2023	21	2	1	24

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Investments

	Investment in subsidiary £ Cost
1 April 2023	1
Fees and Charges	-
Withdrawal	-1
Market movement	-
	<hr/>
At 31 March 2024	<hr/>

There is no current investment.

14 Debtors

	2024 £'000	2023 £'000
Rent and service charges receivable	688	751
Less: provision for bad and doubtful debts	(345)	(297)
	<hr/>	<hr/>
	343	454
	<hr/>	<hr/>
Amounts due from group undertakings	8	60
Other debtors	276	588
Prepayments and accrued income	239	337
	<hr/>	<hr/>
	866	1,439

15 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	177	261
Other taxes and social security	81	73
Amounts owed to group undertakings	75	48
Other creditors	140	147
Accruals	292	347
Deferred income	586	649
Deferred government grant (note 18)	6	3
	<hr/>	<hr/>
	1,357	1,528

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 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:

	2024	2023
	£'000	£'000
Brought forward (Note 15)	(649)	(661)
Released during the year	3,563	3,436
Deferred during the year	(3,500)	(3,424)
	<hr/>	<hr/>
Carried forward (Note 15)	(586)	(649)

17 Creditors: amounts falling due after more than one year

	2024	2023
	£'000	£'000
Deferred government grant (note 18)	284	131

18 Deferred government grant

	2024	2023
	£'000	£'000
Balance at 1 April 2023	134	137
Additions	162	-
Released during the year	(6)	(3)
	<hr/>	<hr/>
Balance at 31 March 2024	290	134

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Fund balances at 31 March 2024 are represented by:			
Fixed assets	1,153	-	1,153
Debtors	867	-	867
Cash	1,107	-	1,107
Creditors	(1,642)	-	(1,642)
Provisions	(1,974)	-	(1,974)
	<u>(489)</u>	<u>-</u>	<u>(489)</u>

Fund balances as at 31 March 2023 are represented by:

Fixed assets	967	-	967
Debtors	1,439	-	1,439
Cash	663	-	663
Creditors	(1,659)	-	(1,659)
Provisions	(1,915)	-	(1,915)
	<u>(505)</u>	<u>-</u>	<u>(505)</u>

20 Reserves

	Undesignated Reserve £'000	Designated Reserve £'000	General Reserve £'000
At 1 April 2023	(924)	419	(505)
Surplus/(Loss) for the year	455	(7)	448
Actuarial Loss	(432)	-	(432)
	<u>(901)</u>	<u>412</u>	<u>(489)</u>

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20 Reserves (continued)	Designated Reserves				1 April	Income	Expenditure	Transfers	31 March
		2023	£'000	£'000	£'000	£'000	£'000	£'000	2024
	St Peter's Building	298	-	(5)	-				293
	Scarborough Property Fund	121	-	(2)	-				119
	Total designated reserves	419	-	(7)	-				412

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 2024 the Company had total future minimum payments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Expiry Date:				
Within one year	107	185	-	-
Between two and five years	1	105	-	-
	108	290	-	-

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 2024

22 Contingent liabilities

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be February 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2024 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

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 March 2028.

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.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

	31 March 2024 £ '000	31 March 2023 £'000	31 March 2022 £ '000
Present value of provision	1,974	1,915	1,889

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Pension Obligations (continued)

Reconciliation of opening and closing provisions

	Period Ending 31 March 2024 £'000	Period Ending 31 March 2023 £'000	Period Ending 31 March 2022 £'000
Provision at start of year	1,915	1,889	3,063
Interest Expense	82	47	63
Expenses	15	15	15
Deficit contribution paid	(470)	(445)	(411)
Remeasurements	432	409	(841)
	1,974	1,915	1,889

Income and expenditure impact

	Period Ending 31 March 2024 £'000	Period Ending 31 March 2023 £'000	Period Ending 31 March 2022 £'000
Interest expense	82	47	63
Expenses	15	15	15
Costs recognised in income and expenditure account	97	62	78

ASSUMPTIONS

	31 March 2024 % per annum	31 March 2023 % per annum	31 March 2022 % per annum
Rate of discount	4.90	4.87	2.79

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 2024

23 Pension Obligations (continued)

Key assumptions

	2024 %
Discount rate	4.90
Inflation (RPI)	3.15
Inflation (CPI)	2.78
Salary growth	3.78

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2024 Years
Retiring today	
Male	20.5
Female	23.0
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Retiring in 20 years	
Male	21.8
Female	24.4
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Amounts recognised in the income statement:

	2024 £'000
Expenses	15
Net interest on defined benefit liability	82
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	97
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Amounts taken to other comprehensive income

	2024 £'000
Experience gain on plan assets	(665)
Experience gain on plan liabilities	85
Effect of changes in demographic assumptions	115
Effect of changes in the financial assumptions	33
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Total actuarial loss	(432)
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FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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:

	2024 £'000
Present value of defined benefit obligation	(10,550)
Fair value of plan assets	8,576
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Deficit in scheme	(1,974)
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Movements in the present value of defined benefit obligations:

	2024 £'000
Liabilities at 1 April 2023	10,641
Expenses	15
Interest cost	510
Actuarial gain due to scheme experience	(85)
Actuarial losses due to changes in demographic assumptions	(115)
Actuarial losses due to changes in financial assumptions	(33)
Benefits paid	(383)
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At 31 March 2024	10,550
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Movements in the fair value of plan assets:

	2024 £'000
Fair value of assets at 1 April 2023	8,726
Interest income	428
Experience on plan assets	(665)
Contributions by the employer	470
Benefits paid	(383)
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At 31 March 2024	8,576
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The actual return on plan assets was (£237,000)

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Pension Obligations (continued)

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

	2024
	£'000
Global equity	855
Absolute return	335
Distressed opportunities	302
Credit relative value	281
Alternative risk premia	272
Emerging markets debt	613
Risk sharing	44
Insurance-linked securities	344
Property	866
Infrastructure	7
Private debt	338
Opportunistic Liquid Credit	335
High Yield	1
Opportunistic Credit	-
Cash	169
Corporate bond fund	-
Long lease property	55
Secured income	256
Liability driven investment	3,491
Currency hedging	(3)
Net current assets	15
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	8,576
	<hr/> <hr/>

The entity is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by scheme trustees and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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.

Foundation Stone Enterprises Limited was struck off in 2023.

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 £1,647,414 (2022/23 £1,577,853) were recharged from Inspire North to Foundation. At the year-end there was an amount of £74,938 due to Inspire North, (2022/23 £8,898 owing by Inspire North to Foundation).

At the year-end there was an amount of £8,251 due from Community links to Foundation, (2023: £39,547 owing by Foundation to 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.

27 Post Balance Sheet Events

At a meeting on 21st March 2024 trustees voted to begin the process of converting Foundation UK into a Community Benefits Society with the intention of then amalgamating with Inspire North and Community Links.