

**Charity Registration No. 1180693**

**Company Registration No. 11568263 (England and Wales)**

**INSPIRE NORTH**

**CHAIR'S REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2024**

# INSPIRE NORTH

## COMPANY INFORMATION

### FOR THE YEAR ENDED 31 MARCH 2024

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#### Management Committee

Chair	Claire Vilarrubi
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
Directors 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.	01657652
Registered Charity No.	0514779

#### Auditor

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

#### Principal Bankers

Santander  
Bridle Road  
Bootle  
Merseyside  
L30 4GB

# INSPIRE NORTH

## COMPANY INFORMATION

### FOR THE YEAR ENDED 31 MARCH 2024

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**Principal Solicitors**

Wrigleys  
19 Cookridge Street  
Leeds  
LS2 3AG

Ward Hadaway  
5 Wellington Place  
Leeds  
LS1 4AP

# INSPIRE NORTH

## CHAIR'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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I am delighted to present a review of Inspire North for the 2023 to 2024 financial year. Inspire North is the parent company of registered charities, Foundation and Community Links (Northern) Ltd and their subsidiary company. The benefits of the group continue to be realised delivering transformational change, quality improvements and business growth.

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:

- **Improving people's mental health and wellbeing:** delivering the right support at the right time, from preventative wellbeing activities to crisis management and sustainable recovery.
- **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 Inspire North, becoming trauma-informed means recognising the widespread impact of trauma, stress, and adversity and viewing all aspects of our organisation through a trauma-informed lens. We have been laying the groundwork to achieve this over the past year 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, we 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 performance has improved 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.

# INSPIRE NORTH

## CHAIR'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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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.

#### 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 Community Links' Engagement and Recovery Service (CLEAR) in Kirklees and Foundation's North Yorkshire Young People's Pathway, +Choices Service, and Durham Domestic Abuse Navigator contracts.

Working in partnership with Khidmat Centres in Bradford, we have also led on the mobilisation of our new Bradford Dementia Hub, providing person-centred advice and support to those living with dementia and their carers. The launch of this hub solidifies our position as a market-leader in Yorkshire.

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

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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

#### Organisational Overview

##### Incorporation

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

- Foundation (charity number 515517, company number 01829004, HCA registration 4688)
- Community Links (Northern) Limited (charity number 0514779, company number 01657652)
- Bridging the Gap PD Services Limited (company number 08372806)
- Foundation Stone Enterprises Limited (company number 08895921), was dissolved on 7<sup>th</sup> November 2023

##### Principal Activities

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

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

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

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

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

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

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 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)

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

Inspire North was established on 17 October 2018 as the parent company and sole member of Community Links (Northern) and Foundation who each respectively own their subsidiaries (Bridging the Gap PD Services Limited and Foundation Stone Enterprises Limited). Foundation Stone Enterprise Limited was dissolved on 7<sup>th</sup> November 2023.

The Inspire North governance structure ensures that there is a quorate of independent Trustees for Community Links (minimum of three) and Foundation (minimum of three) to protect each company's assets and ensure continued delivery of its charitable objectives and regulatory requirements. Foundation must have a qualified housing expert as a Trustee.

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

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

#### Business Review

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

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 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.

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.



# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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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 ten key contracts for the group dominated business development activity in the year. Eight of these were successfully retained, and unfortunately two (both Kirklees Better Outcome Partnership contracts) were lost. The services successfully retained include Community Links' Kirklees CLEAR service and Foundation's 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 £1,283,735 of new income 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. Key achievements have been securing two new contracts, including a Welcome House in Leeds for Unaccompanied Asylum-Seeking Children (UASC), and a Dementia Outreach and Support provision in South Bradford.

#### ***Be a Great Place to Work***

- Our group wide voluntary turnover is 31.5% (slightly above the Skills for Care average for the sector of 28%) and we have a stability index of 74% across the group for the period. This slight 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 13<sup>th</sup> 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.
- 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.

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### ***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 have continued to work closely with public sector organisations, including West Yorkshire Integrated Care Board, Leeds City Council, Leeds and York Partnership Foundation Trust and the City of York Council, to remodel and develop person-centred and trauma-informed services. We are also a third sector representative consulting with HMPPS on the upcoming transformation of community rehabilitation services.
- Our Young Dementia Leeds (YDL) service has partnered with Leeds Beckett University on a study into early onset dementia and related respite care. This has received significant media coverage, being featured in the Yorkshire Post, BBC Radio Leeds and BBC Look North.

#### ***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.

#### **Service Contracts**

Throughout 2023 to 2024 we were successful in retaining 80% of our contracts which were re-tendered and awarded during the period. This includes Community Links' Kirklees CLEAR service and Foundation's North Yorkshire +Choices, RISE and 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 reductions put in place by commissioners as part of retendering or prior to a direct award. 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.

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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Direct awards or contract extensions have been secured for several of our long-standing services, including Community Links' social prescribing partnership, Linking Leeds, and 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

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

We remain committed to the provision and maintenance of:

- A safe and healthy working environment
- A safe and healthy living environment for clients/tenants and the on-going development of our relationships with partners in relation to safety and service
- Safe and healthy workspaces in third party and partner premises
- Supervision, advice and procedures as necessary for the safe performance of its operations
- Instructions, information and procedures, for safe systems of work

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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- 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.

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 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.
- **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 creation 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.

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 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 upcoming General Election and expected changes in government, 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.
- The impact of several contracts that are due to be re-tendered, with the potential loss of income should these contracts not be secured.
- The risk of cyber-attacks and fraudulent activity in-line with the National Cyber Security Centre announcement of increased threats in the sector due to the war in the Ukraine.
- The rising costs of managing and maintaining properties and macro-economic challenges impacting on the availability of suitable, affordable properties to lease on behalf of our tenants.
- Safeguarding our clients.

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

#### Co-production

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

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

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

# **INSPIRE NORTH**

## **REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2024**

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believes clients/tenants bring skills, talents and real assets to the company which can be used for the benefit of their own journey, that of others, and for the wider work on the group.

Our group-wide Coproduction Strategy, developed by working with employees and clients across the group, outlines further steps and innovative approaches that the group will adopt to fully embed co-production within every aspect of our business and supports services and departments to understand the concept of coproduction and the importance of using this approach in the delivery of our services and the ways we work with clients, both internal and external. Within the year, we have also made a commitment to engage with clients in the development of all our bids. To make this a reality, we have initiated a project to co-produce our approach to client engagement across business development activity.

During the period it has been fantastic to see true co-production evidenced within the Inspire North Group, through the continuation and expansion of the Men's Talk group. Originally, Community Links' clients and former clients, this group sought to provide an opportunity to enhance men's engagement in mental health support using theatre. Having run for several years, the group is now an initiative very much led by its members and receives commissions for films and pieces of work to aid professional training and development – giving the members a real voice to challenge the stigma around mental health and transform perceptions. In the year, the men performed on 25 occasions, supporting the West Yorkshire Bereavement Quilt tour, taking part in the Northern Man Festival and performing at several events for the Ministry of Justice. The group were also featured as one of 12 national case studies in the Barings Foundation report – “Creatively Minded Men”. Two group members have also become volunteers for the project – using their lived experience to support others to engage in creative mental health recovery.

#### **Strategic Report**

#### **Financial Review and Resources**

##### **Going Concern**

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.

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

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

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

# **INSPIRE NORTH**

## **REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2024**

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

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



# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### **Financial Performance and Position at End of Year**

The Group generated a surplus for the year of £896k (2023: £758k deficit) which was 3.1% of income. This has been driven by the improved operational performance of Foundation after management focus on voids and cost control, along with staff savings in Inspire North.

Cash flow remains a priority for the company and is monitored routinely to ensure Inspire North can meet its liabilities. The Group cash position at the year-end was £6 million.

#### **Reserves**

The Trustees regularly review the reserves of the charity, considering the nature of the income and expenditure streams, the need to match variable levels of income with fixed and planned commitments and the make-up of the reserves. Whilst the Trustees and management do not wish to hold reserves unnecessarily, in view of the current high risk of the public sector funding cuts and greater competition for available funding, we believe that a prudent policy is preserving and increasing our unrestricted reserves to a level which provides for three months of operating costs (including designated funds). Trustees recognise that this objective will not be achieved until the Pension Scheme deficit is cleared). Free reserves for the group at the year-end were £4,988k (2023: £3,932k), which is lower than three months operating costs per the statement of financial activities of £6,504k (2023: £5,987k). The group are working to build their free reserves, General and designated reserves for the Group stood at £3,802k at the end of the period (2023: £2,906k). All funds of the group as at 31 March 2024 were unrestricted and excluding the pension liability stood at £7,070k.

#### **Accounting policies**

The Company's principal accounting policies are set out on pages 34 to 39 of the financial statements.

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### **Pensions**

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

#### **Donations and Sponsorship**

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

#### **Payment of creditors**

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

#### **Financial instruments**

The Group's approach to risk management is set out on pages 17-18 of this report.

#### **Fixed assets**

There have been tangible and intangible fixed asset additions amounting to £298k during the year.

#### **Financial risk management**

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

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

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

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

##### ***Price Risk***

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

##### ***Credit Risk***

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

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

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

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### **Liquidity Risk**

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

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

#### **Business Risk Register**

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

- 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 a Landlord.
- 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
- 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)

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### Governance

##### Trustees and Executive Officers

The current Trustees and Executive Officers are set out on page 1. Inspire North's Board of Trustees (at 31 March 2024) comprises 6 Trustees (with each of our subsidiary companies having three 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 the group. Each Trustee serves on one of the four 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 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	Margaret Iyekowa (CL Trustee)
Cyber/IT	Brad Strutt (CL Trustee)
Decarbonisation	Duane Samuels (IN Trustee)
Diversity & Inclusion	Sade 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 Group Board of Trustees has overall responsibility for the governance and strategic direction of the Company and Community Links' constitution empowers the Group Board to take such steps as are necessary to achieve the Company's objectives and make appropriate arrangements for the sound management of its business. When necessary, the Group Board considers the need to take independent professional advice and trustees receive all internal audit reports undertaken through the year.

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

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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the Board, the Senior Leadership Team continues to provide leadership and professional support across the group.

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

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

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

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### **Recruitment, Appointment and Training of Trustees (continued)**

Clients/tenants invited to attend Group Board meetings or take up other associated duties on behalf of the Company receive a nominal allowance in line with 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 paid in expenses to Trustees and £184.80 to clients/tenants for services as a member of the Group 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 Group Board of Trustees acknowledges its overall responsibility for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, not absolute, assurance against material misstatement or loss. Our quarterly internal auditing approach has continued across the year, with the board agreeing reviews of the following areas in 2023-24: 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 Group Board cannot delegate ultimate responsibility for the system of internal control, but it has delegated authority to the Resources & Risk Assurance Committee to regularly review the effectiveness of the system of internal control. The Group Board receives the minutes of all Resources & Risk Assurance Committee meetings.

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

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

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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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, each company in the group has an additional individual risk register in place to track risks which are specific to that company.

#### ***Environment and control procedures***

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

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

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

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

This action plan will be implemented through the following activity:

- Encouragement of environmental responsibility amongst our stakeholders, including clients/tenants, contractors, suppliers, and colleagues.
- Conducting our operations in a way that minimises our consumption of natural resources and manages waste through responsible disposal and the reuse and recycling of materials, where economically feasible.
- Development of a group-wide environmental strategy that incorporates our road to Net Zero and aim of meeting ISO14001, a specification for reaching carbon neutrality.

#### ***Information and financial reporting systems***

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

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 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 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.



# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### **Disabled Persons (continued)**

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, reflecting our inclusive approach to leadership.

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 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. Trustees are also on normal commercial terms.

Inspire North is parent company to Community Links (Northern) Ltd and Foundation Ltd. There are transactions between group companies and these are disclosed in note 23.

# INSPIRE NORTH

## REPORT OF THE MANAGEMENT COMMITTEE INCLUDING STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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#### **Statement of Trustees' responsibilities**

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

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

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

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

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

#### **Annual general meeting**

The annual general meeting will be held on 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

# INSPIRE NORTH

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSPIRE NORTH

### FOR THE YEAR ENDED 31 MARCH 2024

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#### Opinion

We have audited the financial statements of Inspire North (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activity (incorporating the Income and Expenditure Account, Consolidated Balance Sheet, Charity balance Sheet, Consolidated Statement of cashflows) and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 .

#### Basis for opinion

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

#### 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.

# INSPIRE NORTH

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSPIRE NORTH (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

# INSPIRE NORTH

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSPIRE NORTH (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the Housing and Regeneration Act 2008, the Accounting Direction of Private Registered Providers of Social Housing 2022 and the tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

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

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

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

# INSPIRE NORTH

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSPIRE NORTH (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### Use of our report

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

*Lucy Robson*

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

Date 27/09/24

# INSPIRE NORTH

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
		£'000	£'000	£'000	£'000
<b>Income from:</b>					
Charitable activities		15,209	-	15,209	12,214
Other trading activities		1,205	-	1,205	1,180
Social housing	3a/3b	5,407	-	5,407	4,961
Other social housing activities	3a/3b	5,894	-	5,894	5,665
<b>Total income</b>		<b>27,715</b>	<b>-</b>	<b>27,715</b>	<b>24,020</b>
<b>Expenditure on:</b>					
Charitable activities	6	14,950	-	14,950	12,101
Other		201	-	201	807
Investment Loss	5	-	-	-	35
Social housing and social housing activities	3a	10,866	-	10,866	11,006
<b>Total Expenditure</b>		<b>26,017</b>	<b>-</b>	<b>26,017</b>	<b>23,949</b>
<b>Net income</b>		<b>1,698</b>	<b>-</b>	<b>1,698</b>	<b>71</b>
<b>Other recognised (losses):</b>					
Actuarial (losses) on defined benefit pension schemes	19	(802)	-	(802)	(829)
<b>Net movement in funds before tax</b>		<b>896</b>	<b>-</b>	<b>896</b>	<b>(758)</b>
Taxation	8	-	-	-	-
<b>Net movement in funds after tax</b>	7	<b>896</b>	<b>-</b>	<b>896</b>	<b>(758)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,906	-	2,906	3,664
<b>Total funds carried forward</b>		<b>3,802</b>	<b>-</b>	<b>3,802</b>	<b>2,906</b>

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

All income and expenditure derive from continuing activities.

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

# INSPIRE NORTH

## CONSOLIDATED BALANCE SHEET

AS AT YEAR ENDED 31 MARCH 2024

	Notes	2024	2023
		£'000	£'000
<b>Fixed assets</b>			
Intangible assets	11	4	10
Housing Properties	12	1,288	1,096
Tangible assets	13	1,074	1,102
Investments	14	-	-
		<u>2,366</u>	<u>2,208</u>
<b>Current assets</b>			
Debtors	15	3,661	4,735
Cash at bank and in hand		6,034	4,513
		<u>9,695</u>	<u>9,248</u>
Creditors: amounts falling due within one year	16	(4,707)	(5,316)
<b>Net current assets</b>		<u>4,988</u>	<u>3,932</u>
<b>Total assets less current liabilities</b>		<u>7,354</u>	<u>6,140</u>
Creditors: amounts falling due after more than one year	18	(284)	(131)
<b>Provisions for liabilities</b>			
Defined benefit pension scheme liability	19	(3,268)	(3,103)
<b>Total Assets</b>		<u>3,802</u>	<u>2,906</u>
<b>The funds of the charity:</b>			
Restricted income funds	20	-	-
Unrestricted income funds	20	3,802	2,906
<b>Total charity funds</b>		<u>3,802</u>	<u>2,906</u>

The financial statements on pages 30 to 62 were approved by the board of directors and authorised for issue on 27<sup>th</sup> September 2024 and are signed on its behalf by:



C Vilarrubi  
Chair



# INSPIRE NORTH

Company Registration No. 11568263

## CHARITY BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024	2023
		£'000	£'000
<b>Fixed assets</b>			
Intangible assets	11	4	7
Other tangible assets	13	26	24
Investment	14	-	-
		<u>30</u>	<u>31</u>
<b>Current assets</b>			
Debtors	15	543	300
Cash at bank and in hand		343	234
		<u>886</u>	<u>534</u>
Creditors: amounts falling due within one year	16	(567)	(564)
<b>Net current Assets/(Liabilities)</b>		<u>319</u>	<u>(30)</u>
<b>Total assets less current liabilities</b>		<u>349</u>	<u>-</u>
<b>Total Assets</b>		<u>349</u>	<u>1</u>
<b>The funds of the charity:</b>			
Restricted income funds		-	-
Unrestricted income funds	20	349	1
<b>Total charity funds</b>		<u>349</u>	<u>1</u>

### Parent Statement of Financial Activities

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent Charity is not presented as part of these financial statements. The Charity's income for the year was £3,997,528 (2023: £3,561,462) and surplus was £347,750 (2023: £38,000 deficit).

The financial statements on pages 30 to 62 were approved by the board of directors and authorised for issue on 27<sup>th</sup> September 24 and are signed on its behalf by:

C Vilarrubi  
Chair

# INSPIRE NORTH

## CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2024

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		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating</b>					
Cash generated from operations	24		1,755		(1,159)
Interest paid			-		(89)
Income taxes paid			-		-
			<hr/>		<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>			1,755		(1,248)
<b>Investing activities</b>					
Purchase of intangible assets			-		(11)
Purchase of tangible fixed assets		(298)			(62)
Disposal of other investments			-		661
Interest received		64			(10)
		<hr/>		<hr/>	
<b>Net cash (Used in) /generated by investing activities</b>		(234)		578	
			<hr/>		<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>			1,521		(670)
Cash and cash equivalents at beginning of			4,513		5,183
			<hr/>		<hr/>
<b>Cash and cash equivalents at end of</b>			6,034		4,513
			<hr/>		<hr/>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies

##### Charity information

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

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

##### Accounting convention

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

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

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

##### Going concern

The Trustees 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.

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies (continued)

##### **Basis of consolidation**

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

Foundation (charity number 515517, company number 01829004, HCA registration 4688)  
Community Links (Northern) Limited (charity number 0514779, company number 01657652)  
Bridging The Gap PD Services (company number 08372806)  
Foundation Stone Enterprises Limited (company number 08895921), dissolved on 7<sup>th</sup> November 2023

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

##### **Reduced disclosure**

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

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

##### **Departures from Charities SORP**

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

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

##### **Income**

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

##### Charitable activities

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

##### Investment income

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

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

---

#### 1 Accounting policies (continued)

##### Other trading activities

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

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

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

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

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

##### Social housing

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

##### **Expenditure**

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

##### **Charitable funds**

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

##### **Intangible Fixed Assets**

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

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

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

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

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

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies (continued)

##### Housing properties

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

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

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

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

Completed housing properties are principally properties available for rent and are stated at historical cost less accumulated depreciation and impairment losses.

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

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

---

#### 1 Accounting policies (continued)

##### **Tangible fixed assets**

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

Freehold buildings (excluding land)	over 25-50 years
Land	Not depreciated
Improvements to leasehold property	over 5-12 years of the lease term
Fixtures, fittings and equipment	over 10 years

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

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

##### **Pensions**

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

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

##### **Operating leases**

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

##### **Financial instruments**

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

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

##### **Financial assets**

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

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

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

---

#### 1 Accounting policies (continued)

##### ***Financial liabilities***

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

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

##### ***Derecognition of financial assets and liabilities***

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

##### **Taxation**

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

##### **Investments**

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

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

#### 2 Judgements and key sources of estimation uncertainty

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

##### **Critical judgements**

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

##### ***Useful economic lives of tangible assets***

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

##### ***Pension liability discount rate***

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



# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 2 Judgements and key sources of estimation uncertainty (continued)

##### **Financial instruments**

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

##### **Provision for bad and doubtful debts**

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

##### ***Defined benefit pension scheme***

The present value of the Social Housing Pension Scheme (SHPS) defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability.

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 3a Social housing and social housing activities

	2024			2023		
	Turnover £'000	Operating Costs £'000	Operating Surplus/(Deficit) £'000	Turnover £'000	Operating Costs £'000	Operating Surplus/(Deficit) £'000
<b>Social housing activities</b>						
Income and expenditure from lettings	5,407	(4,431)	976	4,961	(4,507)	454
<b>Other social housing activities</b>						
Supporting people contract income	5,894	(6,415)	(521)	5,645	(6,477)	(832)
Other social housing income and expenditure	104	(20)	84	20	(22)	(2)
	<b>5,998</b>	<b>(6,435)</b>	<b>(437)</b>	<b>5,665</b>	<b>(6,499)</b>	<b>(834)</b>
<b>Total</b>	<b>11,405</b>	<b>(10,866)</b>	<b>539</b>	<b>10,626</b>	<b>(11,006)</b>	<b>(380)</b>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 3b Particulars of income and expenditure from social housing lettings

	2024 Supported Housing £'000	2023 Supported Housing £'000
<b>Turnover from social housing lettings</b>		
Rent receivable	3,404	3,513
Void Costs	(336)	(464)
Service Charges Receivable	2,559	2,108
Debts written off	(220)	(196)
<b>Net rental income</b>	<b>5,407</b>	<b>4,961</b>
<b>Turnover from social housing lettings</b>	<b>5,407</b>	<b>4,961</b>
<b>Expenditure on social housing lettings</b>		
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)
<b>Operating costs on social housing lettings</b>	<b>(4,431)</b>	<b>(4,507)</b>
<b>Operating Surplus on social housing lettings</b>	<b>976</b>	<b>454</b>

#### 4 Accommodation in management and development

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

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

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 5 Investment income

No Investment Income.

#### 6 Analysis of expenditure on charitable activities

	2024 £'000	2023 £'000
Salaries and related costs	10,870	8,861
Consultant (External Services)	279	66
Rent and rates	469	336
Property repairs and maintenance	196	118
Voids and rent losses	27	21
Furnishing and decorating	151	98
Heating and lighting	87	67
Other property	58	23
Residents' food and laundry	39	83
Client activities	147	126
Depreciation	86	102
Publicity	10	18
Telephone, printing	104	71
Legal and professional	10	5
General office expenses	111	156
Subscriptions and donations	2	3
Bank charges	3	3
Employee counselling	49	23
Governance costs	31	26
Central Overheads	2,221	1,895
	<u>14,950</u>	<u>12,101</u>

#### 7 Net movement in funds

Net movement in funds is stated after charging:

	2024 £'000	2023 £'000
Auditor's remuneration:		
Audit fees	61	45
Accountancy services	-	-
DB Pension Expense	156	102
Depreciation	135	150
Amortisation	6	6
Operating lease rentals		
– Land and buildings	630	557
– -office equipment	-	-
Release of Government Grant	(6)	(3)
	<u>        </u>	<u>        </u>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 8 Taxation

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	-
Adjustment in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

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

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Surplus/(loss) for the period	896	(758)
	<hr/>	<hr/>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2023: 19%)	170	(144)
Adjustments to tax charge in respect of prior periods	-	-
Non-taxable income	-	-
Losses not recognised	(170)	144
	<hr/>	<hr/>
Tax charge for the period	-	-
	<hr/>	<hr/>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 9 Employees

##### Number of employees

The average monthly number of employees during the year was:

	Group		Charity	
	2024 Number	2023 Number	2024 Number	2023 Number
Charitable work and provision of supported accommodation	544	514	-	-
Support services	72	72	72	72
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	£'000	£'000	£'000	£'000
<b>Employment costs</b>				
Salaries	15,433	13,410	2,181	2,089
Social Security Costs	1,445	1,269	222	219
Other pension costs	567	487	82	66
	<u>17,445</u>	<u>15,166</u>	<u>2,485</u>	<u>2,374</u>

##### Number of employees

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

	Group		Charity	
	2024 Number	2023 Number	2024 Number	2023 Number
Full-time equivalent employees	474	437	58	56

Group redundancy payments of £12,110 (2023: £12,758) were paid in the year.

##### Executive Officers' and senior staff emoluments

	Charity	
	2024 £	2023 £
Aggregate emoluments paid to all Executive Officers, excluding pension contributions	406,312	350,247
Aggregate amount of all Executive Officers' pensions	16,244	13,960
Aggregate amount of all Executive Officers' Employer's NI Contribution	48,639	44,140
Key Management Personnel	<u>471,196</u>	<u>408,347</u>

Emoluments for the Officers fall into the following bands:

	2024 Number	2023 Number
More than £60k but not more than £70k	2	4
More than £70k but not more than £80k	2	
More than £100k but not more than £110k	1	1

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 9 Employees (continued)

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

#### 10 Trustees

The Memorandum and Articles of the Charity allow the payment of reasonable reimbursed expenses to Board Trustees. Travel and other expenses incurred in the discharge of Trustee duties are reimbursed to all Trustees. £257.91 was paid in expenses to Trustees.

#### 11 Intangible assets

<b>Group</b>	<b>Software £'000</b>
<b>Cost</b>	
At 1 April 2023	418
At 31 March 2024	<u>418</u>
<b>Amortisation</b>	
At 1 April 2023	408
Charged in the year	6
At 31 March 2024	<u>414</u>
<b>Net book value</b>	
At 31 March 2024	<u>4</u>
At 31 March 2023	<u>10</u>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 11 Intangible assets (continued)

<b>Charity</b>	<b>Software £'000</b>
<b>Cost</b>	
At 1 April 2023	80
	<hr/>
At 31 March 2024	80
	<hr/>
<b>Amortisation</b>	
At 1 April 2023	73
Charged in the year	3
	<hr/>
At 31 March 2024	76
	<hr/>
<b>Net book value</b>	
At 31 March 2024	4
	<hr/>
At 31 March 2023	7
	<hr/> <hr/>



# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

---

#### 12 Tangible fixed assets – housing properties

##### Group

	<b>Social housing properties held for letting £'000</b>
<b>Cost</b>	
At 1 April 2023	1,611
Additions	217
	<hr/>
At 31 March 2024	1,828
	<hr/>
<b>Depreciation</b>	
At 1 April 2023	515
Charge for year	25
	<hr/>
At 31 March 2024	540
	<hr/>
<b>Net book value</b>	
At 31 March 2024	<b>1,288</b>
	<hr/> <hr/>
At 31 March 2023	<b>1,096</b>
	<hr/> <hr/>

Included in the above is a property in Scarborough with a net book value of £119k (2023: £120k). There is a 30-year charge on the property that is being used to house vulnerable people.

The charity had no housing property fixed assets as at 31 March 2024.

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 13 Tangible fixed assets

Group	Freehold land and Buildings £'000	Improvements to leased property £'000	Fixtures, Fittings and equipment £'000	Total £'000
<b>Cost</b>				
At 1 April 2023	1,279	202	686	2,167
Additions	-	6	75	81
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	1,279	208	761	2,248
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2023	336	181	547	1,064
Charged in the year	26	13	71	110
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	362	194	618	1,174
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2024	917	14	143	1,074
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	943	21	139	1,102
	<hr/>	<hr/>	<hr/>	<hr/>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 13 Tangible fixed assets (continued)

##### Charity

	Fixture & Fittings £'000	Office equipment & IT Tangibles £'000	Total £'000
<b>Cost</b>			
At 1 April 2023	12	54	66
Additions	-	16	16
	-----	-----	-----
At 31 March 2024	12	70	82
	-----	-----	-----
<b>Depreciation</b>			
At 1 April 2023	8	34	42
Charged in the year	1	13	14
	-----	-----	-----
At 31 March 2024	9	47	56
	-----	-----	-----
<b>Net book value</b>			
At 31 March 2024	3	23	26
	=====	=====	=====
At 31 March 2023	4	20	24
	=====	=====	=====

#### 14 Fixed asset investments

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Listed investments	-		-	-
Investments in subsidiaries	-	-	-	-
	-----	-----	-----	-----
	-	-	-	-
	=====	=====	=====	=====

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

Bridging the Gap PD Services Limited provides specialised services to men with personality disorders.

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 14 Fixed asset investments (continued)

##### Listed investments

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Market value at 1 April	-	671	-	-
Additions	-	-	-	-
Fees and charges	-	(4)	-	-
Income received	-	10	-	-
Market movement	-	(47)	-	-
Withdrawal	-	(630)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

We currently hold no investments

#### 15 Debtors

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	2,583	3,658	27	17
Rents receivable	390	490	-	-
Other debtors	6	40	-	25
Amounts due from group undertakings	-	-	93	28
Prepayments and accrued income	682	547	423	230
	<hr/>	<hr/>	<hr/>	<hr/>
	3,661	4,735	543	300
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Rents receivable is stated after provision for bad debt of £345k (2023: £297k) in the group and £Nil (2023: £7k) in the charity.

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 16 Creditors: amounts falling due within one year

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	586	500	258	103
Grants and funding in advance	123	129	14	20
Other creditors	461	316	5	20
Other taxation and social security	141	295	55	54
Amounts due to group undertakings	-	-	170	271
Accruals and deferred income	3,396	4,076	65	96
	<u>4,707</u>	<u>5,316</u>	<u>567</u>	<u>564</u>

#### 17 Deferred government grant and Deferred Income

##### Group

	Deferred income		Government grant	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Brought forward	3,155	4,208	134	137
Additions	10,389	9,109	162	-
Released during the year	(10,779)	(10,162)	(6)	(3)
	<u>2,765</u>	<u>3,155</u>	<u>290</u>	<u>134</u>

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

##### Charity

	Deferred income	
	2024 £'000	2023 £'000
Brought forward	11	8
Additions	1	3
Released during the year		
	<u>12</u>	<u>11</u>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 18 Creditors: amounts falling due after more than one year

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Grants and funding in advance	284	131	-	-
	<u>284</u>	<u>131</u>	<u>-</u>	<u>-</u>

#### 19 Pension

##### Social Housing Pension Scheme (SHPS)

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

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

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

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

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.

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

	31 March 2024 £ '000	31 March 2023 £'000	31 March 2022 £ '000
Present value of provision	3,268	3,105	2,935

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 19 Pension (continued)

##### Reconciliation of opening and closing provisions

	2024	2023	2022
	£'000	£'000	£'000
Provision at start of period	3,105	2,935	5,402
Unwinding of the discount factor (interest expense)	132	71	112
Deficit contribution paid	(795)	(755)	(659)
Expenses	24	24	24
Remeasurements – impact of any change in assumptions	802	829	(1,944)

Provision at the end of period	3,268	3,105	2,935
--------------------------------	-------	-------	-------

##### Income and expenditure impact

	2024	2023	2022
	£'000	£'000	£'000
Interest expense	132	72	112
Expenses	24	24	24
Total income and expenditure impact	156	96	136

Assumptions	2024 % per annum	2023 % per annum	2022 % per Annum
Rate of discount	4.91	4.86	2.78

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

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

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 19 Pension (continued)

##### Key assumptions

	<b>2024</b> <b>£'000</b>
Discount rate	4.91
Inflation (RPI)	3.13
Inflation (CPI)	2.79
Salary growth	3.79

##### *Mortality assumptions*

Assumed life expectations on retirement at age 65:

	<b>2024</b> <b>Periods</b>
Retiring today	
Male	20.5
Female	23.0
Retiring in 20 years	
Male	21.8
Female	24.4

Amounts recognised in the Income and Expenditure account:

	<b>2024</b> <b>£'000</b>
Expenses	24
Net interest on defined benefit liability	132
	156

Amounts taken to other recognised gains/(losses):

	<b>2024</b> <b>£'000</b>
Experience gain on plan assets	(1,229)
Experience gain on plan liabilities	89
Effect of changes in demographic assumptions	184
Effect of changes in the financial assumptions	154
Total actuarial loss	(802)



# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 19 Pension (continued)

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

	<b>2024</b> <b>£'000</b>
Present value of defined benefit obligation	(17,471)
Fair value of plan assets	14,203
	<hr/>
Deficit in scheme	(3,268)
	<hr/> <hr/>

Movements in the present value of defined benefit obligations:

	<b>2024</b> <b>£'000</b>
Liabilities at 1 April 2023	17,542
Expenses	24
Interest cost	842
Actuarial gain due to scheme experience	(89)
Actuarial losses due to changes in demographic assumptions	(184)
Actuarial losses due to changes in financial assumptions	(154)
Benefits paid	(510)
	<hr/>
At 31 March 2024	17,471
	<hr/> <hr/>

Movements in the fair value of plan assets:

	<b>2024</b> <b>£'000</b>
Fair value of assets at 1 April 2023	14,437
Interest income	710
Experience on plan assets	(1,229)
Contributions by the employer	795
Benefits paid	(510)
	<hr/>
At 31 March 2024	14,203
	<hr/> <hr/>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 19 Pension (continued)

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

	<b>2024</b>
	<b>£'000</b>
Global equity	1,416
Absolute return	555
Distressed opportunities	500
Credit relative value	465
Alternative risk premia	451
Emerging markets debt	184
Risk sharing	831
Insurance-linked securities	73
Property	570
Infrastructure	1,434
Private debt	12
Opportunistic illiquid Credit	559
High Yield	555
Opportunistic Credit	2
Cash	
Corporate Bond Fund	280
Long lease property	-
Secured income	-
Liability driven investment	91
Currency hedging	419
Net current assets	5,806
	<hr/>
	14,203
	<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.

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 20 Analysis of movement between

Group	Balance at 1 April 2023	Net Income/ (expenditure)	Transfer	Balance at 31 March 2024
	£'000	£'000	£'000	£'000
<b>General funds</b>				
Unrestricted funds	5,592	1,059	7	6,658
Pension reserve	(3,105)	(163)	-	(3,268)
	<u>2,487</u>	<u>896</u>	<u>7</u>	<u>3,390</u>
Designated funds:				
St Peter's Building	298	-	(5)	293
Scarborough Property	121	-	(2)	119
	<u>2,906</u>	<u>896</u>	<u>-</u>	<u>3,802</u>

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

The Charity net funds are all unrestricted funds and arose following net income of £3,998k in the year.

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 20 Analysis of movement between funds (continued)

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

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

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

<b>Group</b>	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Total £'000</b>
Fund balances at 31 March 2024 are represented by:			
Fixed assets	2,366	-	2,366
Current assets	9,695	-	9,695
Current liabilities	(4,707)	-	(4,707)
Non-Current liabilities	(284)	-	(284)
Pension provision	(3,268)	-	(3,268)
	<u>3,802</u>	<u>-</u>	<u>3,802</u>
Fund balances at 31 March 2023 are represented by:			
Fixed assets	2,208	-	2,208
Current assets	9,249	-	9,249
Current liabilities	(5,316)	-	(5,316)
Non-Current liabilities	(131)	-	(131)
Pension provision	(3,104)	-	(3,104)
	<u>2,906</u>	<u>-</u>	<u>2,906</u>
<b>Charity</b>			<b>Unrestricted £'000</b>
Fund balances at 31 March 2024 are represented by:			
Fixed assets			30
Current assets			886
Current liabilities			(567)
			<u>349</u>
Fund balances at 31 March 2023 are represented by:			
Fixed assets			31
Current assets			534
Current liabilities			(564)
			<u>1</u>

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 21 Statement of financial activities – comparative note

	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023
	£'000	£'000	£'000
For the year ended 31 March 2023			
<b>Income</b>			
Charitable activities	12,214	-	12,214
Other trading activities	1,180	-	1,180
Investments	(35)	-	(35)
Social housing	4,962	-	4,962
Other social housing activities	5,665	-	5,665
<b>Expenditure</b>			
Charitable activities	12,102	-	12,102
Other	806	-	806
Social housing and social housing activities	11,006	-	11,006
<b>Net Income</b>	72	-	72
<b>Other recognised gains:</b>			
Actuarial losses on defined benefit pension schemes	(829)	-	(829)
<b>Net movement in funds before tax</b>			
Taxation	-	-	-
<b>Net movement in funds after tax</b>	(758)	-	(758)
<b>Total funds as at 1 April 2023</b>	3,664	-	3,664
<b>Total funds as at 1 April 2024</b>	2,906	-	2,906

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 22 Commitments Operating Leases

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

	2024 £'000	2023 £'000
Within one year	219	320
Within two to five years	124	209
	<u>343</u>	<u>529</u>

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

#### 23 Related party transactions

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

During the period costs amounting to £1,647k (2023: £1,577k) were recharged from Inspire North to Foundation. At the year end there was an amount of £75k (2023: £9k owing by Foundation to Inspire North) owing by Inspire North to Foundation.

During the period costs amounting to £2,221k (2023: £1,859k) were recharged from Inspire North to Community Links. At the end of the year there was £170k (2023 £nil) was owed to Community Links (Northern).

During the period costs amounting to £46,342k (2023: £49,545k) were recharged from Inspire North to Bridging The Gap. At the end of the year there was £34,865k (2023 £36,018) was owed to Inspire North

#### 24 Net cash flow from operations

##### Group

	2024 £'000	2023 £'000
Net income for the year	1,698	71
Finance costs	132	89
Depreciation and amortisation	141	157
Interest income	(64)	10
Pension scheme non-cash movement	(771)	(654)
decrease in debtors	1,074	220
decrease in creditors	(455)	(1,052)
	<u>1,755</u>	<u>(1,159)</u>

A consolidated analysis of changes in net debt is not presented as the Group had no net debt at 1 April 2023 or 31 March 2024.

# INSPIRE NORTH

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### **25 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.

#### **26 Post Balance Sheet Events**

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.