Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Registered number: 01666027
Charity number: 513149

The Azure Charitable Foundation

(A company limited by guarantee)

Annual report

31 January 2026

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The Azure Charitable Foundation

(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 40
Trustees' responsibilities statement	41
Independent auditor's report to the members of The Azure Charitable Foundation	42 - 45
Consolidated statement of financial activities	46
Consolidated balance sheet	47
Charity balance sheet	48
Consolidated statement of cash flows	49
Notes to the financial statements	50 - 71

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The Azure Charitable Foundation

(A company limited by guarantee)

Reference and administrative details
Year ended 31 January 2026

Trustees	G P Barnard, Chair (resigned 17 July 2025) G W Robson, Chair from 17 July 2025 R J Adams D V Benson (appointed 21 May 2025, resigned 28 January 2026) M Boyle A Charlton I Hindle (resigned 28 January 2026) J Moiser C Vaulks J Wake
Company registered number	01666027
Charity registered number	513149
Registered office	McCallum House Kielder Avenue Cramlington Northumberland NE23 8JT
Company secretary	C Nesbitt
Chief executive officer	P J Wilson
Independent auditor	UNW LLP Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds Bank plc Newcastle upon Tyne NE1 6AG
President	Neil Robinson MBE, JP
Patron	The Viscount Ridley
Vice President	Neville Furness FCA

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The Azure Charitable Foundation

(A company limited by guarantee)

Trustees' report
Year ended 31 January 2026

The Azure Charitable Foundation (formerly Azure Charitable Enterprises)[1] is a registered charity with a mission to "improve the lives of people who are disabled or disadvantaged".

The charity was formed in Northumberland in 1979 at a time when attitudes towards 'disability' were changing. Families (locally) sought alternatives to what was often a life-time of institutionalised care and confinement, while policy makers too were actively engaged in perhaps the first meaningful discussions as to the concepts and practices underpinning the delivery of care and support.

Most significantly, in what was something of a 'watershed' moment, it was determined that care should be provided and supported in communities (as opposed to what was traditionally provided outwith the community – and in what might be best described as 'closed communities').

The charity was formally established in 1982, and has been supporting people with a disability to maximize their quality of life, life chances and personal development for more than 40 years.

The Azure Charitable Foundation's principal focus is to deliver social value for our client community i.e., those with special education needs and/or disabilities or who are otherwise disadvantaged.

The charity delivers against these objectives through our:

- Care & Support Services
- Education Services
- Employment and Training Services
- Supported Business (Garden Centre, Café, Business Centre and Landscaping Business) providing 'Supported Employment' for up to 50 people with disabilities.

The charity employs 226 personnel, and group revenues exceeded £12 million this year.

[1] The charity changed its name to 'The Azure Charitable Foundation' on the 18th of July 2024 to better reflect the changing nature and scope of the charity's activities. The trustees determined that the new name better reflects the strength and longevity of the charity and the breadth of our work which will also now include grant making and the operation of a Specialist (SEND) College. The trustees found that the name 'Azure Charitable Enterprises' had become too narrowly associated with a small, albeit still important, part of our activities (social enterprises).

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Structure, governance and management

Governing instrument and constitution

The organisation is a charitable company limited by guarantee, incorporated on 21st September 1982 and registered as a charity on 13th October 1982.

The charitable company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association.

The company's membership is limited to 50 members. The members devolve authority to a Board of Non-Executive Directors (Trustees) who meet bi-monthly who in turn devolve the executive management to the Chief Executive and senior leadership team.

In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1 each.

The governing instruments were revised at an Extraordinary General Meeting on 5th of February 2025.

Board of Directors (Trustees)

The charity is governed by its Board of Directors (Trustees) - who are the appointed directors of the company.

The number of trustees at present is 8 (the requirement being that the number is not less than 6 nor more than 20). Trustees are elected to serve 3-year terms, retire by rotation and are able to stand for re-election:

- At the 2026 Annual General Meeting Julie Wake and Matt Boyle retire by rotation (under Article 29) and being eligible, offer themselves for re-election.
- At the 2026 Annual General Meeting Isobel Hindle, having stepped down from the Board of Trustees temporarily in January (having previously served on the Board of Trustees from 23/03/2016 - 28/01/2026) offers herself for re-election (under Article 34).

John Moiser, who joined Azure's Board of Trustees in November 2021 retires at our AGM in July. We are most grateful for his service and support for our Employment Services team.

The trustees meet as a norm not less than six times a year. They receive regular, detailed management accounts (including cash flow projections) as well as reports on operational activities every month. They regularly receive presentations and reports on any major developments or proposals. They participate in the strategic planning process and have ultimate responsibility.

Recruitment of trustees

Any trustee vacancies which arise are filled by search with due regard to maintaining a proper balance of skills and experience within the Board.

All appointments are subject to the approval by members at a General Meeting. With the notice of such meeting, members are provided with a profile of prospective new trustees - and equivalent information for any trustee offering themselves for re-election.

Additionally, a full attendance record is made available to members.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Trustee induction and training

New trustees are provided with a proper induction process and all relevant papers and associated guidance to properly fulfil their responsibilities. Briefing papers and familiarisation training is arranged for all trustees, as deemed necessary.

Sub committees

The Board of Trustees has four special sub-committees that assist the Board:

- A **Corporate Services Committee** consisting of not less than three members of the Board and chaired by the treasurer meets 6 times a year to support the Board to establish and implement policies, procedures and controls to facilitate financial governance, which includes financial planning, budget approvals, expenditure approvals and financial reporting. The committee:
    i. Functions in conjunction with the Board and the Executive on major areas of change, innovation and development.
    ii. Undertakes tasks delegated by the Board that are within the committee's terms of reference.
    iii. Reviews and comments upon management accounts and financial forecasts.
    iv. Considers the financial implications of proposals for areas of major new strategic development on behalf of the Board and makes recommendations to the Board in respect of their suitability.
    v. Maintains an overview of financial performance.
    vi. Reviews the trust's financial policies, including its financial reserves policy, and comments upon proposed changes before making recommendations to the Board.

  Decisions are ultimately the responsibility of the trustee members of the committee, and in reaching their decisions and recommendations they will, so far as possible, take account of the views of the executive directors and any co-opted advisors.
- The **Audit and Risk Committee** consisting of not less than three members of the Board meets twice a year to support the Board and Executive reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report. The committee:
    - Keeps a watching brief and provides advice, where appropriate, on potential and actual financial opportunities and threats.
    - Assists the Board to identify the charity's major risks and developing appropriate approaches to risk management. This includes periodic reviews of the charity's insurance cover.
    - Oversees the process for appointing the external auditor, approving the audit fee, considering any questions of resignation or dismissal of the external auditor, and making recommendations to the Board.
    - Discusses with the external auditor, before the audit commences, the nature and scope of the audit.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

- Reviews the annual audited financial statements before submission to the Board focusing particularly on any changes in accounting policies, major areas of judgement, significant adjustments resulting from the audit, compliance with charity legal requirements and financial reporting standards, and presentation of the accounts from a non-financial perspective.
- Discusses with the auditor significant matters arising from the audit.
- Reviews policy and procedures in respect of internal financial controls.
- Reports periodically to the Board.

- The **Services Committee** consisting of not less than three members of the Board, the Chief Executive and Heads of Service meets at the instruction of the Board to review the nature and scope of services, quality of services and opportunities for development to support the development of strategy and plans. The broad role of the committee is to consider matters not otherwise reported to the Board of Trustees and which may relate, for example, to the development and delivery of services (including regulated services) provided by Azure under contract to government departments, executive agencies e.g. Department for Education (DfE), local authorities, etc, and which presently include:
  - Adult Social Care (i.e. 'Support Services');
  - Education & Training Services; and
  - Employment Services (including 'Supported Business')

  More specifically, the committee may be convened by the Board of Trustees to:
  - Review the achievement and maintenance of high standards of teaching, learning and assessment (Education Services); and/or
  - Assess the nature, level of support and client impact (for Support Services & Employment Services clients); and/or
  - Provide a forum for the Board of Trustees and senior managers to test new ideas relating to the development and delivery of services including assessments of their effectiveness; and/or
  - Monitor the outcomes of Azure's quality assurance system regarding learner and/or client experiences, including destinations, satisfaction surveys and complaints; and/or
  - Receive, consider and monitor Azure's self-assessment reports and the associated action plans, to include the effectiveness of quality control of all services and report appropriately to the Board; and/or
  - Monitor Azure's development and compliance with all policies and procedures regarding equality of opportunity and diversity; and/or
  - Receive reports of formal internal inspections of areas of Support Services, Education & Training and Employment Services and the associated action plans and consider them in the context of each service's strategy; and/or
  - Receive and consider reports detailing student/client recruitment, retention and progress including changes to the profile of recruitment and report to the Board on their potential significance for the charity's curriculum and/or financial strategy; and/or

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

- Receive and consider reports on any other quality requirements identified by the Care Quality Commission (CQC), the Office for Standards in Education, Children's Services and Skills (OFSTED) or other inspectorate or funding body.

- The **Remuneration Committee** consisting of not less than three members of the Board meets at least once each year to ensure that Azure's Pay & Reward strategy and policies attract and motivate personnel to achieve the long-term interests of the charity and deliver services to the communities we serve.

  More specifically, the committee is responsible for and the scope of:

  - Annual cost of living or performance related awards.
  - The remuneration of all personnel including senior staff and the Chief Executive.
  - Ensuring the policy and application of the remuneration policy is equitable, fair and transparent
  - Overseeing any major changes in employee benefits structures throughout the organisation

- **Azure College** is presently constituting a **Board of Governors** (and which shall include not less than two Members of the Foundation's Board) to oversee the performance of Azure College (see below). The Azure Charitable Foundation reserves to and for itself the following powers and responsibilities:

  - Strategic Direction: Setting the vision, values, and multi-year strategic plans for Azure College so that student transition into adulthood, independent living, or employment is optimised.
  - Financial Solvency: Approving the annual budget, capital spending, and monitoring the stability of local authority high-needs matrix funding.
  - Senior Executive Appointments: Recruiting, appointing, and conducting performance reviews for the Principal, CEO, and designated senior post-holders.

Day to day management

Day to day management of the charity and its constituent businesses and services is vested in a professional team led by the charity's Chief Executive.

The Chief Executive meets regularly with the Chair of the Board of Trustees (in addition to the formal meetings) and appraises the Chair of any significant issues as they may arise between meetings.

The Chief Executive, Chief Operating Officer, Chief Financial Officer (and Company Secretary) attend the board meetings (and other senior post-holders by rotation) but there is proper provision for the Board to discuss any matter without management attendance when they so wish.

Key management personnel

The key management personnel are those listed in the 'Reference and administrative details' page.

In addition to their own attendance at the formal trustee board meetings, the Chief Executive, Chief Operating Officer and Chief Financial Officer meet together with other executive directors and managers as needed, to address all relevant operational issues.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Related parties

The charity has three subsidiaries, namely:

- Azure Garden Centre Limited which is operated with the principal purpose of providing (i) employment, including 'supported employment' and (ii) a setting for education and training for people with special educational needs or disabilities. Revenues generated by the garden centre supports our charitable purposes which includes the delivery of care services, employability and education programmes.
- Azure College Limited which has been established (in February 2025) to advance and provide education, training and care for those with learning difficulties, special education needs or disabilities in a caring and sheltered environment.

  The College aims to:

  (i) support the development of learners' vocational, personal, independent living and employability skills;

  (ii) promote learners' self-esteem, confidence and sense of well-being;

  (iii) enable learners to secure and sustain employment and actively engage in and with their community

  (iv) assure our learners' welfare.
- Azure Property Management Services Ltd which operates Azure's investment property (Newburn Business Centre) and which provides supported employment opportunities for our beneficiaries and which generates revenue for the charity to support its charitable purposes.

The Charity and its subsidiaries work with Service Commissioners including Northumberland County Council, Newcastle City Council, North Tyneside Council and Sunderland City Council, DfE, Department for Work and Pensions (DWP), housing associations and other charities e.g., the North East Autism Society (NEAS) in the delivery of services to our beneficiaries.

The Charity is a member of the British Association of Supported Employment (BASE).

The Trustees were saddened to learn of the death of Alan Kilburn; former trustee, Vice President and core founder of the Charity and of Liz Hazlehurst; former employee at the Charity. Both Alan and Liz's contributions to the charity over the years are remembered and the Trustees are grateful to those who chose to make donations to the charity in their memory.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Objectives and activities

Further to our AGM in 2024 where the Members approved the charity's change of name from 'Azure Charitable Enterprises' to 'The Azure Charitable Foundation' the charity updated its Memorandum and Articles of Association and Charitable Objects which are now stated as follows:

- **To work with people who have special educational needs and/or a disability and/or who are disadvantaged (hereinafter called the "Beneficiaries") to maximise their quality of life, life chances and personal development**
- **To provide or assist in the provision of all or any of the following services to or for the Beneficiaries; supported housing, employment (including supported employment), education and training, community integration support, counselling and any other relevant support service which may be developed.**

To this end the charity provides a range of services:

- Education and vocational training supporting our students' personal development and extending opportunities to improve their life chances,
- Care and support – supporting people to live independently and their engagement in the community,
- Support for those seeking employment and those in employment (to sustain their employment),
- Employment (at Azure in our 'Supported Businesses') where we work with people to develop their skills, competencies and experience which also enables them to pursue employment outwith Azure.

The geographic scope of the charity's operations has traditionally been confined to the North East of England, although this is not a policy limitation as illustrated overleaf.

In addition to Care & Support, Education and Employment Services, the charity has established and operates a number of businesses (e.g. Azure Business Centre) and supported businesses[2] to generate income and to provide sustainable paid employment and real 'on the job' learning and training opportunities for people with a disability (i.e. Azure Garden Centre (incorporating our horticultural nurseries)), Café and Azure Landscapes and Grounds Maintenance businesses.

Maximising independence, personal development and achievement are our fundamental aims that we achieve in a variety of ways - many of which are complementary - with many of our clients accessing more than one type of service.

Our Mission The overarching mission of the charity is to "improve the lives of people who are disabled or disadvantaged"

Our Vision To be recognised as a leading provider of services to those with Special Educational Needs and Disabilities and those who are disadvantaged

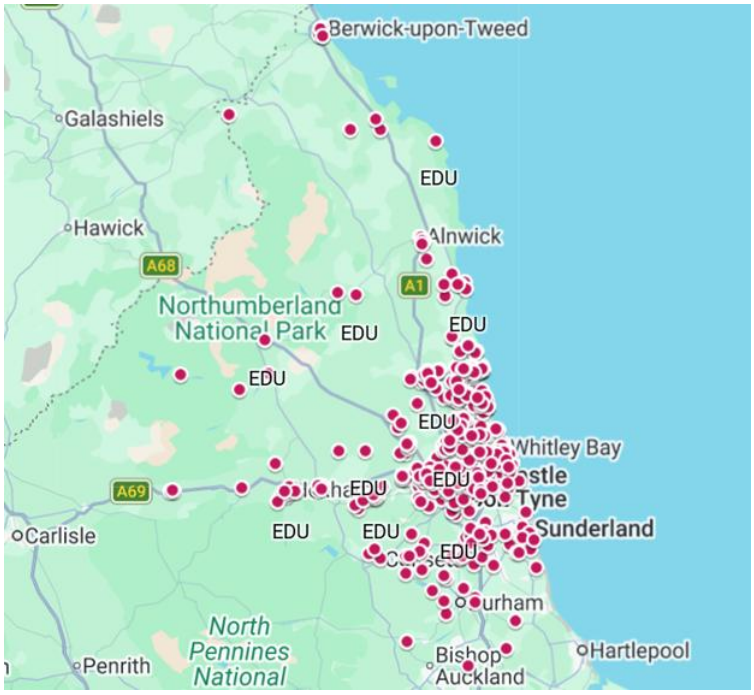
[2] A 'supported business' is defined as where more than 50% of the work-force have a disability

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Our Focus

- To support and champion the talents, skills and rights of those with Special Educational Needs and/or Disabilities (SEND), to raise aspirations and improve their life chances.
- To make a difference to every client, student and organisation with whom we work so that they achieve their potential and ability to affect change.
- To extend our reach and impact across the communities we serve.

Reach & Impact: Beneficiaries in 2025/26



Our Priorities

- The development of a regionally and nationally recognised specialist post-16 SEND College (SPI) in (Cramlington) Northumberland.
- The delivery of regionally and nationally recognised care services.
- The delivery of Employment Services for those with special educational needs, disabilities or who are otherwise disadvantaged and to sustain and extend Supported Employment.
- The development of housing solutions that support young people's transition into adulthood and independent living.
- Ensuring that our trading subsidiaries continue to deliver levels of commercial/financial performance that deliver funds to support the Foundation's charitable objectives and deliver social value.
- Preserving and strengthening the Foundation's long-term financial independence, ensuring stability, resilience and the capacity to invest in our people, programmes and strategic priorities.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Aim: The development of a regionally and nationally recognised specialist post-16 SEND College (SPI) in (Cramlington) Northumberland:

Azure commenced delivering SEND education and training (an 'Entry into Employment' programme) in Cramlington under contract to the Learning Skills Council in 2007 (having previously worked as a subcontractor to the SHAW Trust). In 2018, Azure established Azure College (at McCallum House, Cramlington) a supportive learning environment rooted in an understanding of our students' needs and aspirations where:

- We will further develop the curriculum offer and establish a specialist SEND College (with SPI status - upon the advice of Ofsted and with the support of Northumberland County Council and the DfE). **Azure College was formally incorporated in February 2025 and was awarded SPI status and direct funding by the DfE from August 2026.**
- We will develop a dedicated £20million campus that will extend our:
    - capacity to support a greater number of students;
    - capability to support a broader range of and/or more complex needs; and
    - ability to deliver a broader vocational curriculum and at additional levels.

  The new build features the creation of 18 accessible classrooms, 3 large multi-functional (recreational/teaching) spaces, vocational training facilities including horticulture, catering and hospitality (two training kitchens), mechanical and automotive workshops and an independent living skills suite (including a dedicated domestic kitchen), employability hub, medical facilities and a therapeutic suite, sports hall, outdoor recreational and teaching spaces. The new facility will support the delivery of education and training to more than 350 students.

  In addition, the new build will allow us to refurbish and repurpose McCallum House as an additional training facility teaching trade skills (brickwork, joinery, plastering, plumbing, etc) for an additional 60 students.





Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

A planning application has been submitted to Northumberland County Council – please see Northumberland County Council's planning portal for further details[3].

- We will recruit a governing body comprising education and teaching professionals and service commissioners to:
  - support curriculum development,
  - assure the quality of teaching, learning and assessment and
  - oversee student achievement and progression.
- We will secure and retain a not less than 'As Expected' Ofsted Inspection Grade.

  The Service was inspected by Ofsted in February 2026 and was awarded 'As Expected'

Strategies

- Outstanding leadership and commitment to learners at all levels.
- Highly effective identification of support needs and understanding of starting points.
- A Whole-Person Focus assures not only the development of academic skills, but also emotional intelligence, mental health, social skills, physical development, and independence.
- Working with previous education settings (and care providers as required) to inform our understanding of students' needs and aspirations and to support their transition into Azure College and their engagement in learning.
- Person-Centred Planning informed, as appropriate, by Education, Health and Care Plans (EHCPs) helps us to develop personalised learning plans and set personal targets that are meaningful for each student.
- We work with students to ensure their voice is central to the process, their choices, progress and journey into adulthood.
- Vocational education and training programmes designed to develop employability and personal independence/independent living skills.
- High Quality Teaching, Learning & Assessment for all SEND Learners.
- Matrix accredited careers Information, Advice and Guidance (IAG).
- Azure College works with stakeholders and local employers to provide students with vocational and personal development opportunities in our community.
- Outstanding levels of achievement and progression.

[3] https://publicaccess.northumberland.gov.uk/online-applications/search.do?action=simple&searchType=Application

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Reach & Impact: Azure College

Working with local authorities and other partner organisations, the charity continues to develop a range of education pathways for students. Services are focused on providing programmes for those aged 16 and above in recognition of the fact that this client group is perhaps the least well served by mainstream education and, indeed 'special' or 'SEND'[4] schools and notwithstanding their best endeavours.

At Azure, our programmes are devised not only to support our students' personal development but also their social and employability skills. Employability is a key facet of each of our educational programmes (horticulture, catering and hospitality, retail and customer service) where each student has the opportunity to develop key skills and meaningful work experience by working in any of our businesses.

Students (generally with Educational Health and Care Plans) are referred to Azure's alternative pathways and settings by Northumberland County Council and latterly North Tyneside Council.
Our programmes have been developed specifically for students (aged 16-24) for whom mainstream schools and/or General Further Education Colleges have been/are unsuitable or where it has been deemed that these pathways were/are ill-equipped to support students with particularly high needs (moderate to severe learning difficulties and/or disabilities) that include, but are not limited to:

- Acquired disability (brain injury);
- Anxiety;
- Attachment disorders
- Attention Deficit Hyperactivity Disorder (ADHD);
- Autism Spectrum Disorder (ASD);
- Cerebral Palsy;
- Downs Syndrome;
- Dyspraxia;
- Spina Bifida
- Epilepsy;
- Fine/gross motor skill difficulties;
- Hypermobility;
- Obsessive-Compulsive Disorder (OCD);
- Post-Traumatic Stress Disorder (PTSD);
- Sight/hearing impairment;
- Social, emotional and mental health needs;
- Speech and language difficulties;
- Tourette's Syndrome.

In addition, we also teach students designated as a 'Child in Need' and/or 'Looked After Children':

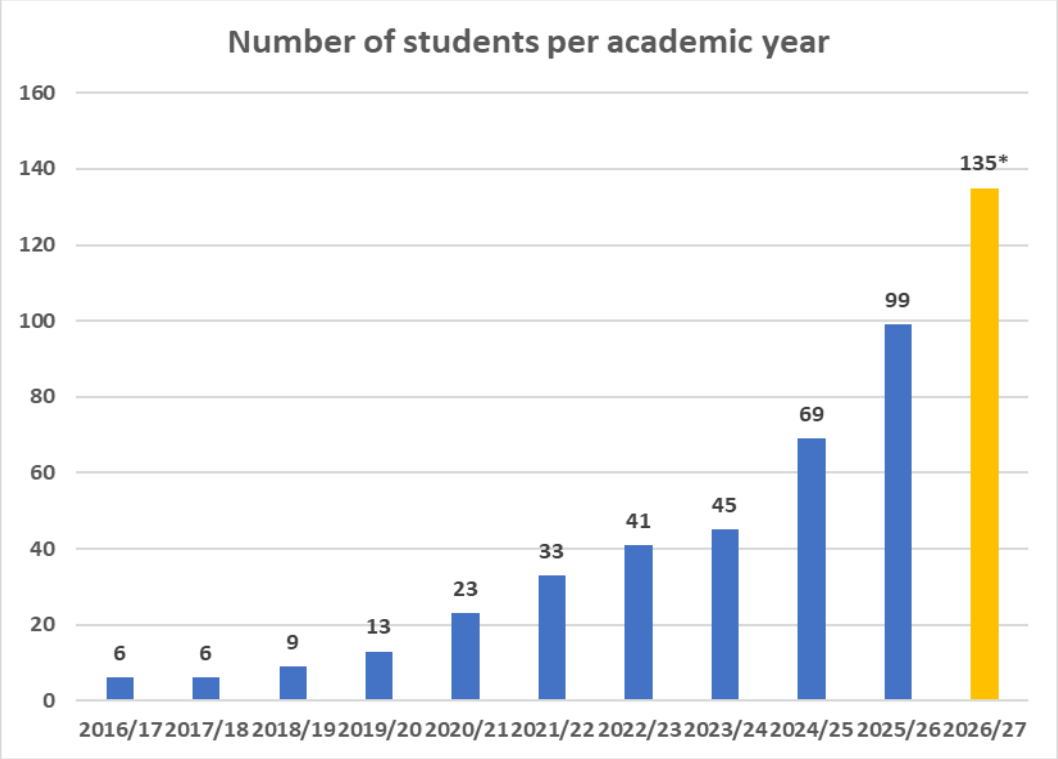
- A '**Child in Need**' (CIN) is defined under the Children Act 1989 as a child who is unlikely to reach or maintain a satisfactory level of health or development, or their health or development will be significantly impaired, without the provision of services, or the child is disabled
- **'Looked After Children'[5]** are children and young people for whom the Local Authority becomes their Corporate Parent; this means that the Local Authority is responsible for finding them a safe and stable home. Where it is in the best interests of the child this could be a short-term arrangement whilst the family is supported so that children can safely return home; or this can lead to the children and young people being in the Local Authority's care for the longer term[3].

[4] Special Educational Needs and/or disabilities
[5] 'Looked After' is a term introduced in the Children's Act 1989 and many legal aspects have been amended or updated in the Children and Families Act 2015.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Our students are enrolled on study programmes where core funding is provided by the DfE and where additional costs associated with each student's needs are provided by the Local Authorities e.g. speech and language therapists, occupational health specialists, etc, (supporting learners and their families/carers).

Working with Northumberland County Council, recruitment to our education and training programmes **'Skill-builders'** (personalised vocational training and personal development programmes) and **'Supported Internships'** has increased, year on year:



We have 99 students enrolled this year (95 of our students have EHCPs).

*At the time of writing we expect our enrolment (in August 2026) to be circa 135 students.

As previously reported, demand and interest in our education and training programmes (Azure College) continues to exceed expectations with McCallum House being adapted still further to accommodate additional students and with staff, in all likelihood, to be operating from temporary buildings situated in the McCallum House car park pending the development of the new campus noted above.

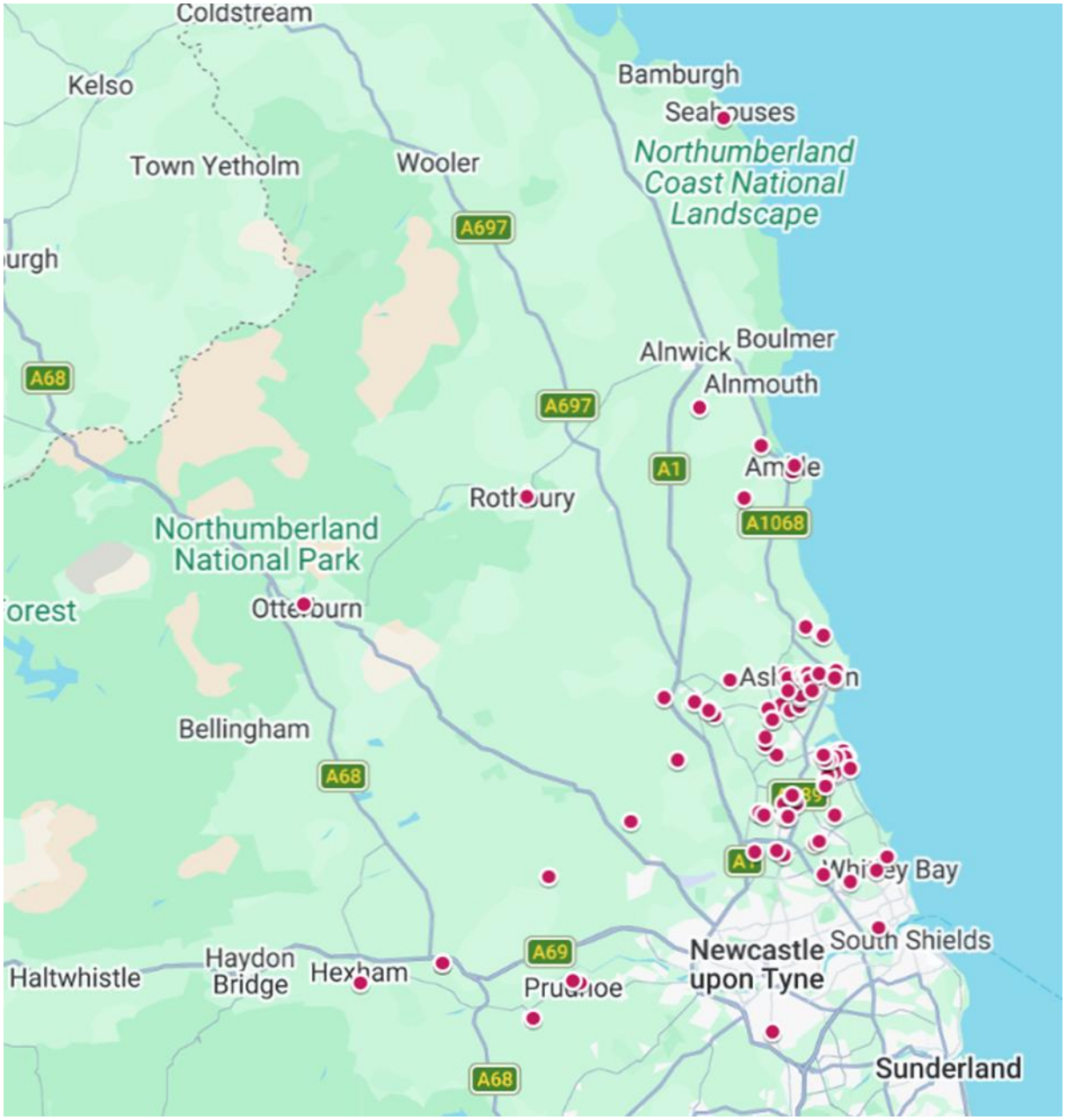
The charity is also in discussions with Northumberland County Council vis-à-vis the development of a - residential setting on the site (which is being designed to support young people to experience independent living) and a sports and recreational facility designed to support those with SEND.

As illustrated below, Azure College attracts students from across the North East and principally from Northumberland (from as far as Seahouses in the North and Otterburn in the west of the county).

The College also supports students from North Tyneside.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Where our students come from in 2025/26



The Local Authority also provides for our learners' travel costs to and from college (by taxi) if they do not travel independently. Many of our students are vulnerable and require support within and outwith Azure and as they travel to and from College.

As they study with us, we also work with learners to support their personal and social development (learners may, for example, be non-verbal), independent living skills and to secure local employment where possible (within and outwith Azure).

To support enrichment activities, the charity also makes £20,000 available to the college to ensure that there are no economic barriers to participation in enrichment activities including extra-curricular activities.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Azure College continues to develop new pathways and a new curriculum that incorporates hospitality and catering, horticulture, retail and customer service.

As previously reported, the Hospitality and Catering Programme launched in September 2020 and was supported by £250k capital investment in the creation of a new teaching kitchen which also attracted financial support from The Reece Foundation and the Molitor Charitable Trust.

The college has a dedicated employment advisor who works extensively with students to plan and secure their progression destinations; this includes securing voluntary and work-placement opportunities for students, identifying suitable job opportunities and assisting students to apply for roles and prepare for interview.

This year:

Of the 69 students enrolled 2024/25 (all registered with high or additional needs) 93% are known to have progressed to a positive destination.

- 51 returned to continue their study pathways including 5 supported interns (4 in Café Azure and 1 in Azure Garden Centre)
- 2 progressed to further study
- 4 obtained paid employment
- 4 progressed onto an employability programme
- 3 have entered adult social care provision
- 1 learner destination unknown
- 1 learner was excluded from the College on account of their behaviours
- 3 learners left before completion of programme.

Of the 99 Learners currently enrolled in 2025/26:

- 69 are expected to return in September 2026, 5 of whom are expected to return into a Supported internship – 3 Azure Café, 1 Azure Garden Centre (plants), 1 Azure Garden Centre (retail)
- At the time of writing 66 new enrolments are already confirmed (across all pathways) with a total of 135 enrolments projected in 2026/27. We continue to receive enquiries from families and consults from service commissioners

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

From our Parents

"The staff at Azure have welcomed my child in from the start showing patience, kindness and a flexible approach"

"It's lovely to see a person-centred approach that focuses on my child's particular strengths and needs"

"The tutor has been massively encouraging of my child writing talents and boosted his confidence to carry on with this"

"Environments like Azure are so beneficial to kids that really need a lot scaffolding before they can begin to settle down to learning and achieving"

"Azure have facilitated an enriching, supportive, and most importantly, fully inclusive environment which has enabled him to grow beyond his, and our, dreams"

"He no longer dreads taking part in an education setting. He was very pessimistic about his abilities and his future. We now see his confidence soaring. He see's possibilities in his future"

"We have witnessed our son step out of his comfort zone and the rewards have been priceless, for the first time in his life, with the support of staff, he has just blossomed"

"The staff and the college have an ethos that has enabled our son to thrive. Their approach, their skills and experience are out of this world"

"It has made a huge difference to our lives as a family but most importantly they are transforming our son's life in such a positive and empowering way. They have effortlessly shown that our son is worthy, our son is capable and our son is important"

From our Students

"I personally think the college is great and meets the learners needs and expectations"

"When I first started, I was nervous and had severe anxiety, now I look forward to coming in everyday"

"I'm a peer mentor and that has really boosted my confidence a lot"

"I'm becoming the person I always dreamt of, all because of the help and support I've received from the members of staff here at Azure"

"It's a place everyone can be themselves and a place we can feel safe"

"Everyone here is just so kind, creative, bubbly and just overall lovely"

"At only 16 I wouldn't think I'd know what I'd do in the future and for the rest of my life but my teachers and teaching assistants are so supportive and helpful"

"This is more than a college to me, and I'm extremely proud to be a student at Azure"

"It's specialised, inclusive and tailored, they have helped me grow and prepare for my future goals"

"As someone who struggles day to day with my disabilities, Azure has welcomed me with open arms and been a fantastic experience for me"

"Azure is the best college I have ever been to and the environment inside of the college is one of a kind"

"I've made so many memories at this college so far, I have no negative feelings about Azure and in a way, it has made me a better man"

"The college has many opportunities for young people to prepare for the future, I have always wanted to do office work but I have also wanted to learn about horticulture and looking after gardens well, Azure has given me the opportunities to do both at the same time"

"My review of Azure College – 11/10"

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Aim: The delivery of regionally and nationally recognised care services

All care must be rooted in dignity, compassion and respect ensuring that clients' sense of self and self-worth is maintained.

Our clients - regardless of their needs, background or where they live - should have the opportunity to lead healthy, independent, happy and fulfilling lives connected to friends, family and their community.

Our clients must feel safe and supported in the place they call home, whether that's in their family home, care home, supported living or any other setting.

Support Services provides a range of care services to individuals with disabilities in the North East region. The company's residential based work in the housing departments of Cramlington, Washington, Tynedale, and Newcastle, as well as its enabling support activity around the North East, are of the highest quality and are regularly verified by third party inspections.

Azure's aim is to support clients to achieve autonomy, exercise their personal freedoms and make choices about the lives they lead. Our services are tailored to individual needs and are delivered in a flexible, personalised way to support all our clients including 24/7 if required.

We aim to ensure that our clients:

- Experience and exercise their personal freedoms and are empowered to make informed decisions about their own care and lifestyle
- Receive (as a minimum) the care to which they are entitled
- Are actively involved in developing their support plans and defining their support arrangements with their families and/or social care managers
- Can rely on the Charity to represent their interests and act as an advocate on their behalf
- Engage in normal community experiences and access local facilities
- Exercise greater choice over their place of residence by regularly reviewing their needs and wishes
- Contribute to the development of our service offer by being consulted on a regular basis
- Enjoy a greater circle of informal support in and across their lives
- Receive personalised support programmes to enable them to achieve greater control over all aspects of their lives

We will secure and retain a not less than 'Good' CQC Inspection Grade across all services.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Strategies

- Outstanding leadership and commitment to clients at all levels
- Working with Service Commissioners to assure that clients get the right support, at the right time, in the right place.
- Acknowledging and valuing an individual's personal history, beliefs, culture, and opinions. It means actively listening and avoiding making assumptions about what someone wants.
- Client Focus
    - **Individual Support Plans** – Azure works with Service Users to create personalised plans reflecting Service Users' aspirations, abilities, and changing circumstances, ensuring care is tailored to their needs.
    - **Active Involvement** – Service Users, and where appropriate their families or advocates, are fully involved in decisions about daily support, personal development pathways, and future goals.
    - **Strengths and Potential** – We focus on what each person can do and wants to achieve, encouraging independence (avoiding 'dependency') and celebrating progress.
    - **Whole-Person Wellbeing** – Support addresses physical health, emotional resilience, social relationships, and opportunities for personal growth and learning, recognising that these elements are closely linked.
    - **Ongoing Review** – Regular feedback from Service Users, their families or advocates shapes continuous improvement, so support remains responsive and relevant.
- **Safeguarding:** Ensuring our clients are protected from abuse, neglect, and avoidable harm.
- **Social inclusion:** Helping clients engage in education, employment, recreation, volunteering opportunities and community groups to prevent isolation.
- **Reducing Isolation:** Enabling clients to maintain or rebuild relationships with their families, friends, and the wider community.
- **Integrated services:** Multi-agency working, fostering partnerships between social care professionals and the NHS to create a smoother, more holistic care pathway for our clients.
- **Our People:** Our staff are expert, experienced and highly trained professionals skilled in supporting people with a disability to live in homes appropriate to their needs and to support them to live as independently as they are able.
- **Workforce Development**: We know that high-quality care depends on the skills, commitment and wellbeing of those who provide it.

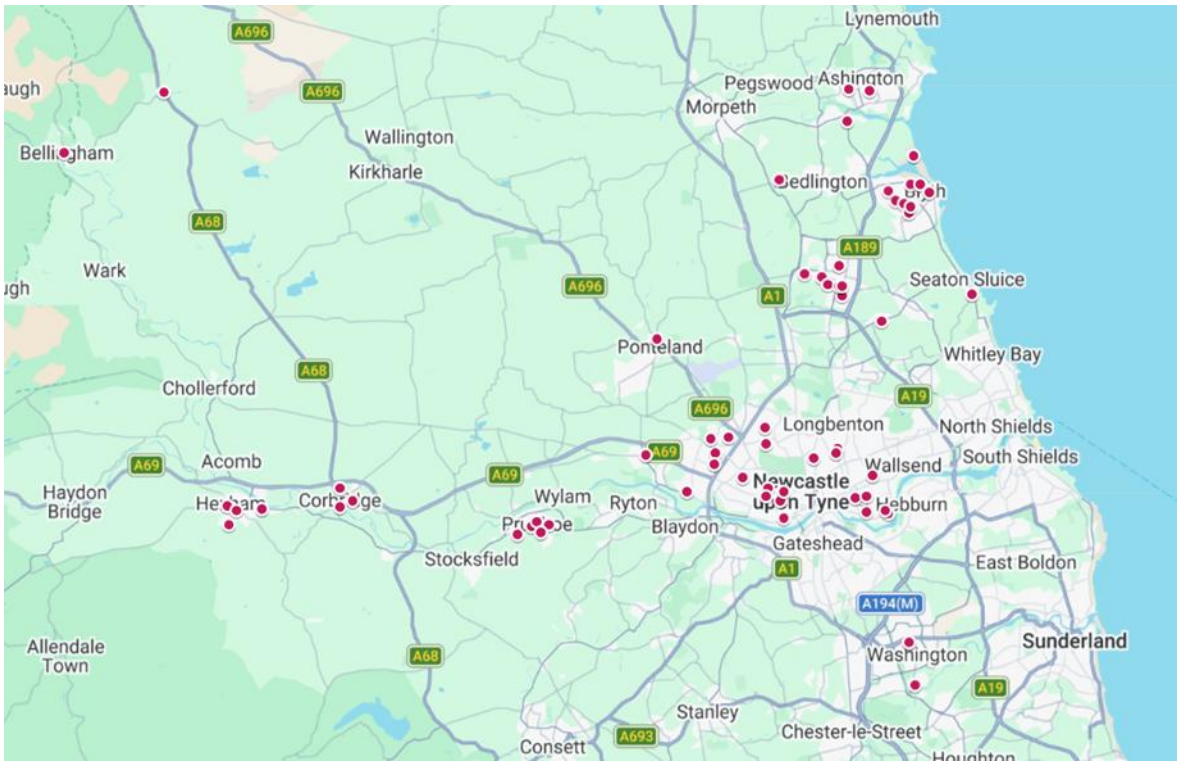
Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

IMPACT

We believe our approach promotes dignity, confidence, and independence. By respecting individuality and working in partnership, the Azure Charitable Foundation helps Service Users to develop skills, pursue ambitions, and participate fully in their communities.

The charity works closely with local authorities and partner organisations across the North East (see below) that provide homes for people with a disability whilst also providing an enabling service for clients to better access the community/community facilities and public amenities. The funding stream mix is complex and variable, but it allows the charity to continue providing high-quality support services to those who need it most.

Beneficiary/Service User locations



As an organisation, we are committed to delivering high quality care and support that affords our clients with a sense of continuity and accountability for all working practices and we are registered with the CQC to provide personal care.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

All services are rated by CQC as 'Good'

	Hexham Report published: 17 March 2020 Latest review: 6 July 2023	**Keele Drive** Report published: 9 December 2023	**Newcastle** Report published: 18 October 2019 Latest review: 6 July 2023	**Washington** Report published: 5 August 2021 Deregistered as a Care Home in March 2024	**Washington** Inspection pending
	Homecare Service	**Homecare Service**	**Homecare Service**	**Care Home**	**Homecare Service**
Safe	**Good**	**Good**	**Good**	**Good**	**N/A**
Effective	**Good**	**Good**	**Good**	**Good**	**N/A**
Caring	**Good**	**Good**	**Good**	**Good**	**N/A**
Responsive	**Good**	**Good**	**Good**	**Good**	**N/A**
Well-led	**Good**	**Good**	**Good**	**Good**	**N/A**

Residential Care:

Support Services have provided residential care support to individuals with disabilities in two homes in Washington for 30 years; at the end of the year, 11 residents were being supported in the homes through this service.

The quality of the support provided is regularly verified by third party inspections to ensure that it meets the highest standards of care.

As reported last year, Azure agreed with Service Commissioners that the two homes would be deregistered and re-registered as independent supported living homes.

The process of deregistering the service is now complete, and both services are now registered as ISL services. As part of this process, client needs have been re-assessed with additional hours of 1-1 support commissioned that will support clients' emotional health and well-being.

A satellite service has also been established for a client that has been supported to move from children's services out of county back into Sunderland, to live in their own home with 1-1 support.

We are now working with Sunderland City Council and their Adult Social Care teams to develop and grow our offer in and around Sunderland in this vein.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Supported Living:

In addition to residential support, Support Services also provides supported living services across Northumberland and Newcastle.

Supported living aims to enable clients with disabilities to live independently in their own homes and/or with others (in environments that are safe, inclusive, and integrated) with support provided by trained professionals. This service allows individuals to have more control over their lives and live with greater independence.

The level of support provided varies depending on the client's needs, but it can include support with daily living tasks, such as cooking, cleaning, managing finances, accessing healthcare, and maintaining social connections.

Support is tailored to each person's specific requirements, preferences, and goals, promoting their autonomy, choice, and control over their lives.

Support includes:

- Assistance with daily living tasks (e.g., cooking, cleaning, personal care)
- Budgeting and financial management
- Accessing healthcare and community resources
- Building and maintaining social relationships
- Encouragement and facilitation of community participation

Azure places a strong emphasis on promoting social interaction, personal growth, and meaningful engagement in the wider community. While support staff are readily available to assist as needed, the primary objective is to empower clients to take active control of their lives within a supportive framework.

At the end of the year, 58 residents were being supported through the service.

Enabling Support:

Support Services also provides enabling support services to people with disabilities throughout the North East region. This service supports individuals with disabilities to access the community, participate in social activities, and live more independently.

This service aims to encourage involvement in society, foster inclusivity, and improve the lives of individuals with disabilities. The enabling services give priority to crafting personalised support plans tailored to the unique needs, preferences, and aspirations of each client. This could encompass everyday tasks like household chores and financial management.

Clients receive assistance in improving their skills to maximize independence and self-reliance. This may involve training in communication, mobility, socialisation, and vocational skills, facilitating better integration into both the community and the workforce.

Empowering clients to assert their rights and access services, resources, and opportunities of their choosing is a key aspect of our enabling services.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Enabling support facilitates meaningful engagement in community life by connecting clients with social networks, recreational activities, educational opportunities, and volunteer opportunities. This cultivates a sense of belonging, social connectedness, and fulfilment beyond formal support structures.

Furthermore, Enabling Services promote overall health and well-being by addressing physical, emotional, and mental health needs. This encompasses facilitating access to healthcare services, promoting healthy lifestyles, and offering emotional support and counselling as required.

For clients undergoing transitions from institutional settings or experiencing life changes, our Enabling Support provides support with transition planning, resettlement, and integration into community living. This often involves coordinating services, collaborating with relevant agencies, and delivering ongoing support throughout periods of change.

At the end of the year, 52 clients were receiving support through the Community Access Enabling Service.

At the time of writing, we are now supporting 121 Service Users.

Aim: The delivery of Employment Services for those with special educational needs, disabilities or who are otherwise disadvantaged

- **Bridging the Employment Gap:** To reduce the disability employment gap by helping disabled and neurodivergent individuals find and sustain meaningful work.
- **Supported Employment:** To sustain and extend Supported Employment and the provision of ‘in work’ support utilising a "Place, Train, Maintain" approach where job coaches support both the employee and the employer over time to ensure long-term job retention.
- **Policy:** To secure a meaningful and sustained policy (and funding) commitment to the delivery of employment services across the North East.
- **Funding:** To secure funds to support the delivery of our services
- **Partnerships:** Working in partnership with like-minded organisations to support the development and delivery of services and lobbying for change.
- **Promote Affirmative Recruitment:** Encourage employers to sign inclusion pledges, participate in initiatives like the UK's Disability Confident scheme and engage in initiatives supporting the employability and employment of students and clients.

Strategies

- Supporting the delivery of structured, work-based study programmes (often for ages 16-24) with an EHCP to give practical, real-world work experience.
- Facilitating and supporting work-placements, work trials and Supported Internships (for Azure College students).
- Developing Work Readiness: Enhancing core skills for students and clients through CV building, interview preparation, personal confidence building and training.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

- Boosting Confidence and Autonomy: Fostering personal growth, workplace independence, and self-advocacy skills through tailored coaching and peer-led support systems.
- Securing Sustainable Placements: Match job seekers with sustainable, paid positions in the open labour market rather than short-term or exploitative roles.
- Employer Engagement: Educating businesses on the business case for supporting the education, training and employment of people with SEND, helping them implement inclusive hiring practices, and promoting and supporting workplace adjustments.
- Raising awareness of the disability employment gap with the North East Mayoral Strategic Authority (NEMSA), Local Authorities (Councillors), Employer Associations, local Members of Parliament, and regional media to facilitate not only discussion but communities of interest in developing policy solutions and effective interventions.
- Submit evidence (see below) to policy-makers highlighting the failures of Access to Work and the importance of the Supported Employment model and restoring Employment Support Grants for Supported Businesses.
- Engage local employers and employer associations in supporting the delivery of work placements, work trials, supported internships, supported apprenticeships and supported employment.
- Lobby policy makers, programme architects and managers (at DWP, NHS and NEMSA) so that they understand the importance of multi-annual programmes that support our beneficiaries (most of whom are long-term unemployed with multiple barriers to employment) for three years and longer to secure and sustain employment and which acknowledge that our target communities require sustained long-term support.

Employment Services

As reported by the ONS:

- the disability employment rate was 53.0% in Q2 2024, compared to 81.6% for non-disabled people.
- the disability unemployment rate was 6.9% in Q2 2024, compared to 3.6% for non-disabled people.
- the disability economic inactivity rate – where the person self-reports that they are not in or looking for work - was 43.1% in Q2 2024, compared to 15.4% for non-disabled people.
- the number of working-age disabled people has increased by 580,000 on the year. This means that the 0.1 percentage point increase in the disability economic inactivity rate equates to an increase of 260,000 in the number of economically inactive disabled people between Q2 2023 and Q2 2024.
- the disability employment gap was 28.6 percentage points in Q2 2024.
- on average, between 2014 and 2023, disabled workers moved out of work at a higher rate (8.6%) compared with non-disabled workers (4.9%). Workless disabled people moved into work at nearly one-third of the rate (10.1%) of workless non-disabled people (27.2%)

The latest data shows that nearly one in four of the working-age population are classed as disabled; the number of people reporting a long-term health condition and the number classed as disabled continue to rise; and the increase in disability prevalence is associated with an increase in people reporting mental health conditions and “other health problems or disabilities”.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The disability employment gap is wider for:

- males
- older (aged 50 to 64) people
- people with no qualifications
- people living in social housing
- people not living in a couple
- people living in Northern Ireland, the **North of England**, Scotland and Wales

The disability employment rate is lower for disabled people:

- with a mental health condition
- with five or more health conditions

Disabled people were more likely than non-disabled people to:

- be working in Health, Retail and Education
- be working in lower-skilled occupations
- be self-employed
- be working part-time (and subsequently fewer hours)
- be working in the public sector
- be working in a small workplace (less than 50 employees)
- be underemployed (looking for and available to start another job or work longer hours)
- be working in low pay
- be working on a zero-hour contract
- be working in a job with less career opportunities
- be working in a job with less employee involvement
- have lower average wellbeing scores, this was lower for those who were not in employment
- have higher average anxiety scores, this was generally higher for those who were not in employment

Disabled people were more likely to be economically inactive and for those that were:

- the majority gave long-term sickness as their main reason for being inactive
- they were more likely (than non-disabled people) to want a job
- they were less likely (than non-disabled people) to have had a job in the last two years

The latest ONS figures indicate that one in eleven disabled people are unemployed (9.2%) and the unemployment rate is at its highest level for over six years.[6]

There are now 547,000 unemployed disabled people, an increase of 110,000 since Oct-Dec 2024. Unemployment has risen across the UK economy in the last 12 months, but analysis indicates that the rate has risen far more quickly for disabled people than non-disabled people.

Disabled people are twice as likely to be unemployed than non-disabled people (9.2% vs 4.4%).

[6] The current unemployment rate for disabled people is 9.2%. Due to a step change discontinuity in the ONS data, this is the highest comparable quarter since Oct-Dec 2019 (6.9%). Data before Jan-Mar 2019 is not comparable due to data reweighting

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Table showing annual rise in unemployment rate for disabled people and non-disabled people (2024 - 2025)			
Quarter	**Disabled people unemployment rate**	**Non-disabled unemployment rate**	**Unemployment gap**
Oct-Dec 2024	7.2%	3.7%	3.5pp
Oct-Dec 2025	9.2%	4.4%	4.8pp

There are 218,000 fewer disabled people in work than a year ago. Employment levels for disabled people stand at 52.8%, down 1.2 percentage points on the year. At the same time, the non-disabled employment rate is 82.3% leaving the disability employment gap at 29.5%.

The Work Foundation reports that the rising figures point to structural barriers in the labour market for disabled workers, including limited access to flexible work, inadequate workplace adjustments and insufficient tailored employment support.

Since coming to power in July 2024, the Labour Government has not committed to a specific target for reducing the disability employment gap. The disability employment gap is now 2.0 percentage points larger than since July-Sept 2024.

The Work and Pensions Select Committee is currently undertaking an inquiry into Employment support for disabled people to explore the reasons behind the disability employment gap and scrutinise Government programmes to support disabled people into work.

IMPACT

Working across the North East of England (as illustrated below), Azure administers and operates, in accordance with demand, pre-employment, basic and key skills, information technology and vocational training courses so that clients may develop transferable work skills enabling disabled or disadvantaged people to find and secure sustainable employment.

Beneficiary/Service User locations



Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Our work also includes supporting clients to overcome personal barriers to employment and support their personal development regardless of whether this is linked to specific (formal) qualifications or job outcomes. In co-operation with the DWP and local employers, clients are assisted to secure valuable work placements (including in our supported businesses) and sustainable employment.

Our Employment Services department has a holistic approach to clients; it recognises and understands the important, intrinsic link between many factors that may ultimately impact on -employment. The department's work therefore does not stop at employment, we support and signpost clients for expert support in areas outside of our area of expertise such as liaising with homelessness teams or bereavement counsellors.

Azure continues to be commissioned directly by DWP to provide these services and has, since 2020, sought to increase the scope and scale of our work with support from the North East Local Economic Partnership and European Social & Investment Fund and by working in partnership with the North East Autism Society. Working in partnership with NEAS our Employment Services team has been delivering a series of programmes since summer 2021. The most recent programmes are set out below.

In May 2025 the partnership was successful in securing funding (again from the UK Shared Prosperity Fund administered by the NEMSA to deliver Empower works 2.0. This programme ran until March 2026 and supported 80 clients in total with 21 securing paid employment and a further 12 entering further education/training.

Employer	Role
Holiday Webtech Ltd	Technician
Azure Charitable Foundation	Project Coordinator
Age UK	Homecare Support Worker
Azure Charitable Foundation	Landscapes Assistant
Azure Charitable Foundation	Administration Assistant
Azure Charitable Foundation	Workforce Development Assistant
Azure Charitable Foundation	Support Worker
Azure Charitable Foundation	Garden Centre Assistant
Iceland	Retail Assistant
Azure Charitable Foundation	Café Assistant
Northumberland County Council	Cleaner
Bourne Leisure	Catering Assistant
Sanderson Arcade	Cleaner/Helper
North East Autism Society	Support Worker
Royal Mail	Post Handler
Fenwick	Warehouse Assistant
Pristine Clean	Cleaner
Marks & Spencer	Retail Assistant
The Millstone	Catering Assistant
Ikea	Retail Assistant
Age UK	Homecare Support Worker

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Exiting into Education/Training

Newcastle College	Level 3 Support Teaching and Learning
Health and Safety Training	Construction Plant Operators Pathway
Health and Training	CSCS course
Active IQ	Level 2 Gym Instructor
Newcastle College	Level 3 Adult Social Care
Open University	Psychology and Counselling
Newcastle College	Data Analyst – Cisco Networking Academy
Northumberland College	City & Guilds Diploma in Dog Grooming
Northumberland College	Level 2 in Dog Grooming
The Learning College	Level 3 Teaching Assistant Qualification & SEN Certificate
Newcastle College	Diploma in Photography and Media
Coast Holistic Training	Reflexology

In Autumn 2025 we continued our partnership with NEAS securing funding again from the North East Mayoral Strategic Authority. The partnership was awarded funding to deliver the Government's Economic Inactivity Trailblazer 'Working Together NE' specifically for those who are neurodivergent, and which is targeting 200 people across the 7 Local Authority areas for support. Although this one-year test and learn programme was due to commence in April 2025, the programme did not go live until October 2025 requiring 12 months' of delivery to be condensed into 6 months.

Despite the incredibly tight timescales, 10 clients were supported to secure paid employment.

Employer	**Role**
Green Bean	Warehouse Operative
Rutherfords	Café Assistant
One Beyond	Retail Assistant
Zen Educate	Supply Teaching Assistant
Suez Recycling and Recovery UK Ltd	Site Operative
Independent Utility Advice	Finance Assistant
Tokyo Industries	Leaflet Distributor
Homefair Blinds	Concession Stand Advisor
Ofwat	Senior Associate Information Governance Lead
Middlesbrough Council	Case Manager

We are also supporting clients in a number of other areas including developing interpersonal skills, accessing volunteering opportunities, education or training, qualifications, sourcing basic skills support and assistance with re-training.

The department continues to develop its strong relationship with Azure College. The department is not only sourcing site visits and work placements but provides on-placement support whilst clients and our students are in the workplace. In addition, the department has introduced an application process for students expressing an interest in work placement opportunities. This includes meeting representatives from Employment Services who hold informal interviews to ensure understanding, commitment and ownership.

The department continues to build relationships with local employers to secure meaningful, engaging and insightful opportunities to provide students with a positive experience within a real work environment.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

It has long been recognised that there is a funding gap for those learners' leaving education and clients referred for employability support some years later. We recognise the need to secure funding for a programme to transition learners from DfE funded education programmes into independent living while also being supported to continue to access support for volunteering, personal development and employability skills (including employment). We continue to look for ways for this to be funded.

Supported employment at Azure

The number of people in supported employment across the charity (in Corporate Services, Garden Centre, Garden Centre Café, Nurseries, Landscaping business, Education Services and Business Centre) was 26 at the year end (30 at the year end 24/25; 30 at year end 23/24; 31 at year end 22/23; 18 at year end 21/22).

Employment Services continue to provide information, advice, guidance, job coaching, job aiding and emotional support to our internal supported employees who work throughout the charity.

We work closely with departmental managers and supervisors and provide job coaching and support personal development where additional support may be required.

Over the last year this support has been wide-ranging and demonstrates the value of a holistic approach with our staff providing 'supported employees' with extensive support beyond the work-place.

The department's strength lies not only in the quality of its provision, but in the unwavering belief it holds in its mission. It speaks openly and honestly with commissioners about the very real challenges posed by repeated short-term funding, never shying away from difficult conversations.

As an active member of the British Association for Supported Employment, the department uses this valuable platform to champion the Charity's work as a Supported Business to the DWP, including raising awareness of adverse impacts of policy and funding changes. The Employment Services team is frequently required to identify gaps in community services and raise concerns with statutory partners, ensuring clients are supported well beyond the remit of its employability work.

Aim: The development of housing solutions that support young people's transition into adulthood and independent living.

Strategy

We understand and are concerned by the fact that Local Authorities are often compelled to place young people in co-habiting accommodation where compatibility is often not assured and where, for example, other residents may be much older and/or have little in common with younger residents to say nothing of their respective needs/lack of compatibility.

We note that the Local Authority is looking to source largely self-contained accommodation thereby avoiding difficulties with compatibility. We are however concerned that for many young people placed in self-contained accommodation this means a life of isolation where very often the only interaction they have is with their carers.

We are therefore looking to make a defined and specific contribution by providing accommodation for young people where they can learn to cohabit in an environment akin to a 'Halls of Residence' or YMCA style facility and where young people are supported to develop behaviours that support their ability to cohabit and thus assure they have more human interaction and are 'socialised' with people of their own age and on a daily basis.

To this end we are looking to build, in consultation with service commissioners, up to 12 accessible, multi-occupancy properties on our Cramlington site where young people may be accommodated for up to two years and wherein their personal development continues to be supported.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

It is our intention that residents develop skills, behaviours and friendships that will extend beyond Azure and which may equip them to live in co-habiting settings.



Local housing needs studies carried out in Northumberland have identified housing stock shortages for people with learning disabilities, physical disability and/or illness, enduring mental health conditions and/or challenging and complex behaviours, leaving limited choice for independent living[7].

Accommodation for adults with support needs is predominantly targeted at people with learning disabilities, autism and mental health conditions. As of May 2023, the Council supports 524 people with learning disabilities and mental health conditions in Independent Supported Living (ISL) in individual or shared homes. At that date there were 81 people for whom the Council was trying to source accommodation and support. There were 32 vacancies in existing supported living services however these were not suitable for people seeking accommodation largely because the vacancies are in shared accommodation and had existing tenants whose needs were not necessarily compatible to share with those seeking accommodation. This is a recurring difficulty and one that has led the Council to be clear that its preference for supported living arrangements in the future should be largely self-contained accommodation, thereby avoiding difficulties with compatibility.

Northumberland County Council is presently seeking to develop schemes for younger adults and source accommodation on an individual basis. However, given the current level of demand, the undersupply in specific areas, the number of younger adults currently living with an older carer and the potential number of children who will transition to Adult Services, a strategic approach to planning for future provision is needed.

The Council has reported difficulties in accurately predicting how many younger adults may want or need to move into supported living services. As at March 2023, it is reported that there are 2227 children with a special educational need in mainstream school in Northumberland. Of this number, 17% have some form of moderate to profound learning disability and 23% have an autistic spectrum disorder. Additionally, there are 316 children and young adults aged 13 to 20 years that are not in mainstream education but supported through alternative provision. Not all the children currently receiving support will require support into adulthood, however, it is estimated that a high percentage of those currently being tracked will require support within the next 5 years.

[7] https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Health-and-social-care/Adult-Services-Extra-Care-and-Supported-Living-Strategy-2024.pdf

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Aim: Ensure that our trading subsidiaries continue to deliver levels of commercial and financial performance that delivers funds to support the Foundation's charitable objectives and deliver social value

Strategy

- **Azure Garden Centre will:**
    - Be recognised within the industry and throughout the North East as a provider of an outstanding customer experience throughout the year and through each season
    - stock an expertly curated range of popular and rare plants retailed at price points that provide outstanding customer value
    - be represented by and serve customers with an experienced and expert team, providing free, reliable gardening advice and maintaining high standards of in-store experience
    - provide a meeting place for plant lovers and community groups e.g. Northumberland and Durham Chrysanthemum & Dahlia Society, fellow providers of Adult Social Care, etc
    - engage the community with the broader work of the charity (e.g. via Azure Café - kitchen) and a shared determination to support the education, training and employment of those with SEND or who are otherwise disadvantaged
    - minimise and eventually eliminate peat use, actively promoting peat-free alternatives, and selling growing media that aligns with the Horticultural Trades Association (HTA) sustainability policies.
- **Azure Landscapes will:**
    - deliver a high-quality service that is commercially competitive with outstanding levels of customer satisfaction
    - secure broader recognition (from stakeholders and customers) that the business supports the education, training and employment of those with SEND or who are otherwise disadvantaged and, in particular, those who benefit from supported employment.
- **Azure Business Centre will:**
    - Secure occupancy Levels at =/>90% to deliver a financial return to support the development of new services and investment in facilities
    - Reduce operating costs and carbon footprint by investing in renewable energy (Solar Photovoltaic installation)
    - Improve 'kerb-appeal' where tenants can also present to their customers reduced carbon footprint
    - Ensure tenants (licensees) understand that their patronage supports work of the charity

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

IMPACT

Azure Garden Centre Ltd

The charity's wholly owned retail subsidiary, Azure Garden Centre Limited, supports the education and training of College students in the Garden Centre Café and training kitchen. It also hosts work-placements, mentors supported interns and employs supported employees.

Azure Garden Centre Limited returned a profit this year of £659k, before gift aid to the charity, compared to a profit of £463k in 2024/25.

Azure Landscapes

The Landscapes team hosts work placements for Azure College students and employs supported employees

The landscapes department had another satisfactory year posting an operating surplus of £70k (£47k surplus in 2024/25).

Azure Property Management Services Ltd

The charity's wholly owned retail subsidiary Azure Property Management Services Limited (APMS) operates Azure Business Centre which continues to enjoy satisfactory levels of occupancy.

APMS generated a profit of £57k, before gift aid to the charity, in the year compared to a profit of £86k in 2024/25.

Supported Employment at Azure

The charity and our subsidiary businesses employ 26 supported employees who might not otherwise secure or sustain employment (without specialist support) at Azure. A number of our supported employees have worked for the charity for more than thirty years.

Supported employees account for £568,000 of our employment costs. We receive a total of £143k in Employment Support Grants to deliver 'wrap-around' support to our 'supported employees' and are accountable for PAYE + Employers National Insurance cost of £133k in respect of this employment.

It is estimated that were our supported employees not employed at Azure and long-term unemployed they might each might receive up to £27k[8] per annum in benefits – total £702k per annum. Assuming a working (or rather non-working) life of 40 years equates to a life-time cost to the Exchequer of circa £28million excluding costs of Adult Social Care.

This cost-benefit calculation of impact ignores the social, emotional and mental health benefits that each of our supported employees derives from meaningful employment including financial independence.

[8] Job-seekers allowance £368 per month, Housing Benefit £356-£700 per month, Universal Credit up to £400 per month, PIP up to £798 per month

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Aim: To preserve and strengthen the Foundation’s long-term financial independence, ensuring stability, resilience and the capacity to invest in our people, programmes and strategic priorities.

Corporate (Central) Services

A variety of corporate functions are centralised and performed by a small, dedicated team that supports the charity to deliver services and operate the charity's constituent businesses. It also assures compliance with all legal and other requirements.

Key functions include finance, administration, human resource management including recruitment, performance management, payroll, work force development, IT infrastructure, maintenance, janitorial and security.

Objectives

- Maintain strong financial health through effective planning, management and forecasting
- Ensure financial resilience and agility in the face of changing external conditions.
- Deliver high-quality provision that offers clear value to clients, students, service commissioners, employers and stakeholders.
- Ensure the organisation remains independently viable in the short, medium and long-term.
- Maintain regulatory confidence through strong governance, compliance and financial stewardship.
- Achieve high levels of stakeholder trust in the Foundation’s financial integrity and decision-making

Strategies

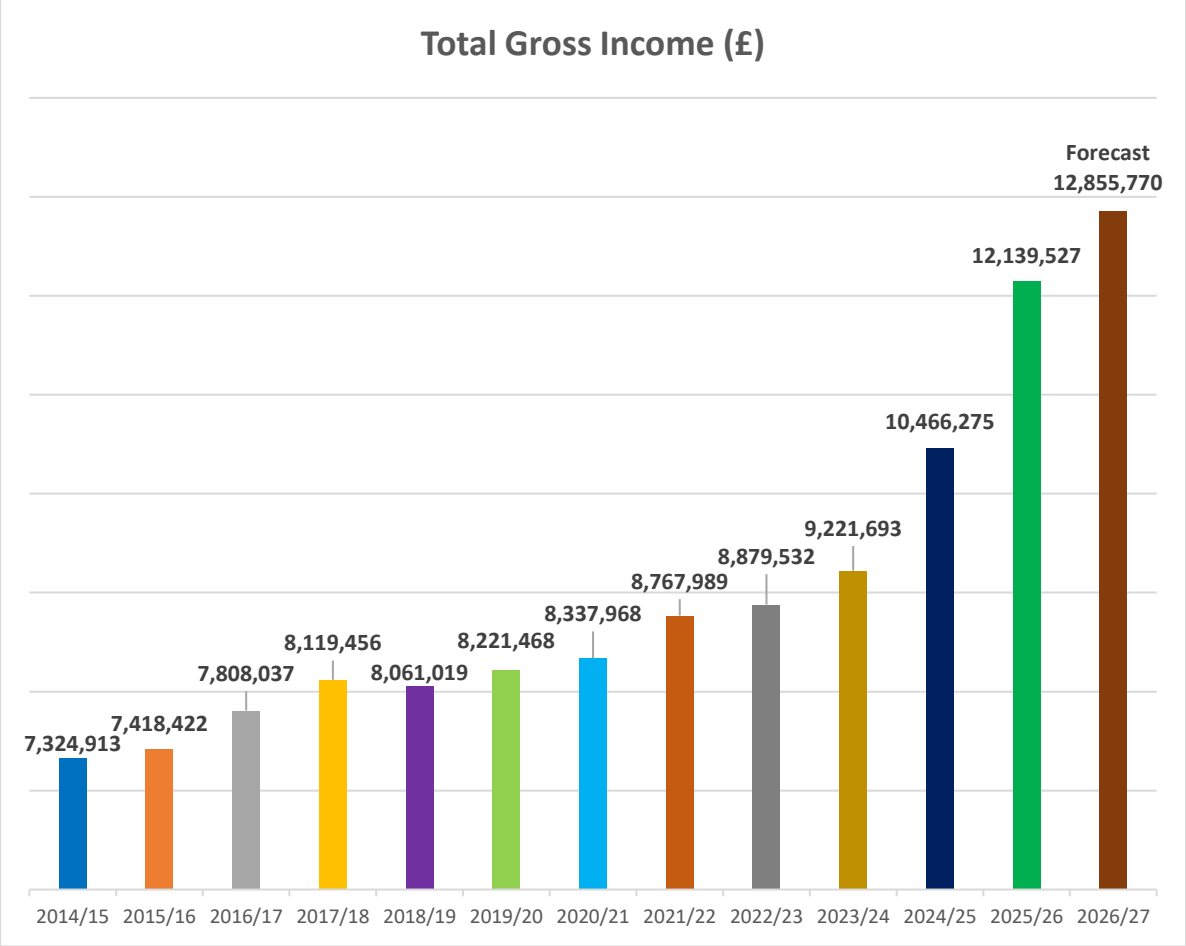
We will achieve our objectives by:

- Diligently managing income and expenditure through robust financial planning and monitoring
- Maintaining effective cost-to-income and staffing-to-income ratios.
- Preserving healthy liquidity, strong cash balances and a low-risk financial profile.
- Proactively seeking and securing new funding opportunities that align with our mission and strategic goals.
- Ensuring timely and accurate fulfilment of funding contracts to support growth opportunities.
- Ensuring strong performance in internal and external audits, demonstrating compliance and financial integrity.
- Operating with transparency, accountability and honesty in all financial matters.
- Strengthening organisational resilience through effective risk-management, business continuity planning and scenario forecasting.
- Reinvesting surpluses strategically to support the development of services, staff development and organisational innovation
- Business planning and diligent appraisal of significant new investments including any borrowing requirements and associated terms

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

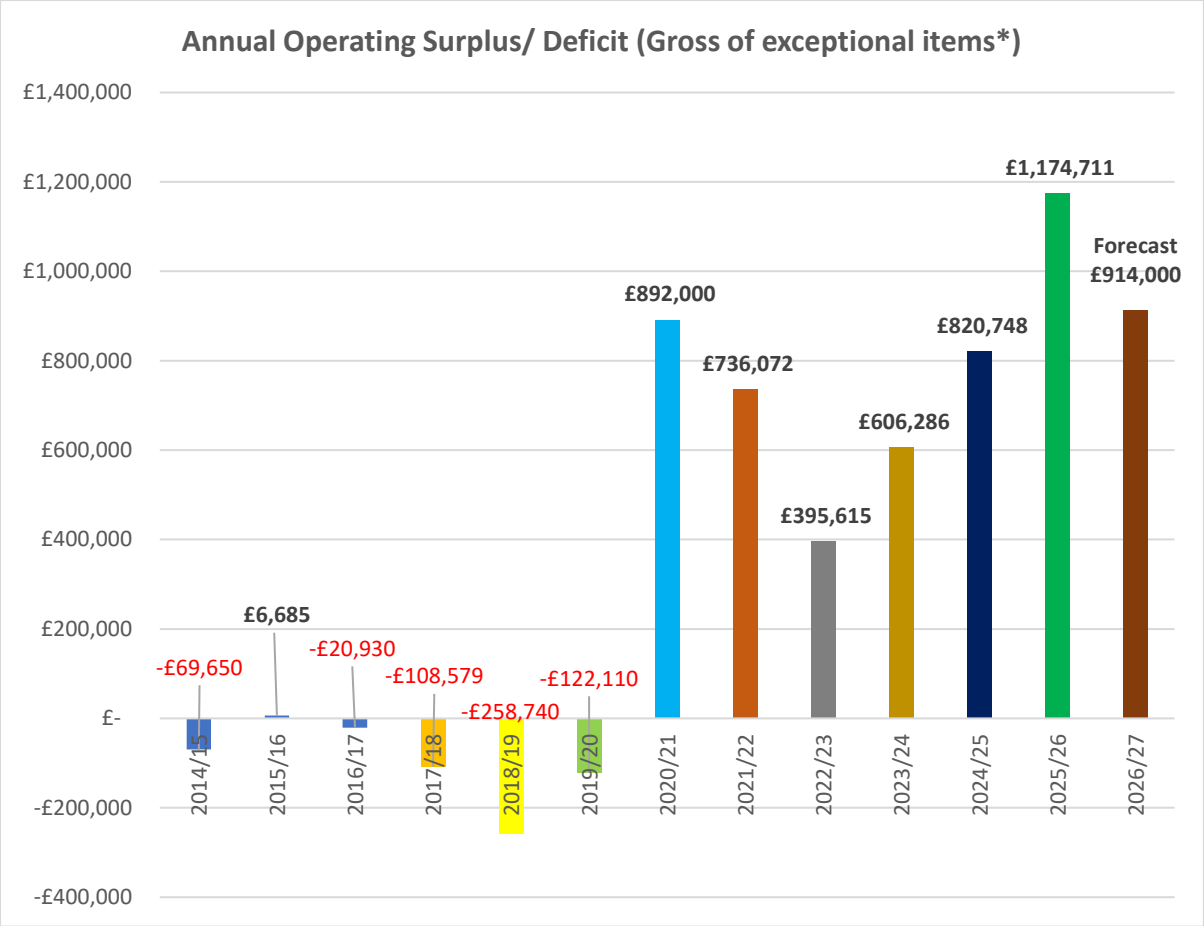
Financial review

The charity continues to grow revenues (from the delivery of services and the operation of our businesses) and is forecasting further growth in 2026/27 (see below)



The sustained improvement in the group's financial performance has allowed the charity not only to create a 'Charitable Reserve' as a safeguard against financial and operational uncertainties but also improve pay and remuneration across the group as we endeavour to become a Real Living Wage Employer.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20



**Excluding exceptional costs that included the impairment of the Gateshead Business Centre and repair to Newburn roof incurred in 2017/18, the costs of servicing an emergency (£400k) loan to support restructuring costs incurred 2019/20 and 2020/21 and a £300k capital investment in the Garden Centre Café in 2020/21.*

More significantly, the performance, surpluses and positive cash reserves generated over recent years have now provided a solid platform from which the charity can develop and expand our charitable activities and which will support a transformational investment in our education facilities and which may also include residential and sporting/recreational facilities.

Summary

The charity continues to deliver an outstanding range of services (Care & Support, Education and Employment) and operates a number of businesses (Garden Centre, Garden Centre Café and Landscapes), with the purpose of providing education and training (in each of these settings) and providing 'supported employment' for our clients in what remain very challenging circumstances.

The Garden Centre, Business Centre and our Landscapes business continue to perform well supporting the delivery of a very healthy operating surplus which will in turn support our future investment plans. (see overleaf).

The delivery of Commissioned Services (Adult Care services to Local Authorities) remains challenging as local authority fee rates have failed to keep pace with inflation in (real terms) and for many years and where

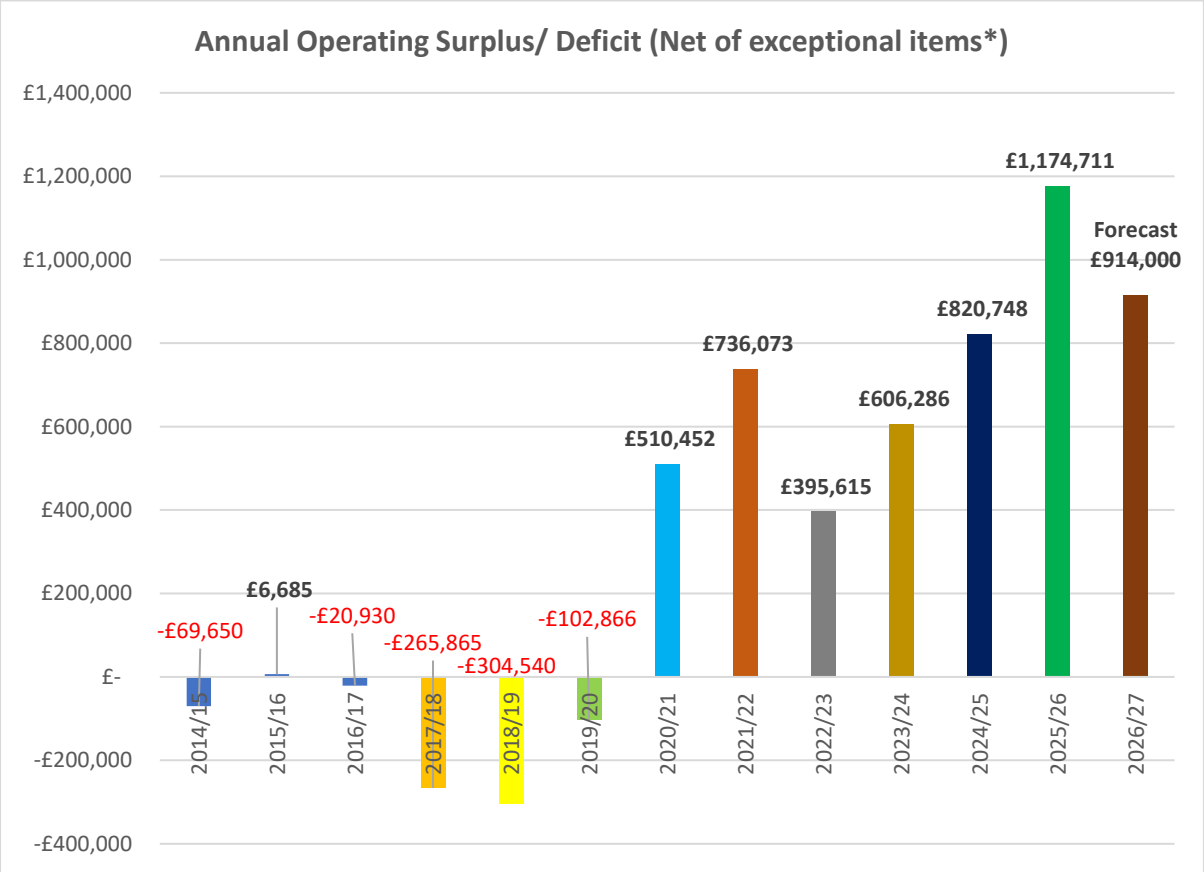
Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

the delivery of services has and/or is becoming increasingly 'marginal' with services returning operating deficits i.e. where real costs of delivery exceed the fee income from local authorities (and which are generally calculated to support the employment of support staff at no more than the National Living Wage rate in any event).

This, in our considered opinion, continues to debase and devalue the work of our staff (and which continues to frustrate staff recruitment and retention).

The Board of Directors are mindful that Azure was founded to provide added-value in our communities and to enhance the delivery of services; it is not Azure's role to subsidise the delivery of local authority obligations and we are determined to ensure that Azure's improved financial performance and resources are devoted to the former.

With our operating surplus returning to what we could consider a 'healthy' and, most importantly, sustainable level our focus remains on the development, sustainability and expansion of our charitable services.



**After exceptional costs noted above.*

Our financial performance this year was boosted by three strong seasons (Spring, Summer and Christmas) in the Garden Centre with sales supported by exceptionally good weather.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Our 2026/27 forecast is adjusted on account of the following:

- Garden Centre sales forecasts are moderated with reference to average sales (and weather conditions) over the last 5 years
- we have moved all Support Staff to not less than the Real Living Wage, which will reduce the Operating Surplus as this improvement to staff terms and conditions is not and is unlikely to supported by Service Commissioners next year.
- we continue to improve terms and conditions for teaching staff benchmarked against rates of pay in mainstream and specialist schools and Further Education.
- the Licence of one of our Garden Centre Licensees is not being renewed in preparation for the redevelopment of our Cramlington site.

The delivery of much-needed Employment Services remains contingent on securing funds or service contracts for the delivery of the same. Supported Employment and our Supported Business status remains dependent on the trading performance of our ‘ventures’ i.e., Garden Centre, Business Centre and Landscaping businesses – and the patronage of local/regional organisations.

The charity will continue to be a strong advocate for those we support and their families, challenging inequality and to make concerted efforts to shape policy (national and local) by working more collaboratively with other services providers - particularly as regards 'strategic commissioning' and budget setting (for the provision of support services) in/by Local Authorities with the aim of supporting improved pay and conditions for our Support Services staff.

To this end, the Board of Directors and the Executive are committed to working locally, regionally and nationally to ensure that the work of Adult Care staff is more widely understood, acknowledged and properly valued.

Reserves and going concern

The results for the year provide the Azure group with a net asset position of £7,386,018 (2025: £6,211,307). At the year end, the group had a net current asset position of £3,673,636 (2025: £2,656,047 and positive cash reserves of £2,742,748 (2025: £2,247,301).

This gives confidence that the group is in a strong position with sufficient cash to meet its current and future obligations.

The charity's forecasts and projections for the next twelve months show that the charity is able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact of adverse events political, economic or environmental (national/international).

The charity and its trading subsidiaries have strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress-tested their forecasts, taking into account various scenarios, and remain confident that while the economic uncertainties remain, they do not cast significant doubt on the company's ability to continue as a going concern.

The total funds of the Azure Group at year end are £7,386,018, which are all unrestricted. Free reserves (total funds less fixed assets and investment property) are £3,673,636 which is in excess of that required in the current reserves policy (£400k).

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Pay policy for key management personnel

Azure has identified key management personnel in the 'Reference and administrative details' section.

The remuneration of the key personnel is determined by the Remuneration Committee, with due reference to the Corporate Services Committee and the budget agreed directly by the Board and from which the Chief Executive is excluded in relation to any specific discussion of their remuneration.

The Corporate Services and Remuneration Committees are guided by formal reports which sets out all available relevant information which includes legislative obligations, best available benchmark data in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the recent settlement history at Azure, the proposed costs and ability to pay.

Fundraising policy

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised directly from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Public benefit statement

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives also are set in order to provide a clear and demonstrable public benefit

Plans for future periods

The Board and Executive are committed to a process of continuous improvement to optimise both the financial performance and the activities of the charity and its subsidiaries.

It is envisaged that economic conditions will remain challenging and with the potential to affect all departments.

An organisation-wide cost control strategy exists with close scrutiny of all discretionary spending.

The trustees have approved a budget for the forthcoming year consistent with these comments and the charity's overall strategic plan.

The charity remains concerned to protect itself from the 'seasonality' and associated risks to Garden Centre revenues (which remain weather dependant) and continues to develop plans to expand the garden centre to increase and diversify its income streams.

Further to consultations with Northumberland County Council, North Tyneside Council and the DfE, the charity is now working to address an inherent weakness in the local/regional education and skills infrastructure and which has prompted Azure to develop plans to establish a specialist, vocational SEND college (Specialist Post 16 Institution) and to develop a response to a lack of accommodation designed to support young people moving into independent living settings (as noted above).

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Principal risks and uncertainties

Funding

The reduction in value (in real terms) of fees paid by Local Authorities for the delivery of Support Services (Adult Social Care) continues to constrain terms and conditions for staff and the financial viability of services provided by the charity. As such, the provision of Adult Social services by the charity remain under review. The charity continues to work with fellow providers to lobby Local Authorities and to draw to the attention of Local Councillors the provisions and requirements of the Care Act 2014 vis-à-vis setting fees payable to providers (i.e. the basis of the calculation) so that the Authorities comply with the Act and provide terms of business that support providers to recover not less than the full economic costs of delivering services.

The government's 'Access to Work' programme has been and remains shambolic in its design and execution while the government's decision to withdraw Employment Support Grants (TESG) restricts Azure's ability to extend supported employment opportunities for our clients working at Azure (in the charity or in our subsidiaries). As regards Access to Work, the charity continues to engage with DWP and recently attended an event in London (at the invitation of DWP) to highlight causes for concern; DWP officials attending this meeting advised that there appeared to be no rationale/detailed strategy or plans held at DWP that properly explains Access to Work (concept or design) and which perhaps explains why the programme's 'architecture' and administration is so woefully inadequate and not fit for purpose.

A failure of national and local government policy supporting (financing) multi-annual programmes to address the disability employment gap in the North East of England continues to undermine the ability of Azure and partners (e.g. the North East Autism Society) to support those with special educational needs and/or disabilities to secure and sustain employment. At present, Azure and our partners live 'hand-to-mouth' securing funds supporting this work for up to 12 months only with a requirement that we 'bid' each year to continue delivering our programmes. This continues to challenge our ability to recruit and retain expert and experienced staff while the lack of a long-term policy and financial commitment to the provision of services remains a cause for concern.

The ongoing review of funding for SEND schools by government is posing uncertainty for Azure College along with the continued pressure on Local Authority budgets and their commitment to providing transport to and from College for students.

- As regards the former, the inherent uncertainty as to the rate(s) of funding for SEND students and which government appears determined to reduce may undermine the viability of providers and the viability of programmes (design and delivery) at Azure where the current funding model supports our ability to deliver to small classes with a high staff: student ratio and provide additional support for behaviours and personal development.
- As regards the latter, all students at Azure College have High Needs and a significant majority are vulnerable and unable to travel to and from College independently (a fact that is almost universally accepted and understood as being the case for those students attending a SPI). Any diminution in support for student transport is likely to undermine accessibility - a reduction or withdrawal of financial support for transport is likely to have an adverse impact on student attendance and/or recruitment which might also affect the viability of some if not all programmes offered at Azure College and by other providers of SEND education and training.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Before proceeding with any capital investment, Azure may require:

- financial guarantees from DfE and/or Local Authorities that funding will remain committed at not less than current levels; and/or
- capital grants (nationally/locally) so that Azure is not required to carry this risk and the costs of borrowing to deliver the new campus.

Competitors

Our Support Services team continues to work collaboratively with Service Commissioners and fellow providers however there remain scant opportunities for business growth and development given the erosion of operating margins in the provision of services. It is our experience that new contract opportunities to tender for the provision of services often relate to services that have been surrendered by other providers as being uneconomic to deliver.

As regards the provision of Employment Services, there are few providers with the technical expertise and experience (of the Foundation and our partners) of delivering employment programmes to those with SEND and assisting those with SEND to secure and sustain employment. Our principal challenge is to secure a meaningful (multi-annual) and fully funded policy commitment to the provision of services and programmes and we continue to work in concert with partners to lobby locally and nationally to this end.

Azure College has a good reputation and is already at/over capacity forcing central and other services (Support Services and Employment Services) to relocate to temporary accommodation (at an additional cost to the charity to accommodate student demand).

While there are other specialist schools in the locality and a new Northumberland College campus opening in Ashington with SEND provision, there is no other Specialist post-16 Education Institution (SPI) operating on a scale comparable to Azure College. The closest SPI is Dilston College in Corbridge – providing day/residential provision with reportedly 17 students enrolled in 2025. Buzz Learning, a local independent special SEND school closed in December 2024.

The Garden Centre remains competitive and has established a pre-eminent position locally over the last 10 years for its Christmas season. We are now focused on elevating the quality of our plant offer and customer service by recruiting more staff with horticultural expertise and delivering more added-value for customers and communicating to customers the role of the garden centre in supporting our charitable activities (including but limited to education).

Estates

The Azure Charitable Foundation and its subsidiaries have a responsibility to ensure that its estate is safe for occupation by staff, students, clients and customers. This is achieved through:

- a health and safety policy - a senior manager is the charity’s safety advisor and safety representatives are appointed to each areas of the charity’s businesses and services; the Board receive (directly) regular reports on health and safety matters (including accident and “near miss” statistics).
- Independent condition surveys that are translated into planned and prioritised action plans.
- Executive approval of capital works by the Corporate Services Committee.
- Risk assessments for any major changes in estates.
- Health and safety audits every two years.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Capacity (Azure College)

The number of students that require places in special schools/specialist colleges across the country outstrips the supply of available spaces. Consequently, there is a risk that students are not able to access places at Azure College to meet their needs. This can result in parents seeking to gain a place through the tribunal process. Where these are successful, Azure College can be named on a student's EHCP and has the right to be admitted into the named school. This creates additional risk in terms of schools going over their published admissions number (i.e. physical capacity) which can potentially create issues related to safety.

Azure College works closely with Northumberland County Council and North Tyneside Council to mitigate these risks by expanding provision and developing a new campus (as noted above) and, in the interim, relocating other services to temporary accommodation and repurposing McCallum House to create more classroom space.

Meeting the medical needs of clients and students

Staff only administer medication to clients (Support Services) and/or students (Azure College) if they have been appropriately trained in Medication Administration and they have been deemed as competent to administer specific medication. Where there is need, staff will undertake the following additional specialised training:

- Insulin by injection
- Oxygen and or nebulisers
- Taking of blood glucose levels (BM tests)
- Support with changing stoma bags

All medication administered by staff to clients and students have prescribing details clearly labelled on the container by a pharmacist before it can be administered by staff and as such staff do not administer any non-prescription medication or over the counter medication to students.

More complex care is only supported with fully funded additional healthcare and we do not accept clients (adult social care) or students without fully funded, appropriate medical support by their respective local authority,

Cyber security

There is an increased risk globally in relation to cyber which can result in unauthorized access to sensitive data (including pupil records, staff information, and financial data) due to phishing attacks, malware, or exploitation of system vulnerabilities. Such incidents could lead to data loss, reputational damage, regulatory penalties, and disruption of support, employment and educational services and our retail operations.

The Foundation has in place a robust cybersecurity framework including regular patching and updates, and network monitoring.

The Foundation has achieved Cyber-Essentials Certification for our framework of technical controls that include firewalls (securing our internet connections preventing unauthorised access), secure configuration (ensuring devices and software are configured securely), security update management (keeping all software, operating systems and firmware up to date), user access control (restricting access to apps and devices to only those who need it) and malware protection (protecting against viruses, ransomware and malicious software).

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Cyber-Essentials certification also entitles the Foundation to Cyber Liability Insurance that includes 24/7 incident response support with technical, legal and crisis management services.

Risk management

The charity has a comprehensive risk review process and this is fully updated every year. The resultant risk analysis is considered by the Audit & Risk Committee in the first instance then is taken to the Board for approval.

The trustees are satisfied that the systems and procedures in place are sufficient to adequately mitigate identified risks to an acceptable level in the charity's day-to-day operations.

The charity has discharged all borrowings and has established a Charitable Reserve and also has placed sums on deposit at a higher rate of interest.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) and conform to current statutory requirements and comply with the charitable company’s governing documents.

Investment powers and restrictions

The charity funds are controlled by the directors, who also act as trustees, who invest with a view to safely optimising annual investment income while maintaining capital growth in line with market trends.

The trustees can invest any sums or investments received by them which they are by law authorised to invest money (including trading subsidiaries), with power from time to time to change for others of a like nature.

Disclosure of information to auditor

In so far as the trustees are aware:

- there is no relevant audit information which the charitable group’s auditors are unaware; and
- the trustees of the charitable group have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

A resolution to appoint UNW LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Approved by order of the members of the Board of Trustees on 7 July 2026 and signed on their behalf by:

DocuSigned by:
Geoff Robson
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G W Robson

Chair

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The Azure Charitable Foundation

(A company limited by guarantee)

Statement of trustees' responsibilities
Year ended 31 January 2026

The trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial . Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of trustees on 7 July 2026 and signed on its behalf by:

DocuSigned by:
Geoff Robson
B6AB71BE9813439...

G W Robson
Chair

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20



Independent auditor's report to the members of The Azure Charitable Foundation

Opinion

We have audited the financial statements of The Azure Charitable Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 January 2026 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charitable company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 of the parent charitable company's affairs as at 31 January 2026 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20



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.

Opinion 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 trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20



Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 the 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 the 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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

We obtain and update our understanding of the charitable group, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charitable group is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Based on our understanding of the charitable group, we identified that the principal risks of non-compliance with laws and regulations related to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and UK tax legislation. In addition, the charitable group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We considered the extent to which non-compliance with laws and regulations might have a material effect on the financial statements and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20



We also evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates, as well as improper revenue recognition which includes fraudulent posting of journal entries to revenue.

Audit procedures performed by the engagement team included:

- Inquiry of management and those charged with governance regarding actual and potential litigation or claims as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing meeting minutes to identify reported frauds and any potential non-compliance with laws and regulations;
- Identifying journal entries based on risk criteria and testing the identified entries to supporting documentation, in particular journal entries with unusual account combinations;
- Challenging assumptions and judgments made by management in their significant accounting estimates and evaluating whether there was any evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Anne Hallowell
59C7DD6C467F49E...

Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

7 July 2026

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The Azure Charitable Foundation

(A company limited by guarantee)

Consolidated statement of financial activities (incorporating income and expenditure account)
For the year ended 31 January 2026

		Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Income from:					
Donations and legacies	4	**30,048**	**3,600**	**33,648**	6,012
Charitable activities	5	**7,001,500**	**-**	**7,001,500**	6,057,148
Other trading activities	6	**5,083,108**	**-**	**5,083,108**	4,380,796
Investments	7	**21,271**	**-**	**21,271**	22,319
Total income		**12,135,927**	**3,600**	**12,139,527**	10,466,275
Expenditure on:					
Raising funds	8	**4,428,287**	**-**	**4,428,287**	3,794,902
Charitable activities	9	**6,532,929**	**3,600**	**6,536,529**	5,850,625
Total expenditure		**10,961,216**	**3,600**	**10,964,816**	9,645,527
Net movement in funds		**1,174,711**	**-**	**1,174,711**	820,748
Reconciliation of funds:					
Total funds brought forward		**6,211,307**	**-**	**6,211,307**	5,390,559
Net movement in funds		**1,174,711**	**-**	**1,174,711**	820,748
Total funds carried forward		**7,386,018**	**-**	**7,386,018**	6,211,307

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

The notes on pages 50 to 71 form part of these financial statements.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The Azure Charitable Foundation

(A company limited by guarantee)

Consolidated balance sheet
At 31 January 2026

	Note		2026 £		2025 £
Fixed assets					
Tangible assets	14		**2,688,494**		2,560,260
Investment property	15		**1,023,888**		995,000
			3,712,382		3,555,260
Current assets					
Stocks	17	**370,393**		402,948	
Debtors	18	**1,654,779**		971,670	
Cash at bank and in hand		**2,742,748**		2,247,301	
		4,767,920		3,621,919	
Creditors: amounts falling due within one year	19	**(1,094,284)**		(965,872)	
Net current assets			**3,673,636**		2,656,047
Total assets less current liabilities			**7,386,018**		6,211,307
Total net assets			**7,386,018**		6,211,307
Charity funds					
Restricted funds	20		**-**		-
Unrestricted funds	20		**7,386,018**		6,211,307
Total funds			**7,386,018**		6,211,307

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 07 July 2026 and signed on their behalf by:

DocuSigned by:
Geoff Robson
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G W Robson
Chair

The notes on pages 50 to 71 form part of these financial statements.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The Azure Charitable Foundation

(A company limited by guarantee)

Balance sheet
At 31 January 2026

	Note		2026 £		2025 £
Fixed assets					
Tangible assets	14		**2,582,720**		2,439,937
Investments	16		**2**		2
			2,582,722		2,439,939
Current assets					
Debtors	18	**1,590,744**		815,254	
Cash at bank and in hand		**2,495,835**		2,101,417	
		4,086,579		2,916,671	
Creditors: amounts falling due within one year	19	**(1,561,307)**		(1,172,532)	
Net current assets			**2,525,272**		1,744,139
Total assets less current liabilities			**5,107,994**		4,184,078
Total net assets			**5,107,994**		4,184,078
Charity funds					
Restricted funds			**-**		-
Unrestricted funds			**5,107,994**		4,184,078
Total funds			**5,107,994**		4,184,078

The charity's net movement in funds for the year was £923,916 (2025: £835,722).

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 07 July 2026 and signed on their behalf by:

DocuSigned by:
Geoff Robson
B6AB71BE9813439...

G W Robson
Chair

Company registered number: 01666027

The notes on pages 50 to 71 form part of these financial statements.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

The Azure Charitable Foundation

(A company limited by guarantee)

Consolidated statement of cash flows
For the year ended 31 January 2026

	Note	2026 £	2025 £
Cash flows from operating activities			
Net cash used in operating activities	21	**813,936**	685,312
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		**6,331**	-
Purchase of tangible fixed assets		**(304,609)**	(150,227)
Investment property improvements		**(20,211)**	-
Net cash used in investing activities		**(318,489)**	(150,227)
Change in cash and cash equivalents in the year		**495,447**	535,085
Cash and cash equivalents at the beginning of the year		**2,247,301**	1,712,216
Cash and cash equivalents at the end of the year	22	**2,742,748**	2,247,301

The notes on pages 50 to 71 form part of these financial statements

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

1. General information

The charitable company is a company limited by guarantee. The company's membership is limited to 50 members. The members devolve authority to a Board of Non-Executive Directors (Trustees) who meet bi-monthly, who in turn devolve the executive management to the Chief Executive and senior leadership team. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. They are presented in pound sterling and rounded to the nearest £.

The Azure Charitable Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.2 Going concern

The charity's forecasts and projections for the next twelve months show that the group is able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance. This also considers the effectiveness of available measures to assist in mitigating the impact of (i) cost increases (related to wage inflation and cost of living increases), (ii) consumer confidence and spending that may be adversely impacted by global events, geopolitical uncertainties and their economic impacts; (iii) any changes to policy commitments (central, regional and local government) supporting the costs of service delivery (principally education, employment and support services).

The charity and its trading subsidiaries have strong positive cash balances, funds and surpluses and are forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that any trading or political uncertainties do not cast significant doubt on the group's ability to continue as a going concern.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

2. Accounting policies (continued)

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as the rental and service charges fall due.

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably - this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support client service activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not met.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Investment property

Investment properties are measured at fair value at each reporting date, with any changes in fair value recognised in the consolidated statement of financial activities. Investment properties are not depreciated.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price plus any further costs directly attributable to bringing the asset to its working condition for its intended use.

Assets under construction comprise tangible fixed assets that are in the course of construction or development and are not yet available for their intended use. Assets under construction are not depreciated until they are available for use and brought into the appropriate category of tangible fixed assets.

Depreciation is provided on all tangible fixed assets, other than freehold land and assets under construction, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Freehold property	-	50 years straight line
Freehold property improvements	-	10 - 50 years straight line
Plant and equipment	-	3 - 4 years straight line
Motor vehicles	-	4 years straight line
Fixtures and fittings	-	3 - 5 years straight line
Office equipment	-	3 - 5 years straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

2. Accounting policies (continued)

2.10 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2.12 Employee benefits

Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan
The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The valuation of investment properties requires the use of significant judgement and estimation. Under FRS 102, the company determines the fair value of investment properties based on market conditions, comparable transactions, and, where applicable, independent professional valuations.

Key assumptions used in the valuation process include:

- Market rental yields and growth expectations
- Property-specific characteristics, including location, condition, and occupancy rates
- Discount rates applied to future cash flows
- Comparable market transactions

Changes in these assumptions or fluctuations in market conditions could significantly impact the fair value of investment properties, affecting reported profits and financial position. The company regularly reviews these estimates to ensure they reflect current market conditions and adjusts valuations accordingly.

In preparing these financial statements the trustees do not consider there were any other significant areas of judgment that were required in applying the groups accounting policies as set out above.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

4. Income from donations and legacies

	Unrestricted funds 2026 £	**Restricted funds 2026 £**	**Total funds 2026 £**
Donations	30,048	3,600	**33,648**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Donations	2,412	3,600	6,012

5. Income from charitable activities

	Unrestricted funds 2026 £	**Total funds 2026 £**	Total funds 2025 £
Provision of client services	7,001,500	**7,001,500**	6,057,148

All income from charitable activities in the current and prior year was unrestricted.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

6. Income from trading activities

Income from non charitable trading activities

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Subsidiary trading income	4,536,148	**4,536,148**	3,887,055
Nursery income	46,000	**46,000**	46,000
Landscapes income	500,960	**500,960**	447,741
	5,083,108	**5,083,108**	4,380,796

All income from trading activities in the current and prior year was unrestricted.

Income and expenditure from the Garden Centre is classifed as trading due to the "for profit" nature of the business to subsidise other charitable activities. However, the Trustees consider that the operations of the Garden Centre align with the objectives of the charity, providing education, training and employment opportunities alongside the other charitable activities of the group.

7. Investment income

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Interest receivable	21,271	**21,271**	22,319

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Cost of goods sold	2,291,539	**2,291,539**	1,957,098
Rent and rates	8,789	**8,789**	5,746
Advertising	14,262	**14,262**	33,472
Heat, light and water	86,519	**86,519**	95,835
Insurances	45,713	**45,713**	43,954
Training	6,070	**6,070**	460
Other	410,374	**410,374**	463,705
Wages and salaries	1,469,444	**1,469,444**	1,102,499
Depreciation	95,577	**95,577**	92,133
	4,428,287	**4,428,287**	3,794,902

All expenditure from raising funds in the current and prior year was unrestricted.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £
Provision of charitable activities	6,532,929	3,600	**6,536,529**

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Provision of charitable activities	5,847,025	3,600	5,850,625

10. Analysis of expenditure by activities

	Direct costs 2026 £	Support costs 2026 £	Total funds 2026 £
Provision of charitable activities	5,428,182	1,108,347	**6,536,529**

	Direct costs 2025 £	Support costs 2025 £	Total funds 2025 £
Provision of charitable activities	4,978,112	872,513	5,850,625

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

Analysis of support costs

	2026 £	2025 £
Wages and salaries	**795,213**	629,937
Depreciation costs	**62,424**	30,725
Interest	**-**	-
Power	**38,039**	30,485
Insurances	**16,918**	18,103
Other	**99,539**	71,222
Legal and other professional costs	**7,755**	15,751
Governance costs	**88,459**	76,290
	1,108,347	872,513

11. Auditor's remuneration

	2026 £	2025 £
Fees payable to the group's auditor for the audit of the charitable company's annual accounts	**15,000**	13,625
Fees payable to the group's auditor in respect of:		
The auditing of accounts of subsidaries of the charitable company	**14,700**	10,000
Other services	**-**	1,700

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

12. Staff costs

	Group 2026 £	Group As restated 2025 £	**Charity 2026 £**	Charity As restated 2025 £
Wages and salaries	**5,949,343**	5,508,076	**5,949,343**	5,508,076
Social security costs	**689,325**	478,065	**689,325**	478,065
Contribution to defined contribution pension schemes	**434,937**	322,644	**434,937**	322,644
	7,073,605	6,308,785	**7,073,605**	6,308,785

The prior year staff costs have been restated as additional costs amounting to £265,217, which were not direct salary costs, were included within the disclosure in error. In addition, the prior year charity only figures have been restated to reflect that fact that all staff are employed by the charity and the costs are recharged to the appropriate group company. Staff costs recharged amounted to £1,447,394 in 2026 (2025: £864,079). Overall expenditure was correctly stated.

The average number of persons employed by the charity during the year was as follows:

	Group 2026 No.	Group 2025 No.
Azure Garden Centre Limited	**40**	36
Supported Living	**77**	76
Landscapes	**16**	16
Support Services	**57**	62
Employment Services	**7**	8
Education	**16**	12
Administration	**11**	12
Azure Property Management Services Ltd	**2**	2
	226	224

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2026 No.	Group 2025 No.
In the band £60,001 - £70,000	**1**	3
In the band £70,001 - £80,000	**-**	1
In the band £80,001 - £90,000	**2**	-
In the band £90,001 - £100,000	**1**	-
In the band £140,001 - £150,000	**-**	1
In the band £150,001 - £160,000	**1**	-

The key management personnel of the charity comprise the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Director of the Garden Centre and five Directors of Charitable and Corporate Services. The total employee benefits of the key management personnel (including employer NI and pension costs) of the group were £917,259 (2025 restated: £736,456).

13. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2025: none).

During the year ended 31 January 2026, no trustee expenses have been incurred (2025: none).

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

14. Tangible fixed assets

Group

	Freehold property £	Plant and equipment £	Motor vehicles £	Office equipment £	Assets under construction £	Total £
Cost						
At 1 February 2025	**3,848,732**	**678,702**	**76,365**	**824,026**	**315,191**	**5,743,016**
Additions	**14,296**	**49,870**	**8,297**	**79,006**	**153,140**	**304,609**
Disposals	**-**	**(6,750)**	**-**	**(686)**	**-**	**(7,436)**
Transfer to investment property	**-**	**-**	**-**	**(392,418)**	**-**	**(392,418)**
At 31 January 2026	**3,863,028**	**721,822**	**84,662**	**509,928**	**468,331**	**5,647,771**
Depreciation						
At 1 February 2025	**1,776,134**	**587,071**	**58,297**	**761,254**	**-**	**3,182,756**
Charge for the year	**78,387**	**44,875**	**10,202**	**28,504**	**-**	**161,968**
On disposals	**-**	**(1,688)**	**-**	**(18)**	**-**	**(1,706)**
Transfer to investment property	**-**	**-**	**-**	**(383,741)**	**-**	**(383,741)**
At 31 January 2026	**1,854,521**	**630,258**	**68,499**	**405,999**	**-**	**2,959,277**
Net book value						
At 31 January 2026	**2,008,507**	**91,564**	**16,163**	**103,929**	**468,331**	**2,688,494**
At 31 January 2025	2,072,598	91,631	18,068	62,772	315,191	2,560,260

The net book value of freehold land not depreciated is £750,000 (2025: £750,000).

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

14. Tangible fixed assets (continued)

Charity

	Freehold property £	Plant and equipment £	Motor vehicles £	Office equipment £	Assets under construction £	Total £
Cost						
At 1 February 2025	**3,681,503**	**357,044**	**76,365**	**431,611**	**315,191**	**4,861,714**
Additions	**14,296**	**15,426**	**8,297**	**79,006**	**153,140**	**270,165**
Disposals	**-**	**(6,750)**	**-**	**(686)**	**-**	**(7,436)**
At 31 January 2026	**3,695,799**	**365,720**	**84,662**	**509,931**	**468,331**	**5,124,443**
Depreciation						
At 1 February 2025	**1,645,751**	**337,609**	**58,297**	**380,120**	**-**	**2,421,777**
Charge for the year	**76,084**	**9,466**	**10,202**	**25,900**	**-**	**121,652**
On disposals	**-**	**(1,688)**	**-**	**(18)**	**-**	**(1,706)**
At 31 January 2026	**1,721,835**	**345,387**	**68,499**	**406,002**	**-**	**2,541,723**
Net book value						
At 31 January 2026	**1,973,964**	**20,333**	**16,163**	**103,929**	**468,331**	**2,582,720**
At 31 January 2025	2,035,752	19,435	18,068	51,491	315,191	2,439,937

The net book value of freehold land not depreciated is £750,000 (2025: £750,000).

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 February 2025	**995,000**
Additions	**20,211**
Transfer from tangible fixed assets	**8,677**
At 31 January 2026	**1,023,888**

Investment properties are held in Azure Property Management Services Limited and were subject to an external valuation in 2024 by Sanderson Weatherall. The valuations were prepared on the basis of open market value and were made in accordance with RICS Valuation - Global Standards 2022. These valuations have been updated by the directors to 31 January 2026.

Included in the net book value of property displayed above are the following amounts ascribable to land:

	Group 2026 £	Group 2025 £
Historic cost	**570,734**	567,990

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

16. Fixed asset investments

Charity	Investments in subsidiary companies £
Cost or valuation	
At 1 February 2025	**2**
At 31 January 2026	**2**
Net book value	
At 31 January 2026	**2**
At 31 January 2025	2

Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Country of incorporation	Class of shares	Holding
Azure Garden Centre Limited	02746143	England	Ordinary	100%
Azure Property Management Services Ltd	04642254	England	N/A	100%
Azure College Ltd	16273823	England	N/A	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit for the year £	Net assets £
Azure Garden Centre Limited	**4,407,855**	**3,748,523**	**659,332**	**825,075**
Azure Property Management Services Ltd	**209,587**	**152,724**	**56,863**	**1,354,585**
Azure College Ltd	**997,155**	**895,747**	**101,408**	**101,408**

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

17. Stocks

	Group 2026 £	Group 2025 £
Finished goods and goods for resale	**370,393**	402,948

18. Debtors

	Group 2026 £	Group 2025 £	**Charity 2026 £**	Charity 2025 £
Trade debtors	**817,633**	298,759	**788,583**	261,912
Amounts owed by group undertakings	**-**	-	**-**	468
Other debtors	**34,576**	26,738	**32,021**	25,007
Prepayments and accrued income	**802,570**	646,173	**770,140**	527,867
	1,654,779	971,670	**1,590,744**	815,254

The amounts owed by group undertakings are unsecured and repayable on demand.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

19. Creditors: amounts falling due within one year

	Group 2026 £	Group 2025 £	**Charity 2026 £**	Charity 2025 £
Trade creditors	**295,206**	293,691	**203,052**	147,142
Amounts owed to group undertakings	**-**	-	**651,969**	443,901
Other taxation and social security	**467,147**	356,761	**451,477**	352,685
Other creditors	**102,253**	73,195	**90,796**	61,530
Accruals and deferred income	**229,678**	242,225	**164,013**	167,274
	1,094,284	965,872	**1,561,307**	1,172,532

The amounts owed to group undertakings are unsecured and repayable on demand.

Deferred income

	Group 2026 £	Group 2025 £
Deferred income at 1 February 2025	**34,743**	47,910
Resources deferred during the year	**51,387**	34,743
Amounts released from previous periods	**(34,743)**	(47,910)
Deferred income at 31 January 2026	**51,387**	34,743

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

20. Statement of funds

Statement of funds - current year

	Balance at 1 February 2025 £	Income £	Expenditure £	Balance at 31 January 2026 £
Unrestricted funds				
General funds	**6,211,307**	**12,135,927**	**(10,961,216)**	**7,386,018**
Restricted funds				
Residents activities for Keele Drive	**-**	**3,600**	**(3,600)**	**-**
Total of funds	**6,211,307**	**12,139,527**	**(10,964,816)**	**7,386,018**

Statement of funds - prior year

	Balance at 1 February 2024 £	Income £	Expenditure £	Balance at 31 January 2025 £
Unrestricted funds				
General funds	5,390,559	10,462,675	(9,641,927)	6,211,307
Restricted funds				
Residents activities for Keele Drive	-	3,600	(3,600)	-
Total of funds	5,390,559	10,466,275	(9,645,527)	6,211,307

Residents activities for Keele Drive: Various donations were received from Damant ML during the year towards the cost of providing social activities for the residents of Keele Drive.

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2026 £	Group 2025 £
Net income for the year (as per statement of financial activities)	**1,174,711**	820,748
Adjustments for:		
Depreciation charges	**161,968**	143,214
Profit on the sale of fixed assets	**(601)**	-
Decrease in stocks	**32,555**	37,746
Increase in debtors	**(683,109)**	(459,351)
Increase in creditors	**128,412**	142,955
Net cash provided by operating activities	**813,936**	685,312

22. Analysis of cash and cash equivalents

	Group 2026 £	Group 2025 £
Cash in hand	**2,742,748**	2,247,301
Total cash and cash equivalents	**2,742,748**	2,247,301

23. Analysis of changes in net debt

	At 1 February 2025 £	Cash flows £	At 31 January 2026 £
Cash at bank and in hand	**2,247,301**	**495,447**	**2,742,748**
	2,247,301	**495,447**	**2,742,748**

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £434,937 (2025: £322,644). Contributions totalling £55,393 (2025: £42,973) were payable to the fund at the balance sheet date and are included in creditors.

25. Operating lease commitments

At 31 January 2026 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2026 £	Group 2025 £	**Charity 2026 £**	Charity 2025 £
Not later than 1 year	**4,429**	15,788	**4,429**	15,788
Later than 1 year and not later than 5 years	**9,674**	1,050	**9,674**	1,050
	14,103	16,838	**14,103**	16,838

Docusign Envelope ID: EADCAD6F-5067-8428-83E8-54022D6EBA20

26. Related party transactions

During the course of the year, the charity purchased goods from its subsidiary Azure Garden Centre Limited amounting to £900 (2025: £623) on normal commercial terms. During the course of the year, the charity sold goods to its subsidiary Azure Garden Centre Limited amounting to £2,988 (2025: £2,717). During the course of the year, the charity provided management services to Azure Garden Centre Limited amounting to £104,974 (2025: £130,980). During the year there were also recharges of costs between the charity and Azure Garden Centre Limited. The net amount outstanding at the year end was £257,454 owing from the charity (2025: £87,116 owing from the charity).

During the course of the year, the charity purchased goods from its subsidiary Azure Property Management Services Ltd amounting to £18,133 (2025: £18,695) on normal commercial terms. During the course of the year, the charity sold goods to its subsidiary Azure Property Management Services Ltd amounting to £856 (2025: £780) on normal commercial terms. During the course of the year the charity provided management services to Azure Property Management Services Ltd amounting to £4,199 (2025: £7,705). During the year there were also recharges of costs between the charity and Azure Property Management Services Ltd. The net amount outstanding at the year end was £286,103 owing from the charity (2025: £356,317 owing from the charity).

During the course of the year, the charity provided management services to its subsidiary Azure College Ltd amounting to £223,499 (2025: £nil). During the year there were also recharges of costs between the charity and Azure College Ltd. The net amount outstanding at the year end was £108,406 owing from the charity (2025: £nil).

During the course of the year, there were recharges of costs between Azure Garden Centre Limited and Azure College Ltd. The net amount outstanding at the year end was £3,113 owing from Azure College Ltd (2025: £nil).

During the course of the year the charity sold goods to I Hindle, a trustee, totalling £4,088 (2025: £7,667) on normal commercial terms. The amount outstanding at the year end, included in the charitable company's debtors, is £nil (2025: £697).

During the course of the year the charity purchased services from Muckle LLP, a company where RJ Adams is a partner, totalling £1,020 (2025: £7,128), on normal commercial terms. The amount outstanding at the year end, included in the charitable company's creditors, is £nil (2025: £nil).

27. Controlling party

In the opinion of the trustees there is no ultimate controlling party, other than the trustees themselves.