

ACTES TRUST
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2019



Company Number : 4345294

Registered Charity Number : 1122223

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

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**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

THE TRUSTEES' REPORT

YEAR ENDED 31 MARCH 2019

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2019.

Reference and administrative details

Registered Company Number: 4345294

Registered Charity Number: 1122223

Registered Office 99. Acklam Road
Acklam
Middlesbrough
TS5 5HR

Senior Management Team

Chief Executive: Sandra Phillips
Operations Director: Paul Wales
Head of Finance: Anne Davies
Business Manager: Carol Heatley (in post until 31.05.2019)

Details of the Board of Trustees are set out below. The Trustees are also known as directors of ACTES TRUST for the purposes of company law.

Name	Role	Date Elected	Date Resigned
Cllr Charlie Rooney		13.07.2010	
Geoff Payne	Chair from 05.02.19	25.01.2007	
James Cooper		June 2009	
Sharon Stuttard		17.11.2008	
Peter Dawson		07.05.2019	

**ACTES TRUST
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THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Auditors	Baldwins Audit Services New Garth House Upper Garth Gardens Guisborough TS14 6HS
Bankers	National Westminster Bank PLC PO Box 352 Brampton Road Newcastle under Lyme ST5 0QX
Solicitors:	Womble Bond Dickinson St Anns Wharf 112 Quayside Newcastle upon Tyne Tyne and Wear NE1 3DX
Investment Bankers:	Cazenove Capital 12 Moorgate London EC2R 6DA

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

In preparing this report the trustees have had due regard to guidance published by the charities commission on public benefit as required under the Charities Act 2011.

Introduction from the Chair

The financial year 2018/19, like the previous year has remained very challenging for the Charity. The funding landscape has been difficult with fewer opportunities available in terms of new contracts. Despite our best efforts the Charity ended the year showing a loss. While this was disappointing from a financial perspective, the board were happy to support the Charity's operations from reserves in order to ensure that beneficiaries were not disadvantaged. Over the course of the year £718,000 of funding was secured, of which £49,000 relates to new contracts.

While the financial aspect of the business is disappointing, the Charity has continued to grow its reputation and recognition for the services we provide. We were delighted to have been nominated, and to win an award for Improving Employment Opportunities for Residents at the inaugural Middlesbrough Civic Community Awards 2019. In recognising that the funding landscape has changed, we have continued to develop our portfolio of innovative solutions to support those furthest from the labour market.

As part of a partnership bid, Actes was fortunate to win an extension of an existing contract to deliver the European Social Fund Youth Employment Initiative to support young people aged 16-29 to progress towards employment, building on our experience and success of delivering the early stages of the programme to those classed as hard to reach. Our training and development programmes have continued to be delivered to a high standard and are reviewed regularly to ensure that they remain relevant. In response to local needs, the Charity has focussed on refining and developing our life coaching programme to support those with multiple personal challenges including isolation and loneliness and we are now able to offer and provide those services to a wider range of individuals and partners.

The Charity has continued to provide high quality rental space in both our Acklam Green Centre and Resource Centre. Both centres have increased the number of regular and repeat bookings along with attracting new customers contributing to the sustainability of the Charity. As part of our commitment from 2017/18, a comprehensive review of the operating costs of the facilities took place and where possible expenditure was duly reduced. This exercise will be carried out on an annual basis to ensure that the facilities operate as efficiently as possible.

The General Data Protection Regulations (GDPR) were introduced in May 2018 and the charity was well prepared for this change in legislation. The Charity undertook a review of all aspects of data collection within the organisation to ensure that the principles of the legislation are complied with. The Charity has continued to build on the information system implemented in the previous year (Office 365) and will continue to do so in order to ensure that staff are able to deliver a high quality and secure service from venues in which the clients we support feel most at ease.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT*(continued)*

YEAR ENDED 31 MARCH 2019

Introduction from the Chair*(continued)*

On behalf of the board of trustees I would like to thank the staff team for their dedication and hard work to ensure our continued growth.

Geoff Payne

Chair of the Board

Structure, Governance and Management

Actes Trust is a company limited by guarantee governed by a Board of Trustees and its Memorandum and Articles of Association dated 24th December 2001 and amended 10th September 2010 and 17th September 2012. It is a registered charity with the Charity Commission. The Board of Trustees are appointed by its members.

The Board of Trustees:

- Sets the policy of the charity;
- Is involved in determining the corporate strategy of ACTES, including setting key strategic objectives;
- Approves the financial strategy for the organisation and authorises major decisions about the use of finances;
- Approves the programme of delivery for ACTES activities;
- Sets the framework for human resources policy.

Recruitment and Training of Trustees

Trustees are recruited in line with the terms laid down in the Articles of Association. Trustees serve for an initial term of 4 years after which they can be re-appointed for a further 2 years at any periodic board meeting. There is no limit to the number of 2 year terms that a trustee can serve.

Individuals wishing to be considered for the role of Trustee are required to submit an application to the Chair of the Board who will short-list suitable applicants on the basis of relevant skills and experience, prior to an election process.

Following their appointment Trustees are issued with a Trustee Handbook and are invited to an induction meeting to update them on the current strategic issues facing the organisation. On-going training needs are identified as part of an annual, formal appraisal process designed for Trustees.

Organisational Structure & Decision Making

Responsibility for the day to day management of Actes and the implementation of Board decisions and policy is delegated to Actes Chief Executive, with the support of Actes Management Team and staff. The Board meets a minimum of 4 times per year.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT*(continued)*

YEAR ENDED 31 MARCH 2019

Setting Pay and Remuneration

The Board are responsible for setting the remuneration of the Chief Executive Officer and the Deputy Chief Executive Officer. The Board take into account similar roles in comparative organisations in determining the salary levels and seek external advice. The Chief Executive officer is responsible for setting the remuneration level for all other staff again benchmarking against similar roles within comparative organisations. The board carried out a full salary review in 2017/18 in order to ensure that salary and benefits remain competitive.

Related Parties

None of the trustees receive remuneration or any other benefit from their work with the charity. Any connection between a trustee or a senior manager of the charity with an Actes service user or organisation that supplies goods or services to Actes must be disclosed to the board of trustees in the same way any other contractual relationship with a related party. In the current year no such related part transactions were reports.

The charity's wholly owned subsidiary, Ngage Client Solutions was established to operate contracts of a commercial nature, with the ability to gift aid any profits back to the charity. Ngage Client Solutions is currently dormant.

Objectives & Activities

Actes was established for the promotion for the public benefit of urban and rural regeneration in areas of social and economic deprivation.

Actes exists to improve the lives of the communities it serves. It achieves this by providing tailored services to meet the needs of individuals, often with complex or multiple needs, and by the provision of high quality business and social spaces and lettable accommodation.

Actes aims to inspire individuals to realise their full potential through supportive engagement and innovative solutions to achieve change. It has adopted a person centred approach to service delivery involving coaching, information advice and guidance, accredited and non-accredited training and workshops. It has a solid asset base including business and community premises and a small housing portfolio with the capability to increase this in future years.

Actes is continuing to expand and is developing its services into supporting the reducing reoffending agenda and working with those clients who have chaotic lifestyles. Actes strength lies in working with the client to help them progress towards their aims and goals, be that education, training, employment or a more stable lifestyle. We operate a peer led service to further enhance the support offered to clients.

In delivering its objectives, Actes seeks to address a range of broad social issues through an extensive delivery programme which will enable individuals to contribute to society in a positive way. Established as a Charity in 2008, Actes currently operates mainly within the Tees Valley but is expanding its operations more widely.

**ACTES TRUST
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THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Objectives & Activities (continued)

Actes will meet these objectives by all or any of the following means:

- a) the relief of poverty;
- b) the relief of unemployment;
- c) the advancement of education, training or re-training, particularly among unemployed people, and assisting in the provision for unemployed people of work experience;
- d) the provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - I. to existing businesses; or
 - II. in setting up new businesses;
- e) the creation of training and employment opportunities by the provision of work-space, buildings and/or land;
- f) the provision of housing for those who are in conditions of need and the improvement of housing provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
- g) the maintenance, improvement or provision of public amenities;
- h) the provision of recreational facilities for the public at large or those who by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
- i) the protection or conservation of the environment;
- j) the provision of public health facilities and childcare;
- k) the promotion of public safety and the prevention of crime.

The progress towards achievement of the Charity's aims and objectives is monitored quarterly by the Board of Trustees and any corrective action required due to slippage against timescales is documented. The board review the organisation's position both financially and operationally at every meeting and all company policies are reviewed by the board on an annual cycle. The Articles of Association are reviewed yearly to ensure that recent legislation is incorporated where required

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Achievements and Performance

Talent Match Programme

In December 2018 Actes completed its 5-year delivery of the Talent Match Middlesbrough (TMM) programme supporting young people 18-24 who are long-term unemployed. As well as helping young people to find work, the programme aimed to provide individuals with the skills and resilience that they need to navigate a fulfilling career. The programme had a focus on helping young people who have been long-term unemployed and face significant barriers to employment, such as parenting or caring responsibilities, disability or a lack of education, to find career opportunities.

All targets for the final year were exceeded for the 2018/9 final year which were:

- Sign-ups to the programme of NEET young people **55 (Target) – 56 (Achieved)** of which **3** were hidden NEETs
- Numbers into employment – **24 (Target) – 40 (Achieved)**
- 6-month sustainable employment – **16 (Target) – 17 (Achieved)**

As the programme neared completion, the talent match team concentrated on completing reports and developing exit strategies and support for young people we were working with. Although no official information has been released, it is thought that Talent Match Middlesbrough may be in the top 5 nationally for performance and outcomes for young people. Delivery partners were invited to a celebration event at Acklam Hall which was organised and ran by the TMM young people's panel and the Talent Match Middlesbrough Evaluation Report was produced.

One Planet Pioneers

The project aims to empower disadvantaged young people, 14-21 years old, through engagement in environmental action in the broadest sense, using volunteering, training and apprenticeships to develop young people as environmental advocates and leaders. Using the One Planet framework and utilising existing partnerships. During 2018/19 the programme extended its engagement to local schools, colleges and youth club. This has resulted in training more young people in peer mentoring and exceeding the overall programme target of **20**.

Actes delivery on this programme also took part in:

- London parliamentary visit to discuss concerns from the Our Bright Future Youth Forum
- Exchange visits with two other Our Bright Future projects; Gibside Green Academies and Lancashire Myplace
- Showcase of Maze Park to Middlesbrough Labour MP Andy McDonald

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Achievements and Performance (continued)

Benefit Take-up Campaign

The Unclaimed Benefit Campaign/HUB Service funded by Middlesbrough Council continues to support residents form across Middlesbrough. The partnership, involving Citizen Advice Bureau (lead), Age UK, Cleveland Housing Advice Centre (CHAC), Welfare Right (MBC) and Actes, continues to exceed targets set.

Actes delivers the Walking Talker and Evaluation/Triage Services within the programme. During 2018/19 a total of 11 (two-week campaigns) were ran across 14 different areas of Middlesbrough making the service accessible to many more people and this has unlocked a potential of **£2.7M** during this year.

Local economic development: the contribution made by benefits/welfare rights advice applying a multiplier developed by the New Economics Foundation, Ambrose and Stone, conclude financial gains through advice and support should have a multiplier effect of 1.7 (viewed as a conservative estimate) applied, therefore the value to the local economy would be: **£4.5M**

New Directions Programme

This programme is a Tees Valley Wide Youth Employment Initiative (YEI). It is a partnership project involving New College Durham (Lead), Thirteen Group, Coast and Country Housing and Actes, funded by European Social Fund and match funding. Actes delivery concentrates in the challenging areas (Middlesbrough & Stockton), working with short and long-term unemployed people aged 15-29. Actes completed phase one of the programme in July 2018 and achieved:

- Worked with **541** eligible clients
- **286** received either a job offer or training offer

From August onwards phase two concentrated on specific groups within the age range and funding for the project and work with:

- **30** eligible clients
- **4** received either a job offer or training offer

Free Your Potential

Free Your Potential is course designed to build confidence within individuals. Actes have been commissioned by Middlesbrough Community Learning to deliver the course to **72** learners in Middlesbrough the course is being delivered throughout the 2018/19 academic year and to date we delivered the non-accredited course to **15** people.

Trending – Clothing Bank

The Trending service ceased as of 31st March 2019, whilst the project was running it supported hundreds of people giving out around **5000** items of clothing and supporting those who need help the most. Actes intend to look at future options and the potential development of a sustainable model.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Achievements and Performance (continued)

Market Yourself/Work IT Out

In April, Actes delivered the last cohort delivery of Market Yourself course. Although still valued by JCP the demand/take up was not there and financially not viable to continue to deliver. However, this allowed the development of a new opportunity and delivery began on 'Work IT Out' which is an IT and Employability accredited course and based around Universal Credit.

The course is delivered from two areas Middlesbrough and Stockton. Actes work in partnership with Hartlepool College FE and are contract to deliver learner outcomes over an academic year period. During the financial year 187 had completed the IT course and 163 had completed the Employability course. Based on performance Actes were contracted to continue delivering learner outcomes for the college on this course with increased volumes until July 2019. Actes carry out period tracking of learners to find out how they are progressing and to date following being on the Work IT Out course 20 have moved into employment, 34 had gone on to additional training and 7 had moved into volunteering.

Help Through Crisis (Middlesbrough & Stockton)

The Big Lottery Help through Crisis programme draws on the strengths and personal experiences of people facing hardship so that they can overcome immediate difficulties and be ready for opportunities and challenges ahead.

Actes is delivering on the grant award programmes in both Middlesbrough and Stockton working in partnership with Middlesbrough & Stockton Mind, Stockton CAB, Bridges and Billingham Foodbank. Both projects have recently had feedback from the Lottery who are really pleased with progress.

In Middlesbrough, the project was at an interim period of year 3 (project runs July-June) and the project is on target for all client KPI's. The project is focusing on more training elements and sharing of learning in the second half of year 3 and will be delivering the projects "Engaging People, Changing Lives" training on hardship awareness.

In Stockton, again the project again at an interim period of year 3 (project runs July-June) and it has just had the independent evaluation shared for Year 2 report which was very positive in terms of Actes delivery stating 'Based on national progression figures of those hard to help 30% is considered to be high. Actes for year 1 & 2 have operated at 50.5% - delivering over profile'. The programme is on target to meet required output.

Facilities

The facilities business unit comprises the Acklam Green Centre, the Resource Centre and the rentable properties. Over the course of 2018/19 the two centres achieved an income of £309k which is an increase on the previous year of 7%. The rental properties brought in £49k which is a 6% decrease from 2017/18 due to some properties being vacant throughout the year.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Financial Review

In the financial year ended 31st March 2019, total income was £864,588 (2018 £984,270).

Total expenditure for the financial year was £1,361,265 (2018 £1,443,102).

The principal funding sources of income to Actes during the year were; provision of recreational facilities, room hire and catering income of £309,000, investment and rental income of £129,000, client led services contract income of £123,000, client led services generated income £25,000 and client led services grants of £278,000.

The financial year 2018/2019 has been very challenging. Several grant funded projects ended and the lack of funding opportunities to replace them has increased. One of the employability courses which was in decline has now been replaced with the newly developed Work IT Out programme. This has been successful and will continue to be delivered into 19-20. The market value of the investment was very volatile throughout the year, but the year-end position was only 0.2% lower than the previous year. New partnerships and programmes continue to be developed to increase the chances of success with the limited funding opportunities. The charity also continues to monitor costs and service contracts to ensure best value for money and to reduce the impact of overheads.

The overall financial position remains strong with a mix of unrestricted reserves and capital assets.

Although the operating deficit was £496,677 the total reserves decreased by £509,817. This was due to a decrease to the market value of the multi charity investment of £3,140 and the revaluation of two investment properties which resulted in a decrease of £10,000 to their market value.

Reserves Policy

Due to the changes in income streams and the higher levels of risk that the charity now faces ACTES have set the minimum level of reserves to £600,000. This is significantly less than the current level of unrestricted reserves which will reduce over the next 3 to 5 years as ACTES continues to work towards sustainability. Reserves will be used to continue the furtherance of the charities objectives during times when the funding streams of the charity are not certain or when the income levels fall significantly.

At 31st March 2019, total reserves held were £5,997,580 (2018 £6,507,397). Of this amount £2,701,456 (2018 £2,759,188) was restricted capital funds. The balance of unrestricted reserves £3,296,124 (2018 £3,748,209) comprise of designated funds of £1,029,000 (2018 £1,029,000), revaluation reserve £599,213 (2018 £612,353) free reserves of £1,274,358 (2018 £1,656,268) and £393,553 (2018 £450,588) relating to fixed assets.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Investments

The charity's investment policy requires the board to consider whether any reserves held are freely available to invest in areas that will create a return to assist with the furtherance of the charity's objectives. The board considers the suitability and diversification of any potential investments to ensure that the failure of one investment or institution does not have a major impact on the charity. The market value of the investment in shares is reflected in the charity's annual accounts with any movement recorded in the revaluation reserve. The board seeks professional advice when considering selecting or disposing of investments where they do not have the expertise to do so themselves. Any one investment should not represent more than 20% of the overall value of the Investment Funds, or 50% in the case of collective funds. A balanced approach between income and capital is adopted.

The charity's investment objectives are to maintain the capital value of the investment fund at least in line with inflation, with a profile of no higher than a medium risk. The term of the investment is viewed by the board as being on a medium to long term basis, but if required the investment will be easily accessible to pay for the annual expenses of managing the charity if needed. The board requires that the funds will not have any direct exposure to tobacco related investments.

The performance of the investments in 2018-19 has seen a decrease in fund market value of 0.2% from £1.88m to £1.85m and income received of £81,000 which has been used to further the charity's overall objectives.

Key Risk and Uncertainties

The board recognise that the charity operates in an area which has a degree of uncertainty. Nationally, welfare reform and the contraction of public services have had a major impact on the way that the charity operates. For example, local authority cutbacks have reduced centre occupancy rates and consequently their profitability. Grant funding is also in decline, and as public services are contracted-out they are commissioned in such a way that staff, TUPE obligations and delivery risks are also transferred to potential suppliers. This is combined with the requirement for organisations to demonstrate a track record in particular service areas and to meet high financial thresholds to pass contract eligibility criteria. This creates barriers for market entry into new delivery areas, and for the charity sector generally which is not known for maintaining high levels of reserves. Actes approach to overcoming this is to become a member of strategic partnerships or consortiums to pool experience and resources, and by doing so, be able to access larger and higher value contracts.

Internal Controls and Risk Management

Systems and procedures have been established to identify, monitor and manage the risks that Actes faces. Strategic decisions taken by the Trustees include full consideration of risk based on a risk assessment matrix.

One of the major risks for Actes is the reduction in funding opportunities at this time and the inability to fully cover overhead expenditure within grants. In managing this risk, Actes continually reviews its operating model to ensure expenditure is under control and within budgetary limits. In addition, Actes continually reviews its staffing structure to ensure it is not only fit for purpose but also efficient, effective and affordable. This will be an on-going process for the charity to ensure long term sustainability.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Plans for the Future

Actes has agreed the following Strategic Objectives to be achieved by March 2021. Achieving these objectives will be the key to long term sustainability and success.

1. Actes will be delivering services within and beyond the Tees Valley.
2. Actes will be a sustainable and thriving charitable company.
3. Actes will build its reputation, brand and relationships with new clients and customers to expand its range of services.
4. Actes aims to be recognised for providing high quality, best value services and facilities to meet its stakeholder needs.
5. To be an employer of choice evidenced by a commitment to continuous staff development, increased employee motivation, well-being and retention.

Crucial to its growth in the next three years will be Actes' ability to identify and collaborate with like-minded organisations. In recent years Actes has successfully reduced its dependency on a single market, but to continue to grow it will have to expand the reach of its operations potentially beyond Tees Valley, and also break into new supply chains; for example, by developing new services or delivering existing services in new locations. One of the key areas of development for the Charity over the next year is to continue to revise and refine our existing services to meet the needs of offenders and to explore developing our services to support young offenders. In addition, we will continue to develop new accredited training programmes at level two and above in response to employer requirements and to offer progression routes to our clients. We will continue to establish and grow the Actes brand throughout 2019/20 with the aim of becoming a trusted commentator within our area of expertise.

Building upon its strengths Actes has established its business model to encompass three key areas of activity which it has classified into independent Business Units. These Units are:

1. Facilities; which comprises the Acklam Green Centre, Resource Centre, and 10 lettable houses in West Middlesbrough.
2. Client Led Services; which consolidates the delivery of engagement, employability, welfare and debt advice services to young people and adults. Funded through a mix of grant support and fee income, services in this Unit will change over time in response to client needs but currently include delivery of Refresh, Defining Futures, New Directions, Help Through Crisis, Firm Foundations, One Planet Pioneers, Talent Match, and Market Yourself.
3. Management and Administration; this Unit includes all governance and management systems, core organisational functions, and all activities in relation to 99 Acklam Road.

Structuring the business in this way enables similar activities to be grouped together to enable efficiencies to be driven through the charity by the adoption of common and consistent practices. Our ambitions for these Units are that by March 2021;

1. Each facility will be sustainable independently and collectively, returning operational surpluses to be reinvested into our charitable objectives delivered through our client led services.
2. Client led services will continue to develop in response to client needs and deliver to high standards in appropriate settings.
3. Our management and administration costs will be streamlined and fully recoverable through the preceding Business Units.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Plans for the Future (continued)

Collectively, these ambitions underpin the strategic objectives for the business; and in achieving these will enable our strategic objectives to be met. The methods we will employ to achieve and measure these objectives will be described in further detail in the annual Business Plan.

Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

THE TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 MARCH 2019

Statement of disclosure of information to auditors

We, the directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared having taken advantage of the small companies exemption in the companies act 2006.

Registered office:

99 Acklam Road
Middlesbrough
TS5 5HR

Signed by order of the trustees



Geoff Payne
Chair of the Board of Trustees

Approved by the trustees on 5th November 2019

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACTES TRUST**

YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of ACTES Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACTES TRUST *(continued)***

YEAR ENDED 31 MARCH 2019

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACTES TRUST *(continued)***

FOR THE YEAR ENDED 31ST MARCH 2019

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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 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 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.

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACTES TRUST *(continued)***

FOR THE YEAR ENDED 31ST MARCH 2019

Auditor's responsibilities for the audit of the financial statements *(continued)*

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ACTES TRUST (continued)**

FOR THE YEAR ENDED 31ST MARCH 2019

Auditor's responsibilities for the audit of the financial statements (continued)

Use of our report

The report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report or for the opinions we have formed.

Baldwins Audit Services

Graham Fitzgerald BA FCA DChA

Senior Statutory Auditor

For and on behalf of Baldwins Audit Services, New Garth House, Upper Garth Gardens, Guisborough,
TS14 6HS

Date 12/11/19

Baldwins Audit Service is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST MARCH 2019

	Note	Unrestricted Funds £	Restricted Funds £	Capital Funds £	Total 2019 £	Total 2018 £
Income from:						
Donations and legacies						
Donations		215	-	-	215	501
Income from Charitable activities						
Grants received	2a	-	277,847	-	277,847	467,479
Contracts	2b	122,850			122,850	33,250
Income from other trading activities						
Activities for generating funds	2c	334,110	-	-	334,110	315,277
Rental income		48,589	-	-	48,589	52,300
Income from Investments						
Interest receivable and similar income		80,973	-	-	80,973	83,750
Other income						
Other Income		4	-	-	4	31,713
Total income		586,741	277,847	-	864,588	984,270
Expenditure:						
Expenditure on Raising funds	3	387,455	-	-	387,455	388,794
Expenditure on Investment Management	3	17,485	-	-	17,485	25,858
Expenditure on Charitable Activities	3	620,746	277,847	57,732	956,325	1,028,450
Total expenditure		1,025,686	277,847	57,732	1,361,265	1,443,102
Net gains/(losses) on investments	12	(13,140)	-	-	(13,140)	(54,790)
Net income/(expenditure)		(452,085)	-	(57,732)	(509,817)	(513,622)
Net movement in funds		(452,085)	-	(57,732)	(509,817)	(513,622)
Reconciliation of funds:						
Balance at 1 st April 2018		3,748,209	-	2,759,188	6,507,397	7,021,019
Balance at 31 st March 2019		3,296,124	-	2,701,456	5,997,580	6,507,397

The notes on pages 25 to 36 form part of these accounts.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	7	3,095,009	3,209,746
Investment in subsidiary	16	1	1
Property Investment	8	780,000	790,000
Investment - Schroders	8	1,885,763	1,888,903
Total Fixed Assets		5,760,773	5,888,650
Current Assets			
Debtors	9	120,428	221,239
Cash at bank and in hand		232,766	517,401
Total Current Assetss		353,194	738,640
Liabilities			
Creditors falling due within one year	10	(116,387)	(119,893)
Net current assets		236,807	618,747
Net Assets		5,997,580	6,507,397
The funds of the charity:			
Unrestricted income funds			
General Funds	12	1,667,911	2,106,856
Designated Funds	12	1,029,000	1,029,000
Revaluation Reserve	12	599,213	612,353
Total Unrestricted Funds		3,296,124	3,748,209
Restricted Income Funds	13	-	-
Restricted Capital Funds	14	2,701,456	2,759,188
Total charity funds		5,997,580	6,507,397

These financial statements have been prepared in accordance with the provisions applicable to small companies under part 15 of the Companies Act 2006.

Approved by the trustees and authorised for issue on 5th November 2019


.....
Geoff Payne


.....
Peter Dawson

Company Number – 4345294

The notes on pages 25 to 36 form part of these accounts

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities;			
Net cash provided by (used in) operating activities	19	(414,197)	(568,413)
Cash flows from investing activities:			
Dividends, Interest and rents from investments		129,562	136,050
Proceeds from Sale of Property		-	112,250
Net cash provided by (used in) investing activities		129,562	248,300
Increase (decrease) in cash and cash equivalents in the year		(284,635)	(320,113)
Cash and cash equivalents at the beginning of the year		517,401	837,514
Total cash and cash equivalents at the end of the year	20	232,766	517,401

The notes on pages 25 to 36 form part of these accounts.

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General information and basis of preparation

Actes is a company limited by guarantee in England / Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are the provision of recreational facilities, room hire and catering, rental of investment properties and client led services.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Fixed assets

All fixed assets are initially recorded at purchase cost plus the costs of any directly attributable expenditure.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	50 years straight line
Investment Property	-	No Depreciation
Football Pitches	-	25 years straight line
Equipment	-	4 years straight line

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Investments

The Multi Asset Investment is stated at market value at the balance sheet date. Market Value best represents a true and fair view of the value of these assets to the charity. The market value is obtained from Schroder's Wealth Management.

Investment properties are stated at market value at the balance sheet date. Market Value best represents a true and fair view of the value of these assets to the charity. Two of the properties were valued post year end as they are being sold and the market value for the remaining eight of the properties was obtained from Esurv Chartered Surveyors in 2015. In the opinion of the trustees there has been no significant change during the financial year. An independent valuation will be carried out every 5 years. The SOFA includes net gains and losses arising on revaluations and disposals throughout the year.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Fund Accounting

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. The capital fund identifies the funds available for fixed assets. Restricted funds are those which can only be used in accordance with the wishes of the donor.

Pension Contributions

The charitable company operates a Personal Pension Scheme for the benefit of its own staff. Pension contributions to defined contribution schemes are written off to the statement of financial activities in the year to which they relate.

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Transfer between Funds

The transfer between Capital funds and unrestricted funds represents movements in fixed assets.

Irrecoverable VAT

Irrecoverable VAT arising from partial exemption is shown as a separate item and included in resources expended in the year in which it arises.

Judgements and key sources of estimation uncertainty

There are no judgements (apart from those involving estimates) that have had a significant effect on amounts recognised in the financial statements:

The estimates and assumptions that could have a significant potential impact on the carrying values of assets and liabilities are as follows:

- (a) Useful economic lives of tangible fixed assets. These are set out in the depreciation policy note above and are the best estimate based on past experience and expected performance.
- (b) Valuation of investment properties. Independent professional valuations are obtained every five years and the Board considers whether this valuation is likely to have significantly changed in the intervening years.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

2a GRANTS RECEIVABLE	2019	2018
	£	£
Big Lottery Grant - Improving Financial Confidence	-	3,667
Big Lottery Grant - Talent Match	62,965	78,620
Big Lottery Grant - Fulfilling Lives:Ageing Better	-	50,848
Big Lottery Grant - Our Bright Future	43,421	40,000
Big Lottery Grant- Help Through Crisis	32,002	33,362
Big Lottery Grant - Awards for All	8,378	-
European Social Fund - Youth Employment Initiative	96,673	174,299
Tees Valley Combined Authority - Youth Employment Initiative	8,273	-
Middlesbrough Council	12,668	8,182
North Star Housing	9,500	56,821
Virgin Money	-	20,274
Other Grants	3,967	1,406
	<u>277,847</u>	<u>467,479</u>

The grants received were the only restricted Income received in 2019 and 2018

2b CONTRACTS	2019	2018 Amended
	£	£
Client Led Services - Work IT Out/Market Yourself	122,850	33,250
	<u>122,850</u>	<u>33,250</u>

This income was shown under generating funds in 2018

2c ACTIVITIES FOR GENERATING FUNDS	2019	2018 Amended
	£	£
Facilities - Room Hire	160,434	152,625
Facilities - Office Rental	41,500	34,420
Facilities - Café & Catering	73,929	66,625
Facilities - Sports Pitch Hire	30,927	32,141
Facilities - Other Income	2,171	2,349
Client Led Services - Benefit Take Up Campaign	24,867	22,157
Management & Admin - Other Income	282	4,960
	<u>334,110</u>	<u>315,277</u>

The income shown under contracts was included in generating funds in 2018

ACTES TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

3 RESOURCES EXPENDED	Generating Funds	Investment Management	Charitable Activities	Other Expenditure	Total 2019	Total 2018
	£	£	£		£	£
Direct costs - Other	102,582	5,988	77,933	-	186,503	223,437
Direct costs - Staffing	199,310	7,350	256,067	-	462,727	526,153
Administration costs	83,862	4,147	67,292	-	155,301	156,203
Staffing and related costs	1,701	-	393,155	-	394,856	374,165
Audit and related costs	-	-	7,650	-	7,650	9,000
Depreciation	-	-	114,737	-	114,737	117,107
Irrecoverable VAT	-	-	39,491	-	39,491	37,037
Total 2019	387,455	17,485	956,325	0	1,361,265	1,443,102
Total 2018	388,794	25,858	1,028,450	0	1,443,102	

The £1,443,102 from 2018 comprises Unrestricted funds £917,891, Restricted Funds £467,479 and Capital funds £57,732

4 NET OUTGOING RESOURCES FOR THE YEAR

Net outgoing resources for the year is stated after charging/crediting:	2019	2018
	£	£
Directors'/Trustees' emoluments	-	-
Depreciation of owned fixed assets	114,737	117,107
Unrealised Gain/(Loss) on Investments	(13,140)	(54,790)
Auditor's remuneration		
- as auditor	5,950	7,000
- other services	1,700	2,000

ACTES TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

5 ANALYSIS OF STAFF NUMBER AND COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

The average monthly head count was 38 staff (2018: 46) and the average number of full time equivalent employees and workers (including casual and part-time) during the year were as follows:

	2019	2018
Number of administrative staff	26	30
Number of management staff	5	6
	<u>31</u>	<u>36</u>

The aggregate payroll costs of the above were:

	2019	2018
	£	£
Wages and salaries	772,236	818,906
Social Security costs	59,174	63,879
Employers Pension Contributions	11,568	4,805
	<u>842,978</u>	<u>887,590</u>

One employee received employee benefits during the reporting period in the band £70,000 - £80,000

The charity trustees were not paid or received any other benefits during the year (2018:£nil) neither were they reimbursed any expenses during the year (2018:£nil)

The key management personnel comprise the trustees, the Chief Executive, Operations Director, Head of Finance, and Business Manager of Actes Trust. The total employee benefits of the key management personnel of the Trust were £209,884 (2018: £204,693)

6 TAXATION

The Trust is exempt from Corporation Tax on its charitable activities and the Board believe that no liability has arisen during the year.

7 TANGIBLE FIXED ASSETS

	Freehold Property £	Total £
COST		
At 1 April 2018	4,905,448	4,905,448
Additions	0	0
Disposal	0	0
At 31 March 2019	<u>4,905,448</u>	<u>4,905,448</u>
DEPRECIATION		
At 1 April 2018	1,697,644	1,697,644
Charge for the year	112,795	112,795
On Disposal	0	0
At 31 March 2019	<u>1,810,439</u>	<u>1,810,439</u>
NET BOOK VALUE		
At 31 March 2019	<u>3,095,009</u>	<u>3,095,009</u>
At 31 March 2018	<u>3,207,804</u>	<u>3,207,804</u>

ACTES TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

8 INVESTMENTS

	2019	2018
	£	£
Multi-Asset - Schroders	1,885,763	1,888,903
Investment - Properties	780,000	790,000
	<u>2,665,763</u>	<u>2,678,903</u>

The Multi-Asset investment is held primarily to provide an investment return for the charity. It is stated at Fair Value as at the Balance Sheet date. There has been a decrease of £3,140 which has been allocated to the revaluation reserve. Two of the investment properties have been valued post year end as they are being sold. The valuation report dated 23rd July 2019 was for £10,000 less than previously stated. This decrease has been allocated to the revaluation reserve. It is believed that fair value of all other properties is not materially different to the last Independent valuation which was carried out in 2015. The original cost of these properties was £585,430.

9 DEBTORS

	2019	2018
	£	£
Debtors - Charitable activities	49,241	58,750
Prepayments and accrued income	71,187	162,489
	<u>120,428</u>	<u>221,239</u>

10 CREDITORS: Amounts falling due within one year

	2019	2018
	£	£
Creditors – suppliers	14,205	26,298
Other taxation and social security	26,054	30,758
Other creditors	7,910	9,674
Accruals and deferred income	68,218	53,163
	<u>116,387</u>	<u>119,893</u>

Deferred Income includes the following grants - awarded by Big Lottery Funds - Awards 4 All £1,622, Help Through Crisis £2,852 and Our Bright Future £1,558.

ACTES TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Capital	Total 2019
	£	£	£
Fixed Assets	393,553	2,701,456	3,095,009
Investments - Properties	780,000	-	780,000
Investments - Other	1,885,764	-	1,885,764
Net Current Assets	236,807	-	236,807
	<u>3,296,124</u>	<u>2,701,456</u>	<u>5,997,580</u>
	Unrestricted	Capital	Total 2018
	£	£	£
Fixed Assets	450,558	2,759,188	3,209,746
Investments - Properties	790,000	-	790,000
Investments - Other	1,888,904	-	1,888,904
Net Current Assets	618,747	-	618,747
	<u>3,748,209</u>	<u>2,759,188</u>	<u>6,507,397</u>

ACTES TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

12 UNRESTRICTED FUNDS	2019	2018
	£	£
Balance brought forward	2,106,856	2,507,956
Net Resources Expended before Investment Revaluations	(438,945)	(401,100)
Transfers to/from Restricted Capital Funds	-	-
Transfer from Designated Fund	0	0
Balance carried forward	1,667,911	2,106,856
DESIGNATED FUNDS	2019	2018
	£	£
Sports Pitches	140,000	140,000
Acklam Green Centre	573,000	573,000
Resource Centre	176,000	176,000
Houses	100,000	100,000
Vehicles	20,000	20,000
Redundancies	10,000	10,000
Disposals - Legal Fees	10,000	10,000
	1,029,000	1,029,000
REVALUATION RESERVE	2019	2018
	£	£
Balance brought forward	612,353	667,143
Unrealised Gain/(Loss) on Investments	(3,140)	(54,790)
Unrealised Gain/(Loss) on Investment Properties	(10,000)	0
Balance carried forward	599,213	612,353
TOTAL OF UNRESTRICTED FUNDS	3,296,124	3,748,209

Designated funds comprise unrestricted funds that have been set aside by the trustees for a specific purpose. These funds have been set up to allow replacement of and/or major repairs to the charity's fixed assets. Where deemed necessary by the trustees the fund is increased each year as the assets depreciate. The designated funds also include one-off provisions for unexpected redundancies and legal fees. The expected timing of this expenditure is two to three years.

The revaluation reserve relates to the gains on investment based on the market value of the Multi Asset Charity Fund currently held with Schroders Wealth Management and the market value of the investment properties.

ACTES TRUST COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

13 RESTRICTED FUNDS	2019	2018
	£	£
Balance brought forward	-	-
Funds received in year	277,847	467,479
Expenditure in year	(277,847)	(467,479)
	<hr/>	<hr/>
Balance carried forward	-	-
	<hr/>	<hr/>
14 CAPITAL FUNDS	2019	2018
	£	£
Balance brought forward	2,759,188	2,816,920
Depreciation	(57,732)	(57,732)
Transfer from/to Unrestricted Funds	-	-
	<hr/>	<hr/>
Balance carried forward	2,701,456	2,759,188
	<hr/>	<hr/>

The Board considers that the restrictions of these assets is still in place after further investigation. The balance carried forward represents the Acklam Green Centre and Sports Pitches

15 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital.

16 SUBSIDIARY COMPANY

The charity owns the whole of the issued ordinary share capital of Ngage Client Solutions Limited. The subsidiary has been dormant throughout the year.

17 RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year.

18 CAPITAL COMMITMENTS

The Trust had no contractual commitments to future capital expenditure at the year end.

**ACTES TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

19 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net income/(expenditure for the reporting period (as per the statement of financial activities)	(509,817)	(513,622)
Adjustments for:		
Depreciation charges	114,737	117,107
(Gains)/Losses on investments	13,140	54,790
Dividends, interest and rents from investments	(129,562)	(136,050)
Loss/(profit) on the sale of fixed assets	-	(18,089)
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	100,811	(4,030)
Increase/(decrease) in creditors	(3,506)	(68,519)
Net cash provided by (used in) operating activities	(414,197)	(568,413)

20 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand	232,766	517,401
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	232,766	517,401

21 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2019, the total minimum lease payments under non-cancellable operating leases were as follows:

	2019	2018
	£	£
Amounts due within one year	10,460	13,560
Amounts due in two to five years	19,842	21,120
	30,302	34,680