

Companies House

Company No: 6946097

Charity No: 1132051

ACTION FOUNDATION

(a Company limited by guarantee without Share Capital)

Annual report and financial statements

for the period ended 31st March 2010

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COMPANIES HOUSE

ACTION FOUNDATION
(a Company limited by guarantee without Share Capital)

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ACTION FOUNDATION
(a Company limited by guarantee without Share Capital)

REPORT OF THE DIRECTORS

The directors present their first report and the financial statements for the period ended 31st March 2010

Reference and administrative details

Company number 6946097

Charity number 1132051

Registered office The CastleGate
Melbourne Street
Newcastle upon Tyne
NE1 2JQ

Independent examiner Stephenson Coates
Chartered Accountants
West 2, Asama Court, Newcastle Business Park
Newcastle upon Tyne NE4 7YD

Bankers Unity Trust Bank PLC
Nine Brindleyplace
Birmingham
B1 2HB

Directors

The directors of the charitable company are its trustees for the purposes of charity law

The directors who served during the period were as follows

A C Smith
R L Evans
P J Wilthew
E M Idowu

Company secretary J L Prior

Chief executive J L Prior

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REPORT OF THE DIRECTORS

(Continued)

Structure, governance and management

Governing document

Action Foundation is a company limited by guarantee, governed by its Memorandum and Articles of Association. The charitable company was incorporated on 27th June 2009 with registration number 6946097. It is registered as a charity with the Charity Commission, number 1132051. There are currently four members, each of whom agree to contribute £1 in the event of the charitable company winding up.

Appointment and retirement of directors

The number and skills of directors is regularly reviewed and any gaps identified. Existing members then approach suitable candidates who are invited to attend meetings, initially as observers, before being formally invited to join the board following discussion and references. Directors shall hold office for a term of four years but shall be eligible to hold office for further terms of four years indefinitely.

Organisation

The charitable company is organised so that the directors meet regularly to review its affairs and set objectives. There is a part-time chief executive to manage day to day activities. There is a close relationship for advice and structures with City Church, Newcastle who also provide some of our funding, office space and facilities.

Risk management

The directors have agreed to examine, on an annual basis, the major risks faced by the charitable company. These risks include financial, operational and regulatory. Systems are in place to minimise these risks, including preparation of regular financial reports, maintenance of insurance and management reviews. These systems are reviewed periodically to ensure the needs of the charitable company are being met.

Objectives and activities

The charitable company's objects are

- 1 The prevention and/or relief of poverty by the provision of advice and assistance to the public including to refugees, asylum seekers, migrant workers and their dependents particularly by the provision of education and training with a view to facilitating job creation and work opportunities for such persons and by the provision of housing and accommodation for persons in need of such provision and the improvement of housing and living conditions for such persons,
- 2 The advancement of education (including mental, physical, social and health education) by the provision of schooling, training and advisory services,
- 3 The relief of those in need by reason of their youth, age, ill health, disability, financial hardship or other disadvantage, particularly by supporting or assisting persons suffering or recovering from substance abuse, eating disorders, prostitution or persons in similar situations who are in need of charitable support, and
- 4 The promotion of human rights particularly by the support of those suffering from human rights abuses and/or issues of injustice perpetrated by individuals, groups or governments on the grounds of race, religion, colour, sex, sexual orientation, disability, political views/activities, ethnicity or medical or other condition

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REPORT OF THE DIRECTORS

(Continued)

The main activities undertaken in relation to these objects are

- Action Housing – providing free accommodation and support to destitute asylum seekers
- Action Language – providing free English Language classes to asylum seekers, refugees and other migrants that cannot reasonably access classes elsewhere

We are also actively exploring the possibility of starting a project that befriends and supports the elderly

In setting our objectives and planning our activities, the directors have given careful consideration to the Charity Commission's general guidance on public benefit. All of the directors are unpaid volunteers to ensure that all available funds are used to support our service users.

Achievements and performance

For much of this year the CEO has been focussed on changing our charitable status from being part of Open Door (North East) to becoming our own charity called Action Foundation. This took longer than anticipated but was completed in October 2009 when a marketing exercise to communicate the changes and rebranding was successfully conducted. With the aim of achieving clarity, this report and the attached financial statements reflect the results of all our activities in the year.

Action Housing had a good year of being able to move more people on to other statutory supported accommodation than in previous years due to more intensive casework to explore our residents' other options. During the year we housed 18 single adults from eleven different nations, (13 men and 5 women). It was particularly gratifying to support one particular lady from DRC who after three years of staying in one of our houses finally managed to get refugee status in Canada where she moved in March to join her husband and children. One of our residents managed to overturn a decision that refused him Social Services support with the help of an organisation called 'The Medical Foundation for the Care of Victims of Torture'. This was a test case that potentially affects many other decisions made by social services to deny care to asylum seekers and according to the General Manager of The Medical Foundation, would have not been possible were it not for our support.

The English School (Action Language) continues to thrive with over 30 learners regularly attending each class twice a week with approximately 15 volunteers regularly involved. We were reminded of the value of providing such a supportive and friendly environment in which to learn English when one of our learners, who could not or would not speak at all when she first arrived, performed a role play in English in front of the whole class. This turn-around is amazing, and it is in no small part down to the patient and friendly way so many of our volunteers care for our learners simply by encouraging them as they take small steps of progress in both confidence and communication. Recently we asked our learners to fill in a questionnaire to assess the outcomes of our service. 71% feel better able to access other services as a result of the classes and 79% feel that they were beginning to belong more to the community as a result of attending the classes.

We have also started a social enterprise this year teaching English to Refugees that are trying to gain employment in the NHS on behalf of an organisation called 'Refugee Health Care Professionals'. This contract has been very helpful in generating unrestricted income to support our charitable activities and together with some consultancy work done by Julian Prior (CEO) for the Centre for Social Justice in London approximately 11% of our income was generated through social enterprise.

However, this year has also been very challenging. We have had to evict one of our residents for repeated anti-social behaviour and for some of our residents the endless uncertainty of their legal status in the UK is starting to take its toll on their mental health. We have been working closely with mental health services to support our residents, however, there is a limit to what they can do as the solution to many of their problems is resolving their uncertain legal status in the UK. Julian Prior has had numerous meetings with UKBA and the shadow Immigration Minister, Damien Green to lobby for changes to the asylum system that make for a more humane and just system and whilst being receptive to some of his proposals (previously published in 'Asylum Matters – Restoring Trust in the UK Asylum System' by The Centre for Social Justice) it remains to be seen how the forthcoming general election will impact on the treatment of asylum seekers.

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REPORT OF THE DIRECTORS

(Continued)

Financial review

Financially it has also been a tough year. Our income dropped in the last financial year compared to the previous year, but our expenditure has increased significantly. This is due mainly to the growth of the services provided by the organisation, costs and disruption caused in changing charitable status, the reduction of time spent by the CEO working for the charity and the difficult global economic conditions. This deficit was possible due to the healthy reserves previously accumulated, however, this year our financial goal is to redress the imbalance of income/expenditure experienced last year and develop our social enterprise to increase unrestricted funds to develop the charity's services. This will be achieved by increasing the amount of time that the CEO spends raising funds and developing the charity's services.

We are currently funded through a combination of charitable trust grants (71%), donations (18%) and some fee income we receive from consultancy work and from our new social enterprise (11%).

To support our fundraising efforts from charitable trusts and grant funding bodies we have started working with Felton Fundraising, a fundraising organisation specialising in small charitable social care organisations. They started working for us in September 2009 and have been adding some real value to our fundraising efforts.

During the year we have received grants from the following organisations, Lankelly Chase, The Alvor Trust, The Joseph Rank Trust, City Church Newcastle, Your Homes Newcastle, The Barbour Trust, The Joicey Trust, The Sir James Knott Charitable Trust, The Triangle 1949 Trust, The R W Mann Trust, The Souter Charitable Trust and The Hadrian Trust. We are extremely grateful for their support.

Our CEO, Julian Prior also cycled the Hadrian's Way Coast to Coast together with several others to raise sponsorship for Action Foundation in May 2009 and raised £2,562.77.

Statement of the directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the charitable company's financial activities during the period and of its financial position at the end of the period. In preparing those financial statements, the directors should follow best practice and

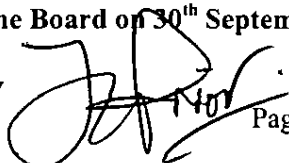
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

This report has been prepared in accordance with the provisions applicable to companies subject to the small company's regime.

This report was approved by the Board on 30th September 2010 and is signed on its behalf by:

J L Prior - Company Secretary


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ACTION FOUNDATION
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**Independent examiner's report on the unaudited financial statements to the directors of
ACTION FOUNDATION**

We report on the financial statements of the charitable company for the period ended 31st March 2010, which are set out on pages 6 to 12

Respective responsibilities of directors and examiner

The directors are responsible for the preparation of the financial statements. The directors consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied ourselves that the charitable company is not subject to audit under company law and is eligible for independent examination, it is our responsibility to

- examine the financial statements under section 43 of the 1993 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- to state whether particular matters have come to our attention

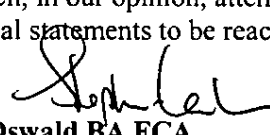
Basis of independent examiner's report

Our examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with our examination, no matter has come to our attention

- (1) which gives us reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare financial statements which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities
- have not been met, or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached


Principal: J H Oswald BA FCA
Stephenson Coates
Chartered Accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

30th September 2010

ACTION FOUNDATION
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Statement of financial activities
(including income and expenditure account)
for the period ended 31st March 2010

	Unrestricted funds £	Restricted funds £	Total £
INCOMING RESOURCES			
Incoming resources from generated funds:			
Voluntary income (note 3)	16,231	57,191	73,422
Investment income			
Bank interest received	<u>12</u>	<u>-</u>	<u>12</u>
	16,243	57,191	73,434
	<u> </u>	<u> </u>	<u> </u>
Incoming resources from charitable activities:			
English School (Social Enterprise)		5,581	5,581
Consultancy	<u>3,150</u>	<u>-</u>	<u>3,150</u>
	3,150	5,581	8,731
	<u> </u>	<u> </u>	<u> </u>
Total incoming resources	<u>19,393</u>	<u>62,772</u>	<u>82,165</u>
	<u> </u>	<u> </u>	<u> </u>
RESOURCES EXPENDED			
Costs of generating funds:			
Fund raiser's costs	<u>4,296</u>	<u>-</u>	<u>4,296</u>
Charitable activities:			
Staff costs (note 4)	-	53,025	53,025
Other costs (note 5)	<u>11,272</u>	<u>28,514</u>	<u>39,786</u>
	11,272	81,539	92,811
	<u> </u>	<u> </u>	<u> </u>
Governance costs: (note 6)	<u>3,044</u>	<u>-</u>	<u>3,044</u>
Total resources expended	<u>18,612</u>	<u>81,539</u>	<u>100,151</u>
	<u> </u>	<u> </u>	<u> </u>
MOVEMENT IN FUNDS FOR THE PERIOD – net (deficit)/income	781	(18,767)	(17,986)
Transfers between funds	(8,447)	8,447	-
Funds transferred from Open Door (North East) (Note 2)	<u>26,250</u>	<u>17,673</u>	<u>43,923</u>
Funds carried forward	<u>18,584</u>	<u>7,353</u>	<u>25,937</u>
	<u> </u>	<u> </u>	<u> </u>

All incoming resources and resources expended derive from continuing activities

The Statement of Financial Activities includes all gains and losses recognised for the period

The notes on pages 9 to 12 form part of these financial statements

ACTION FOUNDATION
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Balance sheet
at 31st March 2010

	Note	2010	
		£	£
Current assets			
Debtors	7	5,164	
Cash at bank		26,656	
		<hr/>	
		31,820	
Creditors:			
Amounts falling due within one year	8	(5,883)	
		<hr/>	
Net current assets/(liabilities)			25,937
			<hr/>
Total assets less current liabilities			25,937
			<hr/> <hr/>
Represented by:			
Funds unrestricted	10		18,584
restricted	10		7,353
			<hr/>
			25,937
			<hr/> <hr/>

The directors' statement required by Section 475(2) and (3) are shown on the following page which forms part of this Balance Sheet

The notes on pages 9 to 12 form part of these financial statements

ACTION FOUNDATION
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Balance sheet (continued)

**Directors' statements required by Section 475(2) and (3)
for the period ended 31st March 2010**

In approving these financial statements as directors of the company we hereby confirm

(a) that for the period stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006,

(b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the period ended 31st March 2010 and

(c) that we acknowledge our responsibilities for

(1) ensuring that the company keeps accounting records which comply with Section 386, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board on 30th September 2010 and are signed on its behalf by:



A C Smith
Director

Company registration number: 6946097

The notes on pages 9 to 12 form part of these financial statements

ACTION FOUNDATION
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**Notes to the financial statements
for the period ended 31st March 2010**

1. Accounting policies

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). In preparing the financial statements the charitable company follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

1.2 Incoming resources

Income generated by the charitable company is accounted for on an accruals basis. Voluntary income is accounted for as received by the company.

1.3 Value added tax

Value added tax is not recoverable by the charitable company, and as such is included in the relevant costs in the Statement of Financial Activities.

1.4 Classification of expenditure

Funds raising costs represent amounts paid to an independent fundraising concern to assist in raising unrestricted funds for core activities.

Costs of charitable activities include all staff costs incurred in the period in providing services together with the incidental costs of service provision.

Governance costs relate to legal costs in forming the company and the costs of preparing statutory reports and holding annual meetings.

1.5 Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.

2 Funds transferred from Open Door (North East)

The new charitable company - Action Foundation - has continued the activities previously undertaken by the Tyneside branch of Open Door (North East) - charity number 1099865, company number 4819153. Funds held by that charity at 31st March 2009 in respect of the Tyneside branch have been transferred to the new charitable company. For clarity, these accounts reflect all of the transactions undertaken in the year ended 31st March 2010 by both the Tyneside branch of Open Door (North East) and by Action Foundation.

ACTION FOUNDATION
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**Notes to the financial statements
for the period ended 31st March 2010
(continued)**

3. Voluntary income

	Unrestricted £	Restricted £	Total £
Grants received	3,500	54,991	58,491
Donations received	10,642	2,200	12,842
Gift Aid	2,089	-	2,089
	<u>16,231</u>	<u>57,191</u>	<u>73,422</u>

4 Staff costs

	Unrestricted £	Restricted £	Total £
Staff costs -			
Wages and salaries	-	39,120	39,120
Social security costs	-	405	405
Freelance costs	-	13,500	13,500
	<u>-</u>	<u>53,025</u>	<u>53,025</u>

There were three paid employees at the end of the period No employee received remuneration over £60,000 p a during the period

The directors received no remuneration in the period

5. Charitable activities – other costs

	Unrestricted £	Restricted £	Total £
House running expenses	-	20,807	20,807
Gifts to refugee and asylum seekers	1,607	1,313	2,920
English School project	-	2,326	2,326
Travel and subsistence	622	450	1,072
Miscellaneous expenses	-	116	116
Legal and professional fees	387	2,301	2,688
Office administration expenses	3,329	95	3,424
Office rent	2,505	408	2,913
Insurance	1,811	636	2,447
Conferences and training	839	62	901
Bank charges	172	-	172
	<u>11,272</u>	<u>28,514</u>	<u>39,786</u>

ACTION FOUNDATION
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**Notes to the financial statements
for the period ended 31st March 2010
(continued)**

6. Governance costs

	Unrestricted £	Restricted £	Total £
Legal and professional fees	1,000	-	1,000
Accountancy fees	2,044	-	2,044
	<hr/>	<hr/>	<hr/>
	3,044	-	3,044
	<hr/>	<hr/>	<hr/>

7. Debtors

	2010 £
Trade debtors	547
Open Door (North East)	537
Prepayments and accrued income	4,080
	<hr/>
	5,164
	<hr/>

8. Creditors: amounts falling due within one year

	2010 £
Trade creditors	728
Accruals	5,155
	<hr/>
	5,883
	<hr/>

9. Share capital

The charitable company is limited by guarantee and therefore does not have a share capital. The members of the company have each undertaken to subscribe an amount not exceeding £1 in the event of winding up, whilst they are members.

ACTION FOUNDATION
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Notes to the financial statements
for the period ended 31st March 2010
(continued)

10. Funds

The movement on funds during the period was as follows

Restricted	Funds transferred from Open Door (North East) £	Incoming resources £	Resources expended £	Fund transfer £	At 31st March 2010 £
English School	-	17,572	(15,551)	-	2,021
Salaries	3,078	28,000	(39,525)	8,447	-
Houses	12,779	17,200	(26,463)	-	3,516
Events	1,816	-	-	-	1,816
	<u>17,673</u>	<u>62,772</u>	<u>(81,539)</u>	<u>8,447</u>	<u>7,353</u>
Unrestricted	<u>26,250</u>	<u>19,393</u>	<u>(18,612)</u>	<u>(8,447)</u>	<u>18,584</u>
Total	<u>43,923</u>	<u>82,165</u>	<u>(100,151)</u>	<u>-</u>	<u>25,937</u>