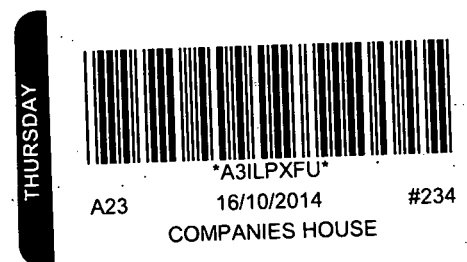


Charity number: 1132051
Company number: 6946097

Action Foundation
(A company limited by guarantee)
Trustees' report and financial statements
for the year ended 31 March 2014



STEPHENSON COATES LIMITED
CHARTERED ACCOUNTANTS

West 2, Asama Court, Newcastle Business Park, Newcastle upon Tyne, NE4 7YD
0191 256 7766

www.stephensoncoates.co.uk

Action Foundation
(A company limited by guarantee)

Legal and administrative information

Charity number	1132051
Company registration number	6946097
Registered office	The CastleGate Melbourne Street Newcastle upon Tyne NE1 2JQ
Trustees	A C Smith R L Evans E M Idowu W A Coulson I D Galloway
Secretary	J L Prior
Chief executive	J L Prior
Independent examiner	Stephenson Coates Limited West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
Bankers	Unity Trust Bank PLC Nine Brindleyplace Birmingham B1 2HB

Action Foundation
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2014

The trustees present their report and the financial statements for the year ended 31 March 2014. The trustees, who are also directors of Action Foundation for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

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 is 6946097. It has been registered as a charity with the Charity Commission, number 1132051 since 9 October 2009. There are currently five 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. At least one trustee must be an elder of City Church, Newcastle.

Organisation

The charitable company is organised so that the directors meet regularly to review its affairs and set objectives. There is a full-time chief executive to manage day to day activities. There is a close relationship with City Church Newcastle who founded the charity and provide ongoing support with funds, office space and facilities at their building, CastleGate.

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.

Action Foundation
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2014

The main activities undertaken in relation to these objects are:

- Action Housing - provides free accommodation and support to destitute asylum seekers;
- Action Letting - manages property for landlords and lets them to homeless refugees with support to maintain their tenancy and move onto independent living;
- Action Language - provides free English language classes to migrants that cannot reasonably access mainstream ESOL provision and more intensive English classes for those individuals and organisation that can afford to pay for it;
- Action Befriending - matches volunteer befrienders with isolated older people and runs regular social gatherings to facilitate befriending.

In setting our objectives and planning our activities, the directors have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. All of the directors are unpaid volunteers to ensure that all available funds are used to support our service users.

Achievements and performance

During the year Action Foundation has supported over 750 beneficiaries and involved 123 volunteers in our four projects and the office. The charity has continued to grow significantly both in terms of the numbers of people being helped (approximately 500 in 2012/13) but also by increasing our income from £233,336 in 2012/13 to £367,387 in 2013/14. This has largely been as a result of gaining exempt accommodation status for our Action Letting project which has enabled us to reclaim a higher rent for our residents from Housing Benefit as a result of the support we provide.

As a result of new funds raised we employed one new member of staff, to support our Action Befriending Project Manager, and have increased the hours of one of our Action Language teachers/administrators to full time to manage the growth of this project. We were offered new office space in The CastleGate that has released a room to be used as our third classroom enabling us to teach more people English and accommodate new staff in our new office. Funds from The Port of Tyne Community Action Fund paid for refurbishments, new furniture and equipment to enable us to complete these changes. We are also very grateful for the continued support of City Church Newcastle, who own and manage The CastleGate, (the building in which we are situated), and let us have use of the classrooms, office space and meeting rooms/support facilities rent free as well as their ongoing financial support.

"We have been aware of the Action Foundation's work since 2006 and recognise the vital service they provide to some of the most disadvantaged and marginalised members of our community. We have developed a positive working relationship and are confident in the support that they offer." Neil Munslow MBE - Housing and Welfare Rights Service Manager, Newcastle City Council.

"It is really motivating to see the range of projects that Action Foundation is running. I am very aware that to start and run such ambitious projects requires a lot of time and hard work. What you are doing on housing, English lessons, and befriending demonstrates such a commitment from everyone who is involved." - Fiona Hall, Member of the European Parliament for the North East of England.

Action Foundation
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2014

Action Housing

We have continued to manage two houses for our Action Housing residents that have been refused asylum and have no recourse to public funds. Our residents have told us that our regular support to them has been invaluable as we help them access the limited services that they are entitled to whilst trying to help them resolve their long term accommodation need. During the year we have housed 11 people in this project bringing the total number of people we have housed through Action Housing to 43. Four of our residents have been able to move on this year.

"My situation before I moved to an Action Foundation House was not good. It was very, very hard, because living [on the floor] in different houses every night, every week, you do not feel human. When I moved to the Action Foundation house I feel like I became a different person in the same day because I can cook for myself, I can go to my room when-ever I want. Action Foundation made a very, very big difference to my life." Action Housing resident.

Sadly one of our residents was evicted due to repeated antisocial behaviour.

During the year we strengthened our steering group that meet with the CEO and Project manager regularly by inviting someone with significant experience of working with asylum seekers to join the team. This has added a great deal of invaluable experience and insight to the group.

A highlight of the year was a trip to St James Park football stadium, the home of Newcastle United Football club. Newcastle United Foundation also gave us a grant to offer bursaries for our residents to improve their English and two of our residents so far have been studying on our IELTS/FCE course.

We also worked with Emmanuel College to raise awareness of, and funds for, our work during their Activities Week in June. This involved spending a morning with the students talking about our work together with a refugee from West End Refugee Service. Later in the week over 20 students and teachers cycled in relay non-stop for 24 hours on four exercise bikes in Baltic Square, Gateshead in our 'Rough Ride' event. Collectively they cycled two and a half times the length of the UK, raised £1,435 from sponsorship and experienced a taste of what it is like to sleep rough for a night.

This year Action Housing has been financially supported by the following Trusts and Foundations; The Henry Smith Charity through the Community Foundation Tyne and Wear and Northumberland, Lloyds TSB Foundation, The Greggs Foundation, The AB Charitable Trust, Souter Charitable Trust, Benfield Motors, and the Leslie and Lillian Manning Charitable Trust. We are extremely grateful for this support.

Danesh* fled Iran following opposition from the police for his beliefs. He had been beaten, abused and incarcerated. Having been refused asylum, homelessness and instability fuelled his frustrations, depression and suicidal thoughts. Action Housing provided Danesh with accommodation and referred him to a counsellor who diagnosed Danesh as having Post Traumatic Stress Disorder. This provided Danesh with a forum to process his painful memories, nightmares and receive medication for his spiralling depression. Following Action Housing's persistent involvement and dedication, Danesh was granted Section 4 government accommodation in Newcastle - vital to prevent any further upheaval and setbacks to his recovery.

* Name of resident changed to protect identity.

Action Foundation
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2014

Action Letting

Action Letting has supported 32 new refugees this year who were homeless or at risk of homelessness in the five houses that we manage for private landlords. This enabled them to avoid homelessness during the difficult transition into mainstream systems of support, housing, further education and employment. Action Letting is the only provider of private rented supported accommodation to refugees in Tyneside and to date 95% of our residents have been able to move onto independent living.

The main highlight of the year involved our application to Newcastle City Council for a 'Supporting People' contract to provide supported accommodation to new refugees in Newcastle in partnership with three other organisations; Changing Lives, Norcare (Thirteen Care and Support) and Praxis. We won this contract in May 2014 which will bring some much needed financial support as well as mainstream recognition for the work that we do with refugees.

Welfare Reform will have a big impact on our residents who, many in the migrant sector feel, are likely to be disproportionately affected by the changes due to take place. Therefore in October 2013 we hosted an event (called WELLfare INFORMED) in partnership with Newcastle City Council and The Regional Refugee Forum to raise awareness of some of our concerns and inform the new migrant community organisations about how they can respond. Maurice Wren, the new CEO of The Refugee Council and Cllr Joyce McCarty, Deputy Leader of Newcastle City Council were among the speakers at the event that was well attended by organisations representing new migrant communities.

84% of people attending Welfare Informed said that the event helped improve their knowledge about changes to welfare.

"Fascinating to get both national and local insight. Pleased to have a mechanism for services and users to feedback and problem solve. A great idea." Event delegate

In June 2014 we won two significant new grants from The Henry Smith Charity and The Northern Rock Foundation that will enable us to expand Action Letting in Newcastle and Gateshead as well as replicating our services in Sunderland by enabling us to take on new staff to increase our capacity to expand. See 'Plans for future periods' section on page 8.

"After getting refugee status it was very difficult for me to find accommodation as the waiting list for council housing was very long and I did not have enough money for a deposit for private accommodation. Getting references was also very difficult, however, Action Letting were very supportive and helped me to find a good house that I could live in. This support has given me some stability and peace of mind which has enabled me to find employment and start to contribute to life in the UK. I would recommend Action Letting to any refugee." - Former Action Letting beneficiary.

Action Foundation
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2014

Action Language

Action Language has continued to increase the number of free 'Skills for Life' ESOL Classes for migrants who are unable to access classes elsewhere. This now includes 14 x 2 hour free 'Skills for Life' ESOL classes over 6 levels (Pre-Entry-Level 2), an ESOL Numeracy Class (Entry 3/Level 1) and a new intensive 'ESOL for Work' course every week. This has been possible by securing additional funds and opening a third classroom. We registered 410 students for our free classes, meaning we have significantly exceeded the total number of students last year (257) and we gave out 294 bus vouchers to disadvantaged students who would not have otherwise been able to get to our classes.

Our 'Skills for Life' courses are now accredited by the National Open College Network. During the year 84 students sat examinations and 95% of students passed. 234 (95% of beneficiaries surveyed) felt that their English was improving. So far 245 beneficiaries have reported that our classes have helped them to access local services, a positive response rate of 81%.

Our free classes were run by 60 volunteers ('CELTA' qualified teachers and volunteer teaching assistants) with an average volunteer to student ratio of 1:3. This number includes three student teachers from Newcastle College and five students from our high level classes.

Students have told us how they feel welcomed and valued in our classes. 93% of students surveyed feel welcomed, happier and more confident as a result of attending classes at Action Language and on average 76% (up to 91%) feel a valued member of the community as a result.

Students have told us how "Action Language helps on the journey" and is "key to their success". So far, 95 students feel that they have a better chance of getting work, education or succeeding in life. So far, from our first three ESOL for Work courses, 9 out of 23 (39%) have moved into employment.

Our fee-paying courses growth have also been encouraging with an increase from 50 to 64 students this year and we continued to deliver IELTS training to the Refugee Healthcare Professionals project. We also supported a charity in Middlesbrough (Open Door North East) to introduce fee-paying English classes and in May/June 2014 we ran an intensive 5 week IELTS course for North Tees NHS Trust for 29 Migrant nurses. Our fee paying courses generated £23,154 income this financial year.

During the year we partnered with four other organisations to enter a national competition run by the Department for Communities and Local Government to run ESOL for hard to reach communities in the UK. Although unsuccessful this was an excellent learning process in thinking about how to replicate our service and we are considering starting courses in Sunderland in the near future.

"It was the best opportunity for me to come to the English classes and the teacher was very friendly and I am meeting new people. I think that I am improving my English and my normal life. I think it's very different because before I started coming to the English class I was very frustrated because I don't have nothing to do at all. Nothing! So when I started coming I started to feel more happy and more smiling, yes. It was a very good improvement" - Skills for Life Pre-Entry class learner.

During the year Action Language has been financially supported by; BIG Lottery, Garfield Western, as well as the Willan Charitable Trust, European Social Fund, Comic Relief, and Esmee Fairbairn Foundation through the Community Foundation Tyne and Wear and Northumberland.

Action Foundation
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2014

Action Befriending

Action Befriending was set up to fill a gap in service provision by matching volunteer befrienders to socially isolated older people from all backgrounds in Tyneside who are over the age of 50. Age UK Newcastle, in particular, encouraged us to set up a new befriending service to cross-refer and complement existing services that were not able to meet the demand. This project started in 2011 and so far we have provided befriending to 80 socially isolated older people and have served over 250 beneficiaries through our regular tea club events. During the year we also launched our own telephone befriending service and our Supportive Friendships scheme for two socially isolated older people to befriend each other.

The highlight of the year was our partnership with the new charity started by Esther Rantzen called 'The Silver Line', a 24 hour helpline for older people. In June 2013 we hosted Esther for the North East launch of the pilot of this project before its National launch in November. This event was attended by approximately 100 professionals from the sector in Tyneside and over 200 older people to a Tea Party in the afternoon. The launch gained significant media coverage on local TV, press and radio.

Esther commented on the event, "What a wonderful, well-planned day! I think we managed to spread awareness not only of The Silver Line and Action Foundation, but also draw attention to the challenges and achievements of the older generation. We had brilliant media coverage, and the whole team created an atmosphere in which those working in the sector could meet each other and network, and our older guests could have a thoroughly enjoyable outing. A fabulous event - brilliantly conceived."

This year Action Befriending has been financially supported by; The Newcastle Fund, The Trusthouse Charitable Foundation, as well as The Kellett Fund, The Ballinger Charitable Trust and the William Webster Charitable Trust through the Community Foundation in Tyne and Wear and Northumberland. This support has enabled us to employ a Befriending Co-ordinator who has supported the Project Manager in the delivery of the service.

Colin* suffers from high levels of generalised anxiety and had been largely unable to leave his house for at least a year prior to being referred to Action Befriending by his GP. Recently bereaved, he was spending all day, every day just sitting in one chair. Initially, Colin found it difficult to even have a conversation, but over the past few months he has developed a good level of trust and confidence with his befriender. Together they have begun to take short walks out of the house and at Colin's request they recently undertook a trip to the local shop - something that he had not been able to contemplate for over two years. (*Name changed to protect identity)

Action Foundation
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2014

Financial review

Over the last few years we have been developing our fundraising strategy so that we are less reliant on income from grants from Charitable Trusts. We have made significant progress on this during the year with our increases in earned income from Action Language and Action Letting. This has given us a better mix of income sources with 49% of our income coming from grants, 40% from earned income and 11% from donations.

In our last annual report we also set ourselves the goal of gaining six months of cash-flow as this was very challenging in 2012/13. We achieved this goal in March 2014 which has given us much more confidence to continue the growth we have experienced over the last year.

Our income from grant funding and donations has also increased from £181,529 in 2012/13 to £218,705 in 2013/14. This is as a result of a more focussed approach to Trusts and Foundations that has resulted in fewer but larger grants being secured. During the year 35 Trusts, 9 other organisations and 37 individuals financially supported our work. In November we launched our 'Grow your Tenner' campaign that match funded new donations of £10 per month from individuals for up to six months with money from the Cabinet Office (Office for Civil Society). This increased the number of people giving to Action Foundation regularly from 12 giving £440 per month to 32 people giving £857 per month. We are deeply grateful for the financial support we receive both large and small from individuals and organisations.

New grant funders for this year were; Lloyds TSB Foundation, DCLG, European Social Fund, Garfield Western, Joicey Trust, Ballinger Charitable Trust and Trusthouse Charitable Foundation. The following new funds were accessed through The Community Foundation Tyne and Wear and Northumberland; Port of Tyne Community Action Fund, 29th May 1961 Charitable Trust, Comic Relief, Esme Fairbairn Foundation and The Kellett Fund.

Plans for future periods

In June 2014 we won funds to employ a new Project Manager for Action Letting to enable us to start to provide accommodation for new refugees in Sunderland. We hope to have this person in post by the end of the year and anticipate that we will open at least three new houses in Sunderland during 2015. As a result of increased demand for Action Letting in Newcastle we also expect to open at least one new house in Newcastle towards the end of 2014. To be able to manage this increase in demand we have employed our second refugee who will be providing support to our new residents.

Action Language will continue to develop our work amongst particularly 'hard to reach' communities in Newcastle. This includes work amongst the Roma Community and from September 2014 we will be working with The Riverside Community Health Project in Benwell to offer Roma mothers with pre-school children the opportunity to access free ESOL classes and childcare.

We shall also be looking for ways to increase the income we can generate from teaching English to healthcare professionals, following our successful project teaching IELTS to refugee healthcare professionals and migrant nurses.

Action Foundation
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2014

Statement of trustees' responsibilities

The trustees (who are also directors of Action Foundation for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and 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 that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- 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 adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which 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.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board



J L Prior
Secretary

3 September 2014

Action Foundation
(A company limited by guarantee)

Independent examiner's report to the trustees on the unaudited financial statements of Action Foundation.

We report on the accounts of Action Foundation for the year ended 31 March 2014 set out on pages 2 to 20.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. It is our responsibility to examine the accounts under section 145 of the Act; to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Act; and to state whether particular matters have come to our attention.

Basis of independent examiner's statement

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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees 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 accounts 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:

- (i) which gives us reasonable cause to believe that in any material respect the requirements:
 - to keep adequate accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (ii) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Principal: John Oswald BA FCA
Stephenson Coates Limited
Independent examiner
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

3rd September 2014

Action Foundation
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 March 2014

	Notes	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	40,726	177,979	218,705	181,529
Activities for generating funds	3	-	1,300	1,300	1,615
Investment income	4	35	-	35	21
Incoming resources from charitable activities (social enterprise)	5	75,315	72,032	147,347	50,171
Total incoming resources		116,076	251,311	367,387	233,336
Resources expended					
Costs of generating funds:					
Fundraiser's costs		27,337	-	27,337	24,982
Fundraising costs		117	-	117	380
Charitable activities	6	66,429	238,834	305,263	214,537
Governance costs	9	858	-	858	834
Total resources expended		94,741	238,834	333,575	240,733
Net incoming/(outgoing) resources for the year /					
Net income/(expenditure) for the year		21,335	12,477	33,812	(7,397)
Total funds brought forward		3,969	19,268	23,237	30,634
Total funds carried forward		25,304	31,745	57,049	23,237

The statement of financial activities includes all gains and losses in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 14 to 20 form an integral part of these financial statements.

Action Foundation
(A company limited by guarantee)

Balance sheet
as at 31 March 2014

	Notes	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	14		7,139		4,053
Current assets					
Debtors	15	10,927		5,153	
Cash at bank and in hand		44,216		17,904	
		<u>55,143</u>		<u>23,057</u>	
Creditors: amounts falling due within one year	16	<u>(5,233)</u>		<u>(3,873)</u>	
Net current assets			<u>49,910</u>		<u>19,184</u>
Net assets			<u>57,049</u>		<u>23,237</u>
Funds	17				
Restricted income funds			31,745		19,268
Unrestricted income funds			25,304		3,969
Total funds			<u>57,049</u>		<u>23,237</u>

The Balance Sheet continues on the following page.

The notes on pages 14 to 20 form an integral part of these financial statements.

Action Foundation
(A company limited by guarantee)

Balance sheet (continued)

**Trustees' statements required by the Companies Act 2006
for the year ended 31 March 2014**

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

(a) that for the year 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 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 March 2014.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, 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 year and of its profit or loss for the year 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 .

The financial statements were approved by the board on 3 September 2014 and signed on its behalf by



A C Smith
Director

The notes on pages 14 to 20 form an integral part of these financial statements.

Action Foundation
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2014

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Cashflow

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small charity.

1.3. 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.

1.4. Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Fundraiser's costs represent amounts paid to employees to assist in raising funds for activities. Fundraising costs represents expenditure incurred in relation to fundraising events.

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

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

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment - 20% - 33% straight line

1.6. Defined contribution pension schemes

The pension costs charged in the financial statements represent the contributions payable by the charity during the year.

Action Foundation
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2014

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Donations	14,010	1,000	15,010	16,147
Gifts from City Church, Newcastle	20,400	-	20,400	20,400
Grants receivable (£2,999 and under)	1,500	11,022	12,522	17,050
Grants receivable - Evan Cornish Foundation	-	-	-	6,755
Grants receivable - The Greggs Foundation	-	9,336	9,336	9,064
Grants receivable - Northern Rock Foundation	-	-	-	10,000
Grants receivable - The AB Charitable Trust	-	10,000	10,000	7,500
Grants receivable - The Vardy Foundation	-	-	-	10,000
Grants receivable - Henry Smith Charity	-	7,500	7,500	7,500
Grants receivable - Big Lottery Fund RC	-	36,243	36,243	36,388
Grants receivable - Big Lottery Fund AfA	-	-	-	6,065
Grants receivable - The Newcastle Fund	-	10,805	10,805	10,000
Grants receivable - Anonymous	-	-	-	9,994
Grants receivable - The Hilden Charitable Fund	-	-	-	5,000
Grants receivable - Christ's Hospital in Sherburn	-	-	-	5,000
Grants receivable - 1989 Willan Charitable Trust	-	2,500	2,500	3,000
Grants receivable - DCLG English Competition	-	6,000	6,000	-
Grants receivable - ESF/ Community Foundation	-	6,026	6,026	-
Grants receivable - Garfield Weston Foundation	-	5,000	5,000	-
Grants receivable - Lloyds TSB Foundation	-	10,000	10,000	-
Grants receivable - Joicey Trust	-	3,000	3,000	-
Grants receivable - Kellett Fund	-	12,286	12,286	-
Grants receivable - Esmee Fairburn Foundation	-	16,690	16,690	-
Grants receivable - Ballinger Charitable Trust	-	9,258	9,258	-
Grants receivable - The Trusthouse Charitable Found	-	7,000	7,000	-
Grants receivable - Port of Tyne CAF	-	4,453	4,453	-
Grants receivable - The 29th May 1961 CT	3,000	-	3,000	-
Grants receivable - Comic Relief LC Fund	-	9,860	9,860	-
Gift Aid	1,816	-	1,816	1,666
	<u>40,726</u>	<u>177,979</u>	<u>218,705</u>	<u>181,529</u>

A C Smith and I D Galloway, directors of the charitable company, are also directors of City Church, Newcastle.

3. Activities for generating funds

	Restricted funds £	2014 Total £	2013 Total £
Other income	1,300	1,300	1,615
	<u>1,300</u>	<u>1,300</u>	<u>1,615</u>

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4. Investment income

	Unrestricted funds £	2014 Total £	2013 Total £
Bank interest receivable	35	35	21
	<u>35</u>	<u>35</u>	<u>21</u>

5. Incoming resources from charitable activities - social enterprise

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Action Language	23,154	-	23,154	14,329
Action Letting	52,161	72,032	124,193	35,842
	<u>75,315</u>	<u>72,032</u>	<u>147,347</u>	<u>50,171</u>

6. Costs of charitable activities

	Activities undertaken directly £	Support costs £	2014 Total £	2013 Total £
Charitable activities	293,786	11,477	305,263	214,537

7. Charitable activities

	Unrestricted funds £	Restricted funds £	2014 Total £	2013 Total £
Action Language	16,670	7,802	24,471	14,642
Action Housing	-	23,616	23,616	27,407
Action Letting	-	72,716	72,716	31,350
Action Befriending	-	6,233	6,233	3,830
Wages and salaries	28,395	109,422	137,817	110,357
Social security costs	2,481	7,482	9,964	8,587
Staff pension costs	2,177	10,210	12,387	8,976
Depreciation	1,248	1,353	2,601	732
Gifts	3,150	-	3,150	-
Miscellaneous expenses	831	-	831	269
	<u>54,952</u>	<u>238,834</u>	<u>293,786</u>	<u>206,150</u>

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8. Analysis of support costs

	Unrestricted funds £	2014 Total £	2013 Total £
Insurance	1,732	1,732	1,068
Travel and subsistence	537	537	94
Legal and professional fees	2,100	2,100	361
Bank charges	204	204	144
Office administration and equipment	4,410	4,410	2,055
Conferences and training	917	917	1,310
Marketing	1,577	1,577	3,355
	<u>11,477</u>	<u>11,477</u>	<u>8,387</u>

9. Governance costs

	Unrestricted funds £	2014 Total £	2013 Total £
Independent examiner's fees	858	858	834
	<u>858</u>	<u>858</u>	<u>834</u>

10. Net incoming/(outgoing) resources for the year

	2014 £	2013 £
Net incoming/(outgoing) resources is stated after charging:		
Depreciation	<u>2,600</u>	<u>732</u>

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11. Employees

Employment costs	2014	2013
	£	£
Wages and salaries	161,279	132,714
Social security costs	11,877	9,798
Pension costs	14,349	10,390
	<u>187,505</u>	<u>152,902</u>

No employee received emoluments of more than £60,000 (2013 : None).

Number of employees

The average monthly numbers of employees during the year was as follows:

2014	2013
Number	Number
<u>10</u>	<u>8</u>

12. Pension costs

The company operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and was as follows:

	2014	2013
	£	£
Pension charge	<u>14,349</u>	<u>10,390</u>

13. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

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14. Tangible fixed assets	Fixtures, fittings and equipment		Total
	£	£	
Cost			
At 1 April 2013	4,785	4,785	
Additions	5,686	5,686	
At 31 March 2014	<u>10,471</u>	<u>10,471</u>	
Depreciation			
At 1 April 2013	732	732	
Charge for the year	2,600	2,600	
At 31 March 2014	<u>3,332</u>	<u>3,332</u>	
Net book values			
At 31 March 2014	<u>7,139</u>	<u>7,139</u>	
At 31 March 2013	<u>4,053</u>	<u>4,053</u>	

15. Debtors	2014		2013
	£	£	
Prepayments and accrued income	<u>10,927</u>	<u>5,153</u>	

16. Creditors: amounts falling due within one year	2014		2013
	£	£	
Accruals and deferred income	<u>5,233</u>	<u>3,873</u>	

17. Analysis of net assets between funds	Unrestricted funds		Restricted funds		Total funds
	£	£	£	£	£
Fund balances at 31 March 2014 as represented by:					
Tangible fixed assets	4,989	2,150			7,139
Current assets	22,430	32,713			55,143
Current liabilities	(2,115)	(3,118)			(5,233)
	<u>25,304</u>	<u>31,745</u>			<u>57,049</u>

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18. Unrestricted funds	At 1 April 2013 £	Incoming resources £	Outgoing resources £	At 31 March 2014 £
Unrestricted funds	<u>3,969</u>	<u>116,076</u>	<u>(94,741)</u>	<u>25,304</u>

19. Restricted funds	At 1 April 2013 £	Incoming resources £	Outgoing resources £	At 31 March 2014 £
Action Language	-	84,732	(60,560)	24,172
Action Housing	16,269	46,896	(62,897)	268
Action Letting	-	77,945	(77,945)	-
Action Befriending	-	41,738	(34,433)	7,305
Big Lottery Reaching Communities Fund	804	-	(804)	-
Big Lottery Awards for All	2,195	-	(2,195)	-
	<u>19,268</u>	<u>251,311</u>	<u>(238,834)</u>	<u>31,745</u>

20. Company limited by guarantee

Action Foundation is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.