

HOMELESS ACTION

England & Wales · Charity number 1063208

Details

Other names THE ASHLEY FOUNDATION

Status Registered

Legal form Charitable company

Company number [03366712](#)

Registered 1997-07-05

Register [View on the Charity Commission register](#)

Contact

Address Homeless Action
81-83 Abingdon Street
Blackpool
FY1 1PP

Phone 01253297200

Email enquiries@homelessaction.org

Website www.homelessaction.org

Activities

Objects: THE RELIEF OF POVERTY BY THE PROVISION OF ACCOMMODATION TO PERSONS IN NEED AND IN SUCH OTHER WAYS AS THE TRUSTEES THINK FIT

Activities: The relief of poverty by the provision of accommodation to persons in need and providing support to clients to assist them with the wider issues of homelessness.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Accommodation/housing
- **Who:** The General Public/mankind

Geography

- Blackpool
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-05-30	£3,792,342	£3,144,123	£3,959,683	27
2024-05-30	£2,990,502	£2,775,138	£3,311,464	26
2023-05-30	£3,285,748	£3,027,107	£3,038,291	28
2022-05-30	£3,656,249	£3,812,928	£2,779,650	38
2021-05-30	£3,962,086	£4,204,878	£2,936,329	41

Trustees

Name	Role	Appointed
Allan Oldfield		2020-10-30
Dr Mark John O'Donnell		2020-10-30
Elizabeth Warren		2020-10-30
Lisa Margaret Edwards		2019-05-15
Simon Alastair Robinson		2020-10-30

Accounts

HOMELESS ACTION
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MAY 2025

Company Number: 3366712

Registered Charity Number: 1063208

HOMELESS ACTION

Financial Statements For the year ended 30 May 2025

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HOMELESS ACTION

Reference and Administrative Details For the year ended 30 May 2025

Registered Charity Name:	Homeless Action
Charity Registration Number:	1063208
Company Registration Number:	3366712
Principal Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Registered Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Trustees:	Mrs L Edwards - Chair Dr M O'Donnell Mr A Oldfield Mr S Robinson Mrs E Warren
Solicitors:	Napthens Jubilee House East Beach Lytham St Annes Lancashire FY8 5FT
Bankers:	Lloyds Bank 25-27 Birley Street Blackpool Lancashire FY1 1EG
Auditor:	Mitchell Charlesworth (Audit) Limited 3rd Floor 44 Peter Street Manchester M2 5GP

HOMELESS ACTION

Trustees' Annual Report For the year ended 30 May 2025

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 30 May 2025, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. On 10th March 2023 the name of the charity was changed from The Ashley Foundation to Homeless Action.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The principal objective of the charity throughout the year was the relief of poverty by the provision of accommodation to persons in need and providing support to clients to assist them with the wider issues of homelessness. This was achieved by the operation of 88 hostel rooms up to February 2025 and then 105 rooms following the successful completion of the Elm House extension project, with one further room to be added in 2025-26 (2024: 88) hostel rooms spread across 4 sites (2024: 4) in Blackpool and Sunderland, 83(2024: 83) self-contained Move On flats across 19 sites (2024: 19) in Blackpool and Sunderland. In addition, in June 23 a further 49 hostel rooms were provided on 1 site in Blackburn prior to the termination of the lease and associated management agreement. The properties in Blackpool are all owned by the Charity and those in Sunderland operated on behalf of other parties under the terms of long-term Management Agreements.

In the hostels, daily support is provided to the clients assisting them with daily living skills. The clients in the flats are supported to live independently.

During the Covid pandemic additional accommodation was provided in both Blackpool and Sunderland. The provision of accommodation in Sunderland via creative use of existing accommodation has continued. In addition, the Charity supported the Severe Weather Emergency Provision and Emergency Weather provision requirements of Blackpool Council in the winter of 24-25.

The Charity's Community Café & Hub in Blackpool, which opened in 2019 had to close at the end of December 2024 as a result of a serious flood in the property. Following a thorough evaluation the Trustees reluctantly decided that the Café should close permanently due to financial reasons. Arrangements were subsequently made for residents to volunteer in the kitchens of the Blackpool Hostels to ensure that the valuable work experience could continue.

The Trustees are clear that the objectives and activities of Homeless Action are carried out for public benefit. They have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the purpose and objectives and when planning future activities. In particular, the Trustees consider how planned activities contribute to the aims and objectives they have set.

Achievements and performance

Provision of accommodation - During the year accommodation was provided for 275 homeless individuals in Blackpool (2024: 247) and 165 in Sunderland (2024: 162).

There continues to be high demand for accommodation from the local authorities in both Sunderland and Blackpool resulting in high occupancy levels in both areas.

Partnership working - During the year we continued to work closely with our local authorities and other providers in Blackpool and Sunderland.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2025

Hostel Developments – following the purchase in 2023 of the property adjacent to Elm House in Derby Road, Blackpool, a contract was awarded in April 2024 for the redevelopment of this property, which included combining it with Elm House. This work completed in February 2025, resulting in an expanded Elm House with 45 beds. The additional rooms were very quickly filled from 17th March 2025 onwards. Renovation of the existing Elm House commenced in April 2025 and is on-going, providing one further additional bed. The newly completed facility now contains disabled facilities and additional recreational facilities for our residents. The Trustees are extremely grateful to the Garfield Weston Foundation who very generously provided grant funding of £150,000 for this work

In addition to Elm House, the ground floor of Oak House was renovated and modernised between September 2024 and February 2025.

Residents Support - During the year we have continued to develop our support provision for our residents, working closely with all our residents to enable them to obtain employment, where appropriate, and to live independently. We continued to provide classes in Maths, English, IT skills, budgeting and life skills, alongside recreational activities including gym, boxing, walking and handicrafts. This work was supported by the grant funding of £215,962 from the Know Your Neighbourhood fund (via the Community Foundation), for a 21 month period, which commenced in July 2023.

The aim of the grant is to reduce isolation. We are providing support through skills workshops including finance, IT, Life Skills, sports and leisure, volunteering and job training including construction and hair and beauty.

Financial review

The statements of financial activities are set out on page 10 of the financial statements.

Consolidated income for the year was £3,792,342 (2024: £2,990,502), and consolidated expenditure for the year was £3,144,123 (2024: £2,775,138).

The overall consolidated surplus for the year was £648,219 (2024: surplus of £215,364). The surplus on unrestricted funds was £519,481 (2024: £199,744), an increase of £319,737. The increase was due to the impact of an out of court settlement reached with the former CEO and one of the previous trustees, offset by renovation costs at Elm House. Inflationary pressures are largely recovered in increased rents and service charges.

Reserves/Reserves policy

Total reserves as at 30 May 2025 are £3,959,683 (2024: £3,311,464), of which £3,807,610 (2024: £3,288,129) are held in general unrestricted reserves and £152,073 (2024: £23,335) are held in restricted reserves. Within the unrestricted reserves are designated funds totalling £183,221 (2024: £192,286). See note 24 for further details.

Reserves are defined as unrestricted funds that are freely available to spend on charitable purposes. Reserves should be held to service an unexpected need for funds, covering unforeseen day-to-day operational costs, a shortfall in income or to fulfil our obligations. Our reserves policy is designed to reflect the underlying risks facing the charity and to ensure that we have appropriate level of reserves to safeguard our operations and services to homeless people, in particular the opening and initial operating of new buildings. Accordingly, we aim as far as reasonably practicable, to maintain reserve funds of three months operational running costs. This policy is reviewed annually. Based on the general free reserves of £0.630 million (net of funds represented by property and associated borrowing and designated funds), 2.6 months reserves are in place. The Trustees consider the level of reserves to be sufficient at the moment but continue to review and monitor this.

Going concern

Following a review of the financial position at the date of signing these accounts and projections for the following 12 months the Trustees consider that the charity is a going concern.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2025

Trading subsidiary

The charity's wholly owned subsidiary, SHOP2023 CIC ceased operating its charity shop in March 2020 as a result of the Covid-19 pandemic, and the lease which ended in August 2021 was not renewed. The company was dissolved on 29th April 2025, and as a result the Charity's investment in the subsidiary of £1 has been written of and Charity only accounts prepared for the year ended 30th May 2025.

Structure, governance, and management

Governing document

The charity was incorporated in May 1997. Homeless Action is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 May 1997, as amended by special resolutions dated 4 September 1997, 4 January 2000, 5 January 2012, and 11 June 2021.

Governance

Introduction

On 20 March 2020, the Charity Commission opened a statutory inquiry into the affairs of the charity and on 13th January 2023 published its findings. The report can be found on the Charity Commission website. As a result of this the Charity commenced legal proceedings against Lee Dribben the former CEO of the Charity, and his son Ashley Dribben, a former Trustee of the Charity and in February 2025 an out of court settlement was reached. The Trustees are pleased that this matter has now been concluded so that all efforts can now be directed to the future of the Charity.

In accordance with Articles 31 & 32 of the company's Articles of Association Mrs Elizabeth Warren, and Dr Mark O'Donnell resigned as Directors in November 2025 and were unanimously re-elected for a further term of office.

Appointment of trustees

Other than in the exceptional circumstances outlined in the Charity Commission Report, when new Trustees are required, positions will be advertised locally, and a formal selection process will take place. This will also involve the potential new trustee(s) visiting local hostels and flats and also attending a trustee meeting to gain an appreciation of the workings of the charity.

Trustee induction and training

Trustee induction involves visits to see the premises and to meet the management and staff teams, together with time spent with the Chief Executive and Senior Managers to better and more fully understand the activities of the charity.

Related parties

In addition to the trustees who served during the year, the Trustees consider the following individuals and organisations to be related parties for the purposes of disclosure of related party transactions: Mrs W Swift and SHOP2023 CIC.

Details of related party transactions required to be disclosed in accordance with the relevant legislation and guidance can be found in Note 22 on Page 25.

Fundraising standards

The charity does not carry out significant fundraising activities.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2025

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees who served the company during the period of the report were as follows:

Key management personnel: Trustees

Chair: Mrs L Edwards
Dr M O'Donnell
Mr A Oldfield
Mr S Robinson
Mrs E Warren

Key management personnel: Principal staff

Chief Executive Officer: Mrs W Swift

Trustees' responsibilities

The trustees (who are also directors of Homeless Action for the purposes of company law) are responsible for preparing the Trustees' Annual 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2025

Insofar as the current trustees are aware,

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

Approved by the Board on 26-11-25 and signed on its behalf by:



Mrs L Edwards - Chair
Trustee

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action For the year ended 30 May 2025

Opinion

We have audited the financial statements of Homeless Action for the year ended 30 May 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement and the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 May 2025 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 applicable law and International Standards on Auditing (UK) (ISAs (UK)). 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.

Conclusions relating to going concern

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

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

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

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action [Continued] **For the year ended 30 May 2025**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, 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 Trustees' 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 Trustees' Report and from the requirement to prepare a Strategic Report.

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action (Continued) For the year ended 30 May 2025

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 directors 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 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 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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and business performance;
- the organisation's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action [Continued] For the year ended 30 May 2025

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following area:

The estimation of the housing benefit accrual. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the House in Multiple Occupation regulations, and the Selective Licensing schemes.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

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

Use of our Report

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



Jamielee Johnston (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Chartered Accountants and Statutory Auditors
3rd Floor
44 Peter Street
Manchester
M2 5GP

26 November **2025**

HOMELESS ACTION

Statement of Financial Activities (Including Income and Expenditure Account) For the year ended 30 May 2025

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
Income							
Donations and legacies	5	225,983	28	226,011	141,279	3,713	144,992
Income from charitable activities:							
Operation of accommodation and café	6	-	2,983,198	2,983,198	-	2,808,793	2,808,793
Income from other trading activities							
Investment income - bank interest	7	-	27,035	27,035	-	27,385	27,385
Other income		-	556,098	556,098	-	9,332	9,332
Total incoming resources		<u>225,983</u>	<u>3,566,359</u>	<u>3,792,342</u>	<u>141,279</u>	<u>2,849,223</u>	<u>2,990,502</u>
Expenditure							
Expenditure on charitable activities:							
Operation of accommodation and café	8	(39,683)	(2,958,193)	(2,997,876)	(125,659)	(2,649,479)	(2,775,138)
Expenditure from other activities							
Other expenditure		-	(146,247)	(146,247)	-	-	-
Total expenditure		<u>(39,683)</u>	<u>(3,104,440)</u>	<u>(3,144,123)</u>	<u>(125,659)</u>	<u>(2,649,479)</u>	<u>(2,775,138)</u>
Transfers		<u>(57,562)</u>	<u>57,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming resources for the year	12	128,738	519,481	648,219	15,620	199,744	215,364
Total funds brought forward		<u>23,335</u>	<u>3,288,129</u>	<u>3,311,464</u>	<u>7,715</u>	<u>3,088,385</u>	<u>3,096,100</u>
Total funds carried forward		<u>152,073</u>	<u>3,807,610</u>	<u>3,959,683</u>	<u>23,335</u>	<u>3,288,129</u>	<u>3,311,464</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 13 to 31 form part of these financial statements

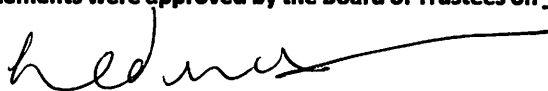
HOMELESS ACTION

Balance Sheet

As at 30 May 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	16	3,408,315	2,528,720
Investments	17	-	1
Total fixed assets		3,408,315	2,528,721
Current assets			
Debtors	18	223,406	300,456
Cash at bank and in hand		813,536	971,129
Total current assets		1,036,942	1,271,585
Creditors: Amounts falling due within one year	19	(224,102)	(208,346)
Net current assets		812,840	1,063,239
Total assets less current liabilities		4,221,155	3,591,960
Creditors: Amounts falling due after more than one year	20	(261,472)	(280,496)
Net assets		3,959,683	3,311,464
The funds of the charity			
Restricted income funds	24	152,073	23,335
Unrestricted income funds	23	3,807,610	3,288,129
Total funds		3,959,683	3,311,464

The financial statements were approved by the Board of Trustees on 26-11 2025 and are signed on their behalf by:



Mrs L Edwards

Chair of Trustees

Charity Number: 1063208 Company Number: 3366712

The notes on pages 14 to 29 form part of these financial statements

HOMELESS ACTION

Statement of Cash Flows For the year ended 30 May 2025

	Notes	2025 £	2024 £
Cash generated from/(used in) operating activities	27	633,477	340,586
Cash flow from investing activities			
Interest income		27,035	27,385
Grant income		150,000	-
Purchase of tangible fixed assets		(953,222)	(136,505)
Disposal of tangible fixed assets		1,944	-
Cash flow from investing activities		(774,243)	(109,120)
Cash flow from financing activities			
Repayments of loans		(16,827)	(15,233)
Cash used in financing activities		(16,827)	(15,233)
Decrease in cash and cash equivalents in the year		(157,593)	216,233
Cash and cash equivalents at the beginning of the year		971,129	754,896
Total cash and cash equivalents at the end of the year		813,536	971,129

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

1. Company information

Homeless Action is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Homeless Action meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant Accounting Policy note(s).

(b) Going Concern

At the time of approving the financial statements the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Funds structure

- General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

2. Accounting policies [Continued]

(d) Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income is recognised on a receivable basis.

(e) Management agreements

The charity has management agreements in place with both Falcon Housing Association CIC and Places for People to manage the provision of accommodation for the homeless in properties in Sunderland. The agreement with Falcon is for 'move-on' flats and Falcon is the leaseholder of these properties. The agreement with Places for People is for the Poplar House Hostel and Places for People are the owners of this property. The terms of both agreements result in the charity receiving income from the respective landlords equal to the amounts that they receive as housing benefit from the council. This income is included in Income from Charitable Activities. Expenditure incurred in providing the service required under the terms of the agreements is included in Expenditure on Charitable Activities.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

2. Accounting policies [Continued]

(f) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs include costs of the preparation and examination of the statutory financial statements, the costs of Trustee meetings and the cost of any legal advice to Trustees on governance or constitutional matters.
- Other expenditure represents those items not falling into any other heading.

(g) Fixed assets

Individual fixed assets costing £2,000 or more are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at the rates listed below so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life:

Freehold land and buildings	2% per annum on cost
Plant and machinery	10% per annum on cost
Office equipment	33.3% per annum on cost
Motor vehicles	16.7% per annum on cost

(h) Investments

Fixed asset investments are included at market value at the Balance Sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds, and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

(i) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

(j) Pensions

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with the current legislation.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

2. Accounting policies [Continued]

(k) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking any discount due.

(l) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments.

(m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party at the amount due to settle the obligation and can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

(n) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Legal status of the charity

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation. The number of members at the year-end was six (2024: six).

4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

5.	Grants, donations, and legacies	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
	Donations and legacies						
	Appeals and donations	-	28	28	-	2,713	2,713
	Grants	225,983	-	225,983	141,279	1,000	142,279
	Total per statement of funds	225,983	28	226,011	141,279	3,713	144,992

The income from grants, donations and legacies was £226,011 (2024: £144,992) of which £28 was unrestricted (2024: £3,713) and £225,983 restricted (2024: £141,279).

6.	Incoming resources from charitable activities	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
	Charitable activities						
	Housing benefit - hostels and flats	-	2,721,218	2,721,218	-	2,508,003	2,508,003
	Income from hostels and flats	-	-	-	-	-	-
	Residents' contributions - hostels and flats	-	151,226	151,226	-	158,539	158,539
	Emergency Beds Scheme	-	38,423	38,423	-	35,295	35,295
	Community Café & Hub takings	-	46,770	46,770	-	87,644	87,644
	Other income	-	25,561	25,561	-	19,312	19,312
	Total income from charitable activities	-	2,983,198	2,983,198	-	2,808,793	2,808,793

7.	Investment income	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
	Bank interest	-	27,035	27,035	-	27,385	27,385
	Total investment income	-	27,035	27,035	-	27,385	27,385

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

8.	Expenditure on charitable activities - Current year	Community Café & Hub £	Accom Provision £	Total Funds 2025 £
	Wages and salaries costs	37,135	1,188,781	1,225,916
	Staffing costs	4,112	6,231	10,343
	Premises costs	2,895	1,040,004	1,042,899
	Bank charges	-	133	133
	Bad debt	-	(96)	(96)
	Office costs	421	9,623	10,044
	Food costs	25,496	133,304	158,800
	Other costs	1,362	8,979	10,341
	Laundry and cleaning costs	1,993	14,004	15,997
	Motor and travel costs	-	16,933	16,933
	Legal Costs	-	25,601	25,601
	Profit/loss on disposal	-	(9,848)	(9,848)
	Depreciation	-	69,162	69,162
	Governance costs	-	8,460	8,460
	Support costs	-	413,191	413,191
	Total	73,414	2,925,793	2,997,876
	Expenditure on charitable activities - Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2024 £
	Wages and salaries costs	64,857	1,039,335	1,104,192
	Staffing costs	6,634	13,485	20,119
	Premises costs	10,640	916,702	927,342
	Service charges - Blackburn Hostels	-	34,390	34,390
	Office costs	892	14,413	15,305
	Food costs	51,944	108,542	160,486
	Other costs	1,102	9,678	10,780
	Laundry and cleaning costs	4,087	10,645	14,732
	Motor and travel costs	-	14,294	14,294
	Legal Costs	-	17,507	17,507
	Depreciation	-	53,503	53,503
	Governance costs	-	8,053	8,053
	Support costs	-	394,435	394,435
	Total	140,156	2,634,982	2,775,138

Expenditure on charitable activities was £2,999,207 (2024: £2,775,138) of which £2,959,524 was unrestricted (2024: £2,649,479) and £39,683 restricted (2024: £125,659).

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2025

9.	Summary of analysis of expenditure and related income for charitable activities - Current year	Community Café & Hub £	Accom Provision £	Total Funds 2025 £
	Costs (note 8)	73,414	2,925,793	2,999,207
	Grant support (note 5)	-	(225,983)	(225,983)
	Net cost - other income	73,414	2,699,810	2,773,224
	Summary of analysis of expenditure and related income for charitable activities – Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2024 £
	Costs (note 8)	140,156	2,634,982	2,775,138
	Grant support (note 5)	-	(142,279)	(142,279)
	Net cost - other income	140,156	2,492,703	2,632,859

10. Analysis of governance and support costs - Current year

The charity allocates its support costs as shown in the table below and then further apportions those costs to the charitable activities undertaken (see note 9). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2025 £
Bank charges	1,286	-	1,286
Wages and salaries costs	239,429	-	239,429
Staffing costs	12,081	-	12,081
Premises costs	22,802	-	22,802
Office costs	30,611	-	30,611
Food costs	166	-	166
Other costs	2,863	-	2,863
Motor and travel costs	854	-	854
Accountancy costs	42,031	-	42,031
Audit costs	-	8,460	8,460
Legal costs	40,534	-	40,534
Loan interest	21,927	-	21,927
Depreciation	2,431	-	2,431
Profit/loss on disposal	(3,824)	-	(3,824)
	413,191	8,460	421,651

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2025

10. Analysis of governance and support costs - Prior year

The charity allocates its support costs as shown in the table below and then further apports those costs to the charitable activities undertaken (see note 9). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2024 £
Bank charges	1,188	-	1,188
Wages and salaries costs	224,917	-	224,917
Staffing costs	2,590	-	2,590
Bad debt	-	-	-
Premises costs	20,071	-	20,071
Office costs	24,584	-	24,584
Food costs	245	-	245
Other costs	1,571	-	1,571
Laundry and cleaning costs	446	-	446
Motor and travel costs	1,607	-	1,607
Accountancy costs	38,509	-	38,509
Audit costs	-	8,053	8,053
Legal costs	51,826	-	51,826
Trustees' expenses	60	-	60
Loan interest	24,397	-	24,397
Depreciation	2,424	-	2,424
	<u>394,435</u>	<u>8,053</u>	<u>402,488</u>

11. Trustees' remuneration and expenses

The Trustees were not paid, and nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2024: £Nil).

Expenses totalling £Nil (2024: Nil) were paid to no (2024: no) Trustees in the year to 30 May 2025 in respect of motor and travel costs.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

12.	Net income/(expenditure)	2025	2024
		£	£
	Net income/(expenditure) is stated after charging:		
	Management agreements	506,252	489,636
	Service charges - Blackburn hostels	-	34,390
	Auditor's remuneration - statutory audit	8,460	8,053
	Bank interest payable	21,927	24,397
	Depreciation	71,683	55,927
		<u> </u>	<u> </u>
13.	Analysis of staff costs and remuneration of key management personnel	2025	2024
		£	£
	Wages and salaries	1,366,940	1,235,264
	National insurance contributions	83,065	80,158
	Employers' pension contributions	15,340	13,687
		<u> </u>	<u> </u>
	Total staff costs	1,465,345	1,329,109
		<u> </u>	<u> </u>

The average number of employees during the year was 27 (2024: 26) with all employees' time involved in providing either support to the governance of the charity or support services to charitable activities. The charity considers its key management personnel comprise the Trustees and the Chief Executive Officer. The total employment benefits including employer's pension contributions of the key management personnel was £115,472 (2024: £115,186). One employee (2024: one) had employee benefits (excluding pension contributions) in excess of £60,000. This employee received remuneration in the banding £100,000 - £110,000 (2024: £100,000 - £110,000).

During the year payments totalling £Nil (2024: £Nil) were made in respect of termination payments to employees/former employees.

14. Pension costs

The charity operates a defined contribution scheme, and contributions are charged in the statement of financial activities as they accrue. The employer's charge for the year for the charity was £15,340 (2024: £13,687).

15. Corporation tax

The company is a registered charity and is, therefore, exempt from taxation.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

16. Tangible fixed assets	Freehold Interest in Land and Buildings £	Freehold Improvements (Previously Assets under construction) £	Fixtures, Fittings and Office Equipment £	Plant and Equipment including Motor Vehicles £	Total £
Cost					
As at 30 May 2024	2,453,005	261,076	15,087	114,994	2,844,162
Additions	126,394	757,927	-	68,901	953,222
Transfers	-	-	(10,709)	10,709	-
Disposals	-	-	-	(51,158)	(51,158)
As at 30 May 2025	2,579,399	1,019,003	4,378	143,446	3,746,226
Depreciation					
As at 30 May 2024	247,601	-	10,084	57,757	315,442
Charge for the year	49,482	11,323	-	10,878	71,683
Transfers	-	-	(5,706)	5,706	-
Disposals	-	-	-	(49,214)	(49,214)
As at 30 May 2025	297,083	11,323	4,378	25,127	337,911
Net book value					
As at 30 May 2025	2,282,316	1,007,680	-	118,319	3,408,315
As at 30 May 2024	2,205,404	261,076	5,003	57,237	2,528,720

17. Investments held as fixed assets

The charity held one ordinary share of £1 in its wholly owned trading subsidiary company SHOP2023 CIC which was incorporated in England and Wales. The subsidiary company was dissolved in April 2025.

18. Debtors	2025 £	2024 £
Housing benefit receivable	136,969	188,854
Trade debtors	52,022	49,669
Prepayments, accrued income & other debtors	34,415	61,933
	223,406	300,456

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

19.	Creditors: Amounts falling due within one year	2025	2024
		£	£
	Bank loans and overdrafts	18,762	16,565
	Amounts due to suppliers	38,191	42,013
	Taxation and national insurance	27,281	24,991
	Other creditors	15,002	135
	Accruals and deferred income	124,866	124,642
		<u>224,102</u>	<u>208,346</u>

Creditors: Amounts falling due within one year includes the following liabilities, on which security has been given by the charity.

	2025	2024
	£	£
Bank loans	18,762	16,565
	<u>18,762</u>	<u>16,565</u>

The bank loans are secured by a first legal charge over 81-83 Abingdon Street, 254 Hornby Road, 39 and 45 Bairstow Street, 1 Wolverton Avenue, 176/178 Watson Road, 10 Knowle Avenue, The Warehouse back Cocker Street, 23 Cocker Street and 264-266 Dickson Road; all of which are situated in Blackpool.

There is further security provided by a fixed and floating charge over the other assets of the charity.

20.	Creditors: Amounts falling due after more than one year	2025	2024
		£	£
	Bank loans	261,472	280,496
		<u>261,472</u>	<u>280,496</u>

Included in the creditors are the following amounts due after more than five years:

	2025	2024
	£	£
After more than five years by instalments	241,343	243,099
	<u>241,343</u>	<u>243,099</u>

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

21. Operating lease commitments and management agreements

As at 30 May 2025 the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases and management agreements as follows:

	2025 £	2024 £
Less than one year	460,598	506,252
Within two to five years	1,742,782	1,958,556
Over five years	2,853,583	4,210,997
Total	5,056,963	6,675,805

22. Related parties

Controlling entity

The charity is controlled by the Trustees who are all directors of the company.

Related party transactions in the current year:

During the year the Charity paid motor costs totalling £3,181 (2024: £21,234) to Modern Classic Cars, an entity where Trustee Mr S Robinson is a member of key management.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

23. Analysis of charitable funds - unrestricted current year	At 30 May 2024	Incoming Resources	Resources Expended	Transfers	At 30 May 2025
	£	£	£	£	£
General funds	3,095,843	3,511,327	(3,029,843)	47,062	3,624,389
Designated Fund – Poplar House	34,893	5,670	(1,600)	-	38,963
Designated Fund – Sunderland Flats	62,001	14,894	(15,400)	-	61,495
Designated Fund – Mini bus	14,170	-	-	(5,771)	8,399
Designated Fund – Blackpool Hostels	44,150	19,989	(34,438)	5,771	35,472
Designated Fund – Blackpool Flats	37,072	14,479	(23,159)	-	28,392
Designated Fund – Elm outside spend & official opening costs	-	-	-	10,500	10,500
Total Designated Funds	192,286	55,032	(74,597)	-	183,221
Total funds	3,288,129	3,566,359	(3,104,440)	57,562	3,807,610
Analysis of charitable funds - unrestricted prior year	At 30 May 2023 (restated)	Incoming Resources	Resources Expended	Transfers	At 30 May 2024
	£	£	£	£	£
General funds	2,946,359	2,795,602	(2,648,649)	2,531	3,095,843
Designated Fund – Poplar House	25,983	8,910	-	-	34,893
Designated Fund – Sunderland Flats	48,748	13,253	-	-	62,001
Designated Fund – 1,000 Voices	2,531	-	-	(2,531)	-
Designated Fund – Mini bus	15,000	-	(830)	-	14,170
Designated Fund – Blackpool Hostels	23,348	20,802	-	-	44,150
Designated Fund – Blackpool Flats	26,416	10,656	-	-	37,072
Total Designated Funds	142,026	53,621	(830)	(2,531)	192,286
Total funds	3,088,385	2,849,223	(2,649,479)	-	3,288,129

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

24. Analysis of charitable funds restricted – Current year	-	At 31 May 2024 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2025 £
Community Foundation Grant		6,387	-	(2,647)	-	3,740
Know Your Neighbourhood Grant		16,948	75,983	(35,369)	(57,562)	-
Garfield Weston Grant – Derby Court		-	150,000	(1,667)	-	148,333
Total funds		23,335	225,983	(39,683)	(57,562)	152,073

Name of fund	Description, nature, and purposes of the fund
Community Foundation Grant	Support through the provision of skill workshops including finances, IT, Life skills, sports and leisure, volunteering, and job training including hairdressing and building.
Know Your Neighbourhood Grant	To offer Maths and English courses, computer skills, sports sessions and job training to isolated and vulnerable clients to help them to return to work and successfully live independently.
Garfield Weston Grant – Derby Court	To support the redevelopment of Elm House & Derby Court

Analysis of charitable funds - restricted - prior year	At 31 May 2023 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2024 £
Community Foundation Grant	7,715	-	(1,328)	-	6,387
Know Your Neighbourhood Grant	-	139,779	(122,831)	-	16,948
Skills for Care – Workforce Development	-	1,500	(1,500)	-	-
Total funds	7,715	141,279	(125,659)	-	23,335

25. Transfers

Any surplus expenditure arising on any of the restricted funds is met from general (unrestricted) funds.

Where applicable and where not prohibited under any terms specified by the donor, any restricted funds where it is deemed that the associated activity or purpose has ceased are likewise transferred to general funds at the discretion of the Trustees.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

26.	Net assets by fund - Current year	Restricted Funds £	Unrestricted Funds £	Total Funds 2025 £
	Tangible fixed assets	152,073	3,256,242	3,408,315
	Cash at bank and in hand	-	813,536	813,536
	Other net current assets / (liabilities)	-	(696)	(696)
	Creditors of more than one year	-	(261,472)	(261,472)
	Net assets	152,073	3,807,610	3,959,683
26.	Net assets by fund - Prior year	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
	Tangible fixed assets	23,335	2,505,385	2,528,720
	Cash at bank and in hand	-	971,129	971,129
	Other net current assets/(liabilities)	-	92,111	92,111
	Creditors of more than one year	-	(280,496)	(280,496)
	Net assets	23,335	3,288,129	3,311,464
27.	Reconciliation of net movement in funds to net cash flow from operating activities		2025 £	2024 £
	Net movement in funds		648,219	215,364
	Add Depreciation		71,683	55,927
	Deduct Interest income shown in investing activities		(27,035)	(27,385)
	Deduct grant received shown in investing activities		(150,000)	-
	Decrease/(increase) in debtors		77,051	108,203
	(Decrease)/increase in creditors		13,559	(11,523)
	Net cash generated in/used by operating activities		633,477	340,586

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2025

28. Net debt reconciliation continued - Current year	30 May 2024 £	Cash flows £	30 May 2025 £
Cash	971,129	(157,593)	813,536
Loans falling due within one year	(16,565)	(2,197)	(18,762)
Loans falling due after one year	(280,496)	19,024	(261,472)
Net debt	674,068	(140,766)	533,302
Net debt reconciliation - Prior year	30 May 2023 £	Cash flows £	30 May 2024 £
Cash	754,896	216,233	971,129
Loans falling due within one year	(15,817)	(748)	(16,565)
Loans falling due after one year	(296,477)	15,981	(280,496)
Net debt	442,602	231,466	674,068

29. Post balance sheet events

On 23rd July 2025 the Trustees approved spending of up to £250,000 on a range of projects to modernise and refurbish Oak House and Holly House and to improve the energy efficiency and security at the Blackpool flats.

HOMELESS ACTION

England & Wales - Charity number 1063208

Accounts

HOMELESS ACTION
(A Company Limited by Guarantee)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MAY 2024

Company Number: 3366712

Registered Charity Number: 1063208

HOMELESS ACTION

Financial Statements

For the year ended 30 May 2024

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HOMELESS ACTION

Reference and Administrative Details

For the year ended 30 May 2024

Registered Charity Name:	Homeless Action
Charity Registration Number:	1063208
Company Registration Number:	3366712
Principal Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Registered Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Trustees:	Mrs L Edwards - Chair Dr M O'Donnell Mr A Oldfield Mr S Robinson Mrs E Warren
Solicitors:	Napthens Jubilee House East Beach Lytham St Annes Lancashire FY8 5FT
Bankers:	Lloyds Bank 25-27 Birley Street Blackpool Lancashire FY1 1EG
Auditor:	Mitchell Charlesworth (Audit) Limited 3rd Floor 44 Peter Street Manchester M2 5GP

HOMELESS ACTION

Trustees' Annual Report

For the year ended 30 May 2024

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 30 May 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. On 10th March 2023 the name of the charity was changed from The Ashley Foundation to Homeless Action.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The principal objective of the charity throughout the year was the relief of poverty by the provision of accommodation to persons in need and providing support to clients to assist them with the wider issues of homelessness. This was achieved by the operation of 88 (2023: 138) hostel rooms spread across 2 sites (2023: 3) in Blackpool, Sunderland, and Blackburn, (2023 only) and 83 (2023: 83) self-contained Move On flats across 19 sites (2023: 19) in Blackpool and Sunderland. In addition, a further 49 hostel rooms were provided on 1 site in Blackburn in June 23 prior to the termination of the lease and associated management agreement. This facility was operated for all 12 months in 2023. The properties are occupied under differing arrangements including owned and operated, leased and operated and operated on behalf of other parties via management agreements.

In the hostels, daily support is provided to the clients assisting them with daily living skills. The clients in the flats are supported to live independently.

During the Covid pandemic additional accommodation was provided in both Blackpool and Sunderland. The provision of accommodation in Sunderland via creative use of existing accommodation is on-going. In addition, the Charity supported the Severe Weather Emergency Provision requirements of Blackpool Council in the winter of 23-24.

The Charity's Community Café & Hub in Blackpool, which opened in 2019 continues to provide opportunities for clients to experience practical work experience. During the year the use of the premises has been extended to operate evening drop in sessions supported by Blackpool Palatine Rotary Club.

In December 2022, the Charity began providing out of hours security support services to a facility operated by Blackpool Coastal Housing. This provision ceased in November 2023.

The Trustees are clear that the objectives and activities of Homeless Action are carried out for public benefit. They have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the purpose and objectives and when planning the future activities. In particular, the Trustees will consider how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

Provision of accommodation - During the year accommodation was provided for 247 homeless individuals in Blackpool (2023: 253), 162 in Sunderland (2023: 167).

The Charity ceased operations in Blackburn totally on 30th June 2023 following the decision of Islington House not to renew their management agreement.

There continues to be high demand for accommodation from the local authorities in both Sunderland and Blackpool resulting in occupancy levels in both areas.

Partnership working - During the year we continued to work closely with our local authorities and other providers in Blackpool, and Sunderland.

Hostel Developments - In agreement with Blackpool Council, we have purchased additional accommodation to enable us to expand Elm House and provide an additional 18 beds, including disabled facilities and additional recreation facilities for our residents. Work commenced in April 2024 and is expected to be completed in early 2025. See Note 30 for further details.

HOMELESS ACTION

Trustees' Annual Report (Continued)

For the year ended 30 May 2024

Residents Support - During the year we have continued to develop our support provision for our residents, working closely with all our residents to enable them to obtain employment, where appropriate, and to live independently. We have introduced classes in Maths, English, IT skills, budgeting and life skills, alongside recreational activities including gym, boxing, walking and handicrafts. This work has been supported by the grant funding from the Know Your Neighbourhood fund via the Community Foundation, for a 21 month period, awarded in July 2023.

The aim of the grant is to reduce isolation. We are providing support through skills workshops including finance, IT, Life Skills, sports and leisure, volunteering and job training including construction and hair and beauty.

Financial review

The statements of financial activities are set out on page 10 of the financial statements.

Consolidated income for the year was £2,990,502 (2023: £3,343,849), and consolidated expenditure for the year was £2,775,138 (2023: £3,027,107).

The overall consolidated surplus for the year was £215,364 (2023: surplus of £316,742). The surplus on unrestricted funds was £199,744 (2023: £320,635), a decrease of £120,891. The decrease was as a result of lost contribution from the Blackburn hostel and costs incurred in the legal action referred to below. Inflationary pressures are largely recovered in increased rents and service charges

Reserves/Reserves policy

Total reserves as at 30 May 2024 are £3,311,756 (2023: £3,096,392), of which £3,288,421 (2023: £3,088,677) are held in general unrestricted reserves and £23,335 (2023: £7,715) are held in restricted reserves. Within the unrestricted reserves are designated funds totalling £192,286 (2023: £142,026). See note 24 for further details.

Reserves are defined as unrestricted funds that are freely available to spend on charitable purposes. Reserves should be held to service an unexpected need for funds, covering unforeseen day-to-day operational costs, a shortfall in income or to fulfil our obligations. Our reserves policy is designed to reflect the underlying risks facing the charity and to ensure that we have appropriate level of reserves to safeguard our operations and services to homeless people, in particular the opening and initial operating of new buildings. Accordingly, we aim as far as reasonably practicable, to maintain reserve funds of up to six months operational running costs. This policy is reviewed annually. Based on the general reserves of £0.864 million (net of funds represented by property and associated borrowing and designated funds), 3.5 months reserves are in place. The Trustees consider the level of reserves to be sufficient at the moment but continue to review and monitor this.

Going concern

Following a review of the financial position at the date of signing these accounts and projections for the following 12 months the Trustees consider that the charity is a going concern.

Trading subsidiary

The charity's wholly owned subsidiary, SHOP2023 CIC, ceased operating its charity shop in March 2020 as a result of the Covid-19 pandemic, and the lease which ended in August 2021 was not renewed. The Trustees are in the process of applying to Companies House to have the subsidiary company dissolved.

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2024

Structure, governance, and management

Governing document

The charity was incorporated in May 1997. Homeless Action is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 May 1997, as amended by special resolutions dated 4 September 1997, 4 January 2000, 5 January 2012, and 11 June 2021.

Governance

Introduction

On 20 March 2020, the Charity Commission opened a statutory inquiry into the affairs of the charity and on 13th January 2023 – published its findings. The report can be found on the Charity Commission website. As a result of this the Charity commenced legal proceedings against Lee Dribben the former CEO of the Charity, and his son Ashley Dribben, a former Trustee of the Charity. These matters are on-going.

In accordance with Articles 31 & 32 of the company's Articles of Association Mrs Lisa Edwards, and Mr Allan Oldfield resigned as Directors in February 2024 and were unanimously re-elected for a further term of office.

Appointment of trustees

Other than in the exceptional circumstances outlined in the Charity Commission Report, when new Trustees are required, positions will be advertised locally, and a formal selection process will take place. This will also involve the potential new trustee(s) visiting local hostels and flats and also attending a trustee meeting to gain an appreciation of the workings of the charity.

Trustee induction and training

Trustee induction involves visits to see the premises and to meet the management and staff teams, together with time spent with the Chief Executive and Senior Managers to better and more fully understand the activities of the charity.

Related parties

In addition to the trustees who served during the year, the Trustees consider the following individuals and organisations to be related parties for the purposes of disclosure of related party transactions: , Mrs W Swift and SHOP2023 CIC.

Details of related party transactions required to be disclosed in accordance with the relevant legislation and guidance can be found in Note 23 on Page 26.

Fundraising standards

The charity does not carry out significant fundraising activities.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees who served the company during the period of the report were as follows:

HOMELESS ACTION

Trustees' Annual Report (Continued) For the year ended 30 May 2024

Key management personnel: Trustees

Chair: Mrs L Edwards
Dr M O'Donnell
Mr A Oldfield
Mr S Robinson
Mrs E Warren

Key management personnel: Principal staff

Chief Executive Officer: Mrs W Swift

Trustees' responsibilities

The trustees (who are also directors of Homeless Action for the purposes of company law) are responsible for preparing the Trustees' Annual 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the current trustees are aware, and subject to the findings of the Charity Commission investigation which commenced on 20 March 2020 into events and transactions during this and previous financial years:

- there is no relevant audit information of which the charitable company's auditors is unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board on 6.12.24 and signed on its behalf by:

Mrs L Edwards - Chair
Trustee



HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action For the year ended 30 May 2024

Opinion

We have audited the financial statements of Homeless Action for the year ended 30 May 2024 which comprise the Group Statement of Financial Activities, the Group and Parent Company Statement of Financial Position, the Cash Flow Statement and the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 May 2024 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 applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Conclusions relating to going concern

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

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

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

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action [Continued] For the year ended 30 May 2024

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 Trustees' Report and from the requirement to prepare a Strategic Report.

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action [Continued] For the year ended 30 May 2024

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 directors 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 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 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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and business performance;
- the organisation's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

HOMELESS ACTION

Independent Auditor's Report to the Members of Homeless Action (Continued) For the year ended 30 May 2024

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following area:

The estimation of the housing benefit accrual. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the House in Multiple Occupation regulations, and the Selective Licensing schemes.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

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

Use of our Report

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



Jamielee Johnston (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Chartered Accountants and Statutory Auditors
3rd Floor
44 Peter Street
Manchester
M2 5GP

12 December 2024

HOMELESS ACTION

Consolidated Statement of Financial Activities (Including Consolidated Income and Expenditure Account) For the year ended 30 May 2024

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £	Restricted Funds £	Unrestricted Funds (Restated) £	Total Funds 2023 (Restated) £
Income							
Donations and legacies	5	141,279	3,713	144,992	42,650	5,813	48,463
Income from charitable activities:							
Operation of accommodation and café	6	-	2,808,793	2,808,793	-	3,281,113	3,281,113
Income from other trading activities							
Commercial trading operation	7	-	-	-	-	-	-
Investment income - bank interest	8	-	27,385	27,385	-	9,713	9,713
Rental income		-	9,332	9,332	-	4,560	4,560
Total incoming resources		141,279	2,849,223	2,990,502	42,650	3,301,199	3,343,849
Expenditure							
Cost of raising funds:							
Commercial trading operation	7	-	-	-	-	-	-
Expenditure on charitable activities:							
Operation of accommodation and café	9	(125,659)	(2,649,479)	(2,775,138)	(46,543)	(2,980,564)	(3,027,107)
Total expenditure		(125,659)	(2,649,479)	(2,775,138)	(46,543)	(2,980,564)	(3,027,107)
Transfers							
		-	-	-	-	-	-
Net incoming resources for the year		15,620	199,744	215,364	(3,893)	320,635	316,742
Total funds brought forward		7,715	3,088,677	3,096,392	11,608	2,768,042	2,779,650
Total funds carried forward		23,335	3,288,421	3,311,756	7,715	3,088,677	3,096,392

The Statement of Financial Activities includes all gains and losses in the year and therefore a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 13 to 31 form part of these financial statements

HOMELESS ACTION

Consolidated Balance Sheet

As at 30 May 2024

	Notes	Group 2024 £	Group 2023 (Restated) £	Charity 2024 £	Charity 2023 (Restated) £
Fixed assets					
Tangible assets	17	2,528,720	2,448,142	2,528,720	2,448,142
Investments	18	-	-	1	1
Total fixed assets		2,528,720	2,448,142	2,528,721	2,448,143
Current assets					
Debtors	19	300,456	408,659	300,456	408,659
Cash at bank and in hand		972,502	756,269	971,129	754,896
Total current assets		1,272,958	1,164,928	1,271,585	1,163,555
Creditors: Amounts falling due within one year	20	(209,426)	(220,201)	(208,346)	(219,121)
Net current assets		1,063,532	944,727	1,063,239	944,434
Total assets less current liabilities		3,592,252	3,392,869	3,591,960	3,392,577
Creditors: Amounts falling due after more than one year	21	(280,496)	(296,477)	(280,496)	(296,477)
Net assets		3,311,756	3,096,392	3,311,464	3,096,100
The funds of the charity					
Restricted income funds	25	23,335	7,715	23,335	7,715
Unrestricted income funds	24	3,288,421	3,088,677	3,288,129	3,088,385
Total funds		3,311,756	3,096,392	3,311,464	3,096,100

For the year ended 30 May 2024 the group was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 6-12-24 2024 and are signed on their behalf by:

Mrs L Edwards
Chair of Trustees

Charity Number: 1063208 Company Number: 3366712

The notes on pages 13 to 31 form part of these financial statements

HOMELESS ACTION

Statement of Cash Flows

For the year ended 30 May 2024

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash generated from/(used in) operating activities	28	340,586	170,050	340,586	170,050
Cash flow from investing activities					
Interest income		27,385	9,713	27,385	9,713
Purchase of tangible fixed assets		(136,505)	(179,469)	(136,505)	(179,469)
Cash flow from investing activities		(109,120)	(169,756)	(109,120)	(169,756)
Cash flow from financing activities					
Repayments of loans		(15,233)	(17,338)	(15,233)	(17,338)
Cash used in financing activities		(15,233)	(17,338)	(15,233)	(17,338)
Decrease in cash and cash equivalents in the year		216,233	(17,044)	216,233	(17,044)
Cash and cash equivalents at the beginning of the year		756,269	773,313	754,896	771,940
Total cash and cash equivalents at the end of the year		972,502	756,269	971,129	754,896

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2024

1. Company information

Homeless Action is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Homeless Action meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant Accounting Policy note(s).

(b) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Shop2023 CIC on a line by line basis. A separate statement of financial activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

(c) Going Concern

At the time of approving the financial statements the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Funds structure

- General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

2. Accounting policies [Continued]

(e) Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income is recognised on a receivable basis.

(f) Service agreements and management agreements

The charity has service agreements in place with other similar organisations. The income from these agreements is shown on a gross basis with expenditure included in Expenditure on Charitable Activities.

The charity has management agreements in place with Falcon Housing Association CIC to manage the provision of accommodation for the homeless in properties in Sunderland. Falcon is the leaseholder of these properties. The terms of the agreements result in the charity receiving income from Falcon equal to the amounts that Falcon receive as housing benefit from the council. This income is included in Income from Charitable Activities. Expenditure incurred in providing the service required under the terms of the agreements is included in Expenditure on Charitable Activities.

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2024

2. Accounting policies [Continued]

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs include costs of the preparation and examination of the statutory financial statements, the costs of Trustee meetings and the cost of any legal advice to Trustees on governance or constitutional matters.
- Other expenditure represents those items not falling into any other heading.

(h) Fixed assets

Individual fixed assets costing £2,000 or more are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at the rates listed below so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life:

Freehold land and buildings	2% per annum on cost
Plant and machinery	10% per annum on cost
Office equipment	33.3% per annum on cost
Motor vehicles	16.7% per annum on cost

(i) Investments

Fixed asset investments are included at market value at the Balance Sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds, and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

(j) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

(k) Pensions

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with the current legislation.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

2. Accounting policies [Continued]

(l) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking any discount due.

(m) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments.

(n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party at the amount due to settle the obligation and can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

(o) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Legal status of the charity

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation. The number of members at the year-end was six (2023: seven).

4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2024

5.	Grants, donations, and legacies	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £
	Donations and legacies						
	Appeals and donations	-	2,713	2,713	-	813	813
	Grants	141,279	1,000	142,279	42,650	5,000	47,650
	Total per statement of funds	141,279	3,713	144,992	42,650	5,813	48,463

The income from grants, donations and legacies was £144,992 (2023: £48,463) of which £3,713 was unrestricted (2023: £5,813) and £141,279 restricted (2023: £42,650).

6.	Incoming resources from charitable activities	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £	Restricted Funds £	Unrestricted Funds (Restated) £	Total Funds 2023 (Restated) £
	Charitable activities						
	Housing benefit - hostels and flats	-	2,508,003	2,508,003	-	3,009,446	3,009,446
	Income from hostels and flats	-	-	-	-	-	-
	Residents' contributions - hostels and flats	-	158,539	158,539	-	150,058	150,058
	Emergency Beds Scheme	-	35,295	35,295	-	35,043	35,043
	Community Café & Hub takings	-	87,644	87,644	-	64,445	64,445
	Other income	-	19,312	19,312	-	22,121	22,121
	Total income from charitable activities	-	2,808,793	2,808,793	-	3,281,113	3,281,113

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

7. Income earned from commercial trading activities

The wholly owned trading subsidiary Shop2023 CIC (Company Number: 08044728, registered office: 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP) previously operated a charity shop providing clothing and furniture to those in need and to raise funds for Homeless Action. This closed in March 2020.

The summary financial results of the subsidiary were:

	2024 £	2023 £
Shop takings	-	-
Grant income	-	-
	-	-
	-	-
Cost of sales and administration costs	-	-
Operating profit	-	-
The assets and liabilities of the subsidiary company were:		
Current assets		1,373
Creditors: amounts falling due within one year		(1,081)
Net assets	0	292
Aggregate share capital and reserves	0	292

8. Investment income	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £
Bank interest	-	27,385	27,385	-	9,713	9,713
Total investment income	-	27,385	27,385	-	9,713	9,713

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2024

9.	Expenditure on charitable activities - Current year	Community	Accom	Total Funds
		Café & Hub	Provision	2024
		£	£	£
	Wages and salaries costs	64,857	1,039,335	1,104,192
	Staffing costs	6,634	13,485	20,119
	Premises costs	10,640	916,702	927,342
	Service charges - Blackburn Hostels	-	34,390	34,390
	Office costs	892	14,413	15,305
	Food costs	51,944	108,542	160,486
	Other costs	1,102	9,678	10,780
	Laundry and cleaning costs	4,087	10,645	14,732
	Motor and travel costs	-	14,294	14,294
	Legal Costs	-	17,507	17,507
	Depreciation	-	53,503	53,503
	Governance costs	-	8,053	8,053
	Support costs	-	394,435	394,435
	Total	140,156	2,634,982	2,775,138
	Expenditure on charitable activities - Prior year	Community	Accom	Total Funds
		Café & Hub	Provision	2023
		£	£	£
	Wages and salaries costs	52,643	1,053,657	1,106,300
	Staffing costs	110	9,168	9,278
	Premises costs	10,347	885,679	896,026
	Service charges - Blackburn Hostels	-	418,386	418,386
	Office costs	451	17,297	17,748
	Food costs	39,275	86,208	125,483
	Other costs	4,139	10,132	14,271
	Laundry and cleaning costs	4,247	10,164	14,411
	Motor and travel costs	-	16,209	16,209
	Depreciation	-	49,168	49,168
	Governance costs	-	7,560	7,560
	Support costs	-	352,267	352,267
	Total	111,212	2,915,895	3,027,107

Expenditure on charitable activities was £2,775,138 (2023: £3,027,107) of which £2,649,479 was unrestricted (2023: £2,980,584) and £125,659 restricted (2023: £46,543).

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

10.	Summary of analysis of expenditure and related income for charitable activities - Current year	Community Café & Hub £	Accom Provision £	Total Funds 2024 £
	Costs (note 9)	140,156	2,634,982	2,775,138
	Grant support (note 5)	-	(142,279)	(142,279)
	Net cost - other income	140,156	2,492,703	2,632,859
	Summary of analysis of expenditure and related income for charitable activities – Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2023 £
	Costs (note 9)	111,212	2,915,895	3,027,107
	Grant support (note 5)	(12,410)	(35,240)	(47,650)
	Net cost - other income	98,802	2,880,655	2,979,457

11. Analysis of governance and support costs - Current year

The charity allocates its support costs as shown in the table below and then further apportions those costs to the charitable activities undertaken (see note 10). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2024 £
Bank charges	1,188	-	1,188
Wages and salaries costs	224,917	-	224,917
Staffing costs	2,590	-	2,590
Bad debt	-	-	-
Premises costs	20,071	-	20,071
Office costs	24,584	-	24,584
Food costs	245	-	245
Other costs	1,571	-	1,571
Laundry and cleaning costs	446	-	446
Motor and travel costs	1,607	-	1,607
Accountancy costs	38,509	-	38,509
Audit costs	-	8,053	8,053
Legal costs	51,826	-	51,826
Trustees' expenses	60	-	60
Loan interest	24,397	-	24,397
Depreciation	2,424	-	2,424
	394,435	8,053	402,488

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2024

11. Analysis of governance and support costs - Prior year

The charity allocates its support costs as shown in the table below and then further apportions those costs to the charitable activities undertaken (see note 10). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2023 £
Bank charges	746	-	746
Wages and salaries costs	217,469	-	217,469
Staffing costs	4,822	-	4,822
Bad debt	(1,550)	-	(1,550)
Premises costs	22,501	-	22,501
Office costs	25,038	-	25,038
Food costs	185	-	185
Other costs	9,882	-	9,882
Laundry and cleaning costs	319	-	319
Motor and travel costs	754	-	754
Accountancy costs	30,925	-	30,925
Audit costs	-	7,560	7,560
Legal costs	19,621	-	19,621
Trustees' expenses	-	-	-
Loan interest	18,221	-	18,221
Depreciation	3,334	-	3,334
	<u>352,267</u>	<u>7,560</u>	<u>359,827</u>

12. Trustees' remuneration and expenses

The Trustees were not paid, and nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2023: £Nil).

Expenses totalling £Nil (2023: Nil) were paid to no (2023: no) Trustees in the year to 30 May 2024 in respect of motor and travel costs.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

13.	Net income/(expenditure)	2024	2023
		£	£
	Net income/(expenditure) is stated after charging:		
	Operating leases	-	90,696
	Management agreements	489,636	453,012
	Service charges - Blackburn hostels	34,390	418,386
	Auditor's remuneration - statutory audit	8,053	7,560
	Bank interest payable	24,397	18,221
	Depreciation	55,927	52,502
14.	Analysis of staff costs and remuneration of key management personnel	2024	2023
		£	£
	Wages and salaries	1,235,264	1,227,449
	National insurance contributions	80,158	82,558
	Employers' pension contributions	13,687	13,762
	Total staff costs	1,329,109	1,323,769

The average number of employees during the year was 26 (2023: 28) with all employees' time involved in providing either support to the governance of the charity or support services to charitable activities. The charity considers its key management personnel comprise the Trustees and the Chief Executive Officer. The total employment benefits including employer's pension contributions of the key management personnel was £115,186 (2023: £115,723). One employee (2023: one) had employee benefits (excluding pension contributions) in excess of £60,000. This employee received remuneration in the banding £100,000 - £110,000 (2023: £100,000 - £110,000).

During the year payments totalling £Nil (2023: £Nil) were made in respect of termination payments to employees/former employees.

15. Pension costs

The charity operates a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The employer's charge for the year for the charity was £13,687 (2023: £13,762).

16. Corporation tax

The company is a registered charity and is, therefore, exempt from taxation.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

17. Tangible fixed assets - Group

	Freehold Interest in Land and Buildings £	Assets in course of construction £	Fixtures, Fittings and Equipment £	Plant and Machinery including Motor Vehicles £	Total £
Cost					
As at 30 May 2023	2,453,005	151,970	18,187	87,595	2,710,757
Additions	-	109,106	-	27,399	136,505
Disposals	-	-	(3,100)	-	(3,100)
As at 30 May 2024	2,453,005	261,076	15,087	114,994	2,844,162
Depreciation					
As at 30 May 2023	198,533	-	12,116	51,966	262,615
Charge for the year	49,068	-	1,068	5,791	55,927
Disposals	-	-	(3,100)	-	(3,100)
As at 30 May 2024	247,601	-	10,084	57,757	315,442
Net book value					
As at 30 May 2024	2,205,404	261,076	5,003	57,237	2,528,720
As at 30 May 2023	2,254,472	151,970	6,071	35,629	2,448,142

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

17. Tangible fixed assets - Charity

	Freehold Interest in Land and Buildings £	Assets in course of construction £	Fixtures, Fittings and Equipment £	Plant and Machinery including Motor Vehicles £	Total £
Cost					
As at 30 May 2023	2,453,005	151,970	18,187	87,595	2,710,757
Additions	-	109,106	-	27,399	136,505
Disposals	-	-	(3,100)	-	(3,100)
As at 30 May 2024	2,453,005	261,076	15,087	114,994	2,844,162
Depreciation					
As at 30 May 2023	198,533	-	12,116	51,966	262,615
Charge for the year	49,068	-	1,068	5,791	55,927
Disposals	-	-	(3,100)	-	(3,100)
As at 30 May 2024	247,601	-	10,084	57,757	315,442
Net book value					
As at 30 May 2024	2,205,404	261,076	5,003	57,237	2,528,720
As at 30 May 2023	2,254,472	151,970	6,071	35,629	2,448,142

18. Investments held as fixed assets

The charity holds one ordinary share of £1 in its wholly owned trading subsidiary company SHOP2023 CIC which is incorporated in England and Wales. The activities and results of this company are summarised in note 7.

19. Debtors

	Group 2024 £	Group 2023 (Restated) £	Charity 2024 £	Charity 2023 (Restated) £
Housing benefit receivable	188,854	338,479	188,854	338,479
Trade debtors	49,669	42,524	49,669	42,524
Prepayments, accrued income & other debtors	61,933	27,656	61,933	27,656
	300,456	408,659	300,456	408,659

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2024

20.	Creditors: Amounts falling due within one year	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
	Bank loans and overdrafts	16,565	15,817	16,565	15,817
	Amounts due to suppliers	42,013	38,756	42,013	38,756
	Taxation and national insurance	24,991	21,669	24,991	21,669
	Other creditors	135	3,219	135	3,219
	Accruals and deferred income	125,722	140,740	124,642	139,660
		<u>209,426</u>	<u>220,201</u>	<u>208,346</u>	<u>219,121</u>

Creditors: Amounts falling due within one year includes the following liabilities, on which security has been given by the charity and group:

	Group & Charity 2024 £	Group & Charity 2023 £
Bank loans	16,565	15,817

The bank loans are secured by a first legal charge over 81-83 Abingdon Street, 254 Hornby Road, 39 and 45 Bairstow Street, 1 Wolverton Avenue, 176/178 Watson Road, 10 Knowle Avenue, The Warehouse back Cocker Street, 23 Cocker Street and 264-266 Dickson Road; all of which are situated in Blackpool.

There is further security provided by a fixed and floating charge over the other assets of the charity.

21.	Creditors: Amounts falling due after more than one year	Group & Charity 2024 £	Group & Charity 2023 £
	Bank loans	280,496	296,477

Included in the creditors are the following amounts due after more than five years:

	Group & Charity 2024 £	Group & Charity 2023 £
After more than five years by instalments	243,099	234,820

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

22. Operating lease commitments and management agreements

As at 30 May 2024 the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases and management agreements as follows:

	Group & Charity 2024 £	Group & Charity 2023 £
Less than one year	506,252	490,934
Within two to five years	1,958,556	1,958,556
Over five years	4,210,997	4,700,636
Total	6,675,805	7,150,126

23. Related parties

Controlling entity

The charity is controlled by the Trustees who are all directors of the company.

Related party transactions in the current year:

During the year the Charity paid motor costs totalling £21,234 (2023: £21,399) to Modern Classic Cars, an entity where Trustee Mr S Robinson is a member of key management.

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

24. Analysis of charitable funds – Group – unrestricted current year	At 30 May 2023 (Restated)	Incoming Resources	Resources Expended	Transfers	At 30 May 2024
	£	£	£	£	£
General funds	2,946,651	2,795,602	(2,648,649)	2,531	3,096,135
Designated Fund – Poplar House	25,983	8,910	-	-	34,893
Designated Fund – Sunderland Flats	48,748	13,253	-	-	62,001
Designated Fund – 1,000 Voices	2,531	-	-	(2,531)	-
Designated Fund – Mini bus	15,000	-	(830)	-	14,170
Designated Fund – Blackpool Hostels	23,348	20,802	-	-	44,150
Designated Fund – Blackpool Flats	26,416	10,656	-	-	37,072
Total funds	3,088,677	2,849,223	(2,649,479)	-	3,288,421
Analysis of charitable funds – Group – unrestricted prior year	At 30 May 2022	Incoming Resources (Restated)	Resources Expended	Transfers	At 30 May 2023 (Restated)
	£	£	£	£	£
General funds	2,679,334	3,247,881	(2,980,564)	-	2,946,651
Designated Fund – Poplar House	18,315	7,668	-	-	25,983
Designated Fund – Sunderland Flats	36,446	12,302	-	-	48,748
Designated Fund – 1,000 Voices	2,531	-	-	-	2,531
Designated Fund – Mini bus	5,000	10,000	-	-	15,000
Designated Fund – Blackpool Hostels	-	23,348	-	-	23,348
Designated Fund – Blackpool Flats	26,416	-	-	-	26,416
Total funds	2,768,042	3,301,199	(2,980,564)	-	3,088,677
Analysis of charitable funds – Charity – unrestricted current year	At 30 May 2023 (Restated)	Incoming Resources	Resources Expended	Transfers	At 30 May 2024
	£	£	£	£	£
General funds	3,088,385	2,849,223	(2,649,479)	-	3,288,129
Total funds	3,088,385	2,849,223	(2,649,479)	-	3,288,129

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

24. Analysis of charitable funds – Charity - unrestricted prior year	At 30 May 2022 £	Incoming Resources (Restated) £	Resources Expended £	Transfers £	At 30 May 2023 (Restated) £
General funds	2,767,750	3,301,199	(2,980,564)	-	3,088,385
Total funds	2,767,750	3,301,199	(2,980,564)	-	3,088,385

25. Analysis of charitable funds - Group & charity - restricted – Current year	At 31 May 2023 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2024 £
Community Foundation Grant	7,715	-	(1,328)	-	6,387
Know Your Neighbourhood Grant	-	139,779	(122,831)	-	16,948
Skills for Care – Workforce Development	-	1,500	(1,500)	-	-
Total funds	7,715	141,279	(125,659)	-	23,335

Name of fund

Description, nature, and purposes of the fund

Community Foundation Grant

Support through the provision of skill workshops including finances, IT, Life skills, sports and leisure, volunteering, and job training including hairdressing and building.

Know Your Neighbourhood Grant

To offer Maths and English courses, computer skills, sports sessions and job training to isolated and vulnerable clients to help them to return to work and successfully live independently.

Skills for Care – Workforce development

Support of staff training and development.

Analysis of charitable funds - Group & charity - restricted - prior year	At 31 May 2022 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2023 £
Community Foundation Grant	-	30,240	(22,525)	-	7,715
The National Lottery Community Fund - The Homeless Action					
Community Café and Hub	11,608	12,410	(24,018)	-	-
Total funds	11,608	42,650	(46,543)	-	7,715

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

26. Transfers

Any surplus expenditure arising on any of the restricted funds is met from general (unrestricted) funds.

Where applicable and where not prohibited under any terms specified by the donor, any restricted funds where it is deemed that the associated activity or purpose has ceased are likewise transferred to general funds at the discretion of the Trustees.

27. Net assets by fund - Group - Current year	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	23,335	2,505,385	2,528,720
Cash at bank and in hand	-	972,502	972,502
Other net current assets / (liabilities)	-	91,031	91,031
Creditors of more than one year	-	(280,496)	(280,496)
Net assets	23,335	3,288,422	3,311,757
Net assets by fund - Group - Prior year	Restricted Funds £	Unrestricted Funds (Restated) £	Total Funds 2023 (Restated) £
Tangible fixed assets	7,715	2,440,427	2,448,142
Cash at bank and in hand	-	756,269	756,269
Other net current assets / (liabilities)	-	188,458	188,458
Creditors of more than one year	-	(296,477)	(296,477)
Net assets	7,715	3,088,677	3,096,392
Net assets by fund - Charity - Current year	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
Tangible fixed assets	23,335	2,505,385	2,528,720
Cash at bank and in hand	-	971,129	971,129
Other net current assets / (liabilities)	-	92,111	92,111
Creditors of more than one year	-	(280,496)	(280,496)
Net assets	23,335	3,288,129	3,311,464

HOMELESS ACTION

Notes to the Financial Statements For the year ended 30 May 2024

27.	Net assets by fund - Charity - Prior year	Restricted Funds £	Unrestricted Funds (Restated) £	Total Funds 2023 (Restated) £	
	Tangible fixed assets	7,715	2,440,428	2,448,143	
	Cash at bank and in hand	-	754,896	754,896	
	Other net current assets/(liabilities)	-	189,538	189,538	
	Creditors of more than one year	-	(296,477)	(296,477)	
	Net assets	7,715	3,088,385	3,096,100	
28.	Reconciliation of net movement in funds to net cash flow from operating activities				
		Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
	Net movement in funds	215,364	316,742	215,364	316,742
	Add Depreciation	55,927	52,502	55,927	52,502
	Deduct Interest income shown in investing activities	(27,385)	(9,713)	(27,385)	(9,713)
	Decrease/(increase) in debtors	108,203	(226,224)	108,203	(226,224)
	(Decrease)/increase in creditors	(11,523)	36,743	(11,523)	36,743
	Net cash generated in/used by operating activities	340,586	170,050	340,586	170,050
29.	Net debt reconciliation - Group - Current year		30 May 2023 £	Cash flows £	30 May 2024 £
	Cash		756,269	216,233	972,502
	Loans falling due within one year		(15,817)	(748)	(16,565)
	Loans falling due after one year		(296,477)	15,981	(280,496)
	Net debt		443,975	231,466	675,441
	Net debt reconciliation - Group - Prior year		30 May 2022 £	Cash flows £	30 May 2023 £
	Cash		773,313	(17,044)	756,269
	Loans falling due within one year		(32,709)	16,892	(15,817)
	Loans falling due after one year		(296,923)	446	(296,477)
	Net debt		443,681	294	443,975

HOMELESS ACTION

Notes to the Financial Statements

For the year ended 30 May 2024

29. Net debt reconciliation continued - Charity - Current year	30 May 2023	Cash flows	30 May 2024
	£	£	£
Cash	754,896	216,233	971,129
Loans falling due within one year	(15,817)	(748)	(16,565)
Loans falling due after one year	(296,477)	15,981	(280,496)
Net debt	442,602	231,466	674,068
Net debt reconciliation - Charity - Prior year	30 May 2022	Cash flows	30 May 2023
	£	£	£
Cash	771,940	(17,044)	754,896
Loans falling due within one year	(32,709)	16,892	(15,817)
Loans falling due after one year	(296,923)	446	(296,477)
Net debt	442,308	294	442,602

30. Commitments

In April 2024 after a tender process the Charity entered into a contract for the re-development of Derby Court, the property adjacent to Elm House. The contract value was £709,779 + VAT. In August 2024 the Charity was awarded a grant of £150,000 by the Garfield Weston Foundation of to support this project.

31. Prior period adjustment

Changes to the balance sheet – Charity and Group	As previously reported £	Adjustment £	As restated at 30 May 2023 £
Current assets			
Debtors	350,558	58,101	408,659
The funds of the charity			
Unrestricted income funds	3,030,576	58,101	3,088,677
Changes to the profit and loss account	As previously reported £	Adjustment £	As restated at 30 May 2023 £
Year ended 30 May 2023			
Net incoming resources for the year	258,641	58,101	316,742

Notes to reconciliation

The adjustment relates to backdated increased housing benefit receivable which was not agreed by Blackpool Council until after the 2023 accounts were approved and signed.

Accounts

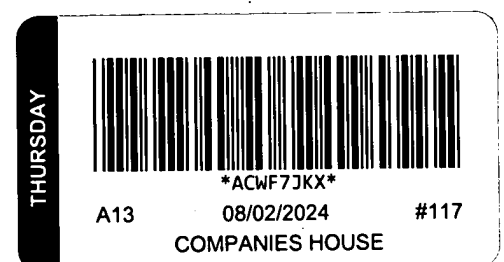
HOMELESS ACTION
(Formerly known as The Ashley Foundation)
(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MAY 2023

Company Number: 3366712

Registered Charity Number: 1063208



HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Financial Statements

For the year ended 30 May 2023

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HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Reference and Administrative Details

For the year ended 30 May 2023

Registered Charity Name:	Homeless Action (Formerly known as The Ashley Foundation)
Charity Registration Number:	1063208
Company Registration Number:	3366712
Principal Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Registered Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Trustees:	Mrs L Edwards - Chair Dr M O'Donnell Mr A Oldfield Mr S Robinson Mrs E Warren
Solicitors:	Napthens Jubilee House East Beach Lytham St Annes Lancashire FY8 5FT
Bankers:	Lloyds Bank 25-27 Birley Street Blackpool Lancashire FY1 1EG
Auditor:	Mitchell Charlesworth (Audit) Limited 3rd Floor 44 Peter Street Manchester M2 5GP

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Trustees' Annual Report

For the year ended 30 May 2023

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 30 May 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. On 10th March 2023 the name of the charity was changed from The Ashley Foundation to Homeless Action.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The principal objective of the charity throughout the year was the relief of poverty by the provision of accommodation to persons in need and providing support to clients to assist them with the wider issues of homelessness. This was achieved by the operation of 138 (2022: 201) hostel rooms spread across 3 sites (2022: 6) in Blackpool, Sunderland, and Blackburn, and 82 (2022: 88) self-contained Move On flats across 19 sites (2022: 20) in Blackpool and Sunderland. The properties are occupied under differing arrangements including owned and operated, leased and operated and operated on behalf of other parties via management agreements.

In the hostels, daily support is provided to the clients assisting them with daily living skills. The clients in the flats are supported to live independently.

During the Covid pandemic additional accommodation was provided in both Blackpool and Sunderland. The provision of accommodation in Sunderland via creative use of existing accommodation is on-going.

In September 2019 the Charity opened a Community Café & Hub in Blackpool to provide opportunities for clients to experience practical work experience. As a result of the COVID-19 restrictions this was only able to operate fully until March 2020. It then re-opened fully in May 2021 and continues to provide valuable catering work experience and qualifications for our clients

In December 2022, the Charity began providing out of hours security support services to a facility operated by Blackpool Coastal Housing.

The Trustees are clear that the objectives and activities of The Ashley Foundation are carried out for public benefit. They have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the purpose and objectives and when planning the future activities. In particular, the Trustees will consider how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

Provision of accommodation - During the year accommodation was provided for 253 homeless individuals in Blackpool (2022: 293), 167 in Sunderland (2022: 197) and 123 in Blackburn (2022: 230). Numbers reduced in Blackpool & Sunderland due to increased length of stay as a result of an increase in complex cases and a change in evictions policy together with the conscious decision to spend more time with residents in the hostel to improve their outcomes. The reduction in Blackburn is as a result of Canterbury House & Union House deciding not to renew their management agreements as the end of 2021-22.

There continues to be high demand for accommodation from the local authorities and high occupancy levels were achieved.

Partnership working - During the year we continued to work closely with our local authorities and other providers in Blackpool, Sunderland and Blackburn.

Hostel Developments - In agreement with Blackpool Council, we have purchased additional accommodation to enable us to expand Elm House and provide an additional 18 beds, including disabled facilities and additional recreation facilities for our residents. It is expected that this will be ready in Autumn 2023.

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Trustees' Annual Report (Continued)

For the year ended 30 May 2023

Residents Support - During the year we have developed our support provision for our residents. Our aim is to work closely with all our residents to enable them to obtain employment, where appropriate, and to live independently. We have introduced classes in Maths, English, IT skills, budgeting and life skills, alongside recreational activities including gym, boxing, walking and handicrafts. To support our work, we were very fortunate to receive grant funding from the Know Your Neighbourhood fund via the Community Foundation, for a pilot to carry out this work. Due to the success of the pilot, we were successfully awarded a further grant in September 2023, again from the Know Your Neighbourhood National Fund for 2 years funding to continue with this work.

The aim of the grant is to reduce isolation. We are providing support through skills workshops including finance, IT, Life Skills, sports and leisure, volunteering and job training including construction and hair and beauty.

Minibus – We were very fortunate to receive support from Blackpool Council and the Know Your Neighbourhood Fund via the Community Foundation to purchase a small minibus to transport our residents to appointments and activities.

Financial review

The statements of financial activities are set out on page 10 of the financial statements.

Consolidated income for the year was £3,285,748 (2022: £3,656,249), and consolidated expenditure for the year was £3,027,107 (2022: £3,812,928).

The overall consolidated surplus for the year was £258,641 (2022: deficit of £156,679). The year over year reduction in the deficit is largely due to the impact of the acquisition of the Blackpool Hostels which resulted in the termination of the onerous Management Agreements entered into by the previous Trustees in December 2017

Reserves/Reserves policy

Total reserves as at 30 May 2023 are £3,038,291 (2022: £2,779,650), of which £3,030,576 (2022: £2,768,042) are held in general unrestricted reserves and £7,715 (2022: £11,608) are held in restricted reserves. Within the unrestricted reserves are designated funds totalling £142,026 (2022: £88,708). See note 24 for further details.

Reserves are defined as unrestricted funds that are freely available to spend on charitable purposes. Reserves should be held to service an unexpected need for funds, covering unforeseen day-to-day operational costs, a shortfall in income or to fulfil our obligations. Our reserves policy is designed to reflect the underlying risks facing the charity and to ensure that we have appropriate level of reserves to safeguard our operations and services to homeless people, in particular the opening and initial operating of new buildings. Accordingly, we aim as far as reasonably practicable, to maintain reserve funds of up to six months operational running costs. This policy is reviewed annually. Based on the general reserves of £0.753 million (net of funds represented by property and associated borrowing and designated funds), 3.1 months reserves are in place. The Trustees consider the level of reserves to be sufficient at the moment but continue to review and monitor this.

Going concern

Following a review of the financial position at the date of signing these accounts and projections for the following 12 months the Trustees consider that the charity is a going concern.

Trading subsidiary

The charity's wholly owned subsidiary, Shop 2023 (formerly known as Homeless Action C.I.C.) ceased operating its charity shop in March 2020 as a result of the Covid-19 pandemic, and the lease which ended in August 2021 was not renewed. The Trustees are in the process of applying to Companies House to have the subsidiary company dissolved.

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Trustees' Annual Report (Continued)

For the year ended 30 May 2023

Structure, governance, and management

Governing document

The charity was incorporated in May 1997. The Ashley Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 May 1997, as amended by special resolutions dated 4 September 1997, 4 January 2000, 5 January 2012, and 11 June 2021.

Governance

Introduction

On 20 March 2020, the Charity Commission opened a statutory inquiry into the affairs of the charity and on 13th January 2023 – published its findings. The report can be found on the Charity Commission website.

In accordance with Articles 31 & 32 of the company's Articles of Association Mrs Elizabeth Warren and Mr Simon Robinson resigned as Directors in March 2023 and were unanimously re-elected for a further term of office.

Appointment of trustees

Other than in the exceptional circumstances outlined in the Charity Commission Report, when new Trustees are required, positions will be advertised locally, and a formal selection process will take place. This will also involve the potential new trustee(s) visiting local hostels and flats and also attending a trustee meeting to gain an appreciation of the workings of the charity.

Trustee induction and training

Trustee induction involves visits to see the premises and to meet the management and staff teams, together with time spent with the Chief Executive and Senior Managers to better and more fully understand the activities of the charity.

Related parties

In addition to the trustees who served during the year, the Trustees consider the following individuals and organisations to be related parties for the purposes of disclosure of related party transactions: , Mrs W Swift and Shop 2023 C.I.C. (formerly Homeless Action C.I.C.).

Details of related party transactions required to be disclosed in accordance with the relevant legislation and guidance can be found in Note 23 on Page 26.

Fundraising standards

The charity does not carry out significant fundraising activities.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees who served the company during the period of the report were as follows:

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Trustees' Annual Report (Continued)

For the year ended 30 May 2023

Key management personnel: Trustees

Chair: Mrs L Edwards
Dr M O'Donnell
Mr A Oldfield
Mr S Robinson
Mrs E Warren

Key management personnel: Principal staff

Chief Executive Officer: Mrs W Swift

Trustees' responsibilities

The trustees (who are also directors of Homeless Action for the purposes of company law) are responsible for preparing the Trustees' Annual 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the current trustees are aware, and subject to the findings of the Charity Commission investigation which commenced on 20 March 2020 into events and transactions during this and previous financial years:

- there is no relevant audit information of which the charitable company's auditors is unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board on 2-2-24 and signed on its behalf by:

Mrs L Edwards - Chair
Trustee



HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Independent Auditor's Report to the Members of The Ashley Foundation For the year ended 30 May 2023

Opinion

We have audited the financial statements of The Ashley Foundation for the year ended 30 May 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Company Statement of Financial Position, the Cash Flow Statement and the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 May 2023 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 applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Conclusions relating to going concern

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

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

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

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Independent Auditor's Report to the Members of The Ashley Foundation (Continued) **For the year ended 30 May 2023**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 Trustees' Report and from the requirement to prepare a Strategic Report.

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Independent Auditor's Report to the Members of The Ashley Foundation [Continued]

For the year ended 30 May 2023

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 directors 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 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 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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and business performance;
- the organisation's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Independent Auditor's Report to the Members of The Ashley Foundation (Continued) For the year ended 30 May 2023

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following area:

The estimation of the housing benefit accrual. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the House in Multiple Occupation regulations, and the Selective Licensing schemes.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

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

Use of our Report

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



Jamielee Johnston (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Chartered Accountants and Statutory Auditors
3rd Floor
44 Peter Street
Manchester
M2 5GP

2 February 2024

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Consolidated Statement of Financial Activities (Including Consolidated Income and Expenditure Account) For the year ended 30 May 2023

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £
Income							
Donations and legacies	5	42,650	5,813	48,463	12,408	10,432	22,840
Income from charitable activities:							
Operation of accommodation and café	6	-	3,223,012	3,223,012	-	3,623,770	3,623,770
Income from other trading activities							
Commercial trading operation	7	-	-	-	-	-	-
Investment income - bank interest	8	-	9,713	9,713	-	1,779	1,779
Rental income		-	4,560	4,560	-	7,860	7,860
Total incoming resources		42,650	3,243,098	3,285,748	12,408	3,643,841	3,656,249
Expenditure							
Cost of raising funds:							
Commercial trading operation	7	-	-	-	-	(3,144)	(3,144)
Expenditure on charitable activities:							
Operation of accommodation and café	9	(46,543)	(2,980,564)	(3,027,107)	(24,236)	(3,785,548)	(3,809,784)
Total expenditure		(46,543)	(2,980,564)	(3,027,107)	(24,236)	(3,788,692)	(3,812,928)
Transfers		-	-	-	(22,700)	22,700	-
Net incoming resources for the year		(3,893)	262,534	258,641	(34,528)	(122,151)	(156,679)
Total funds brought forward		11,608	2,768,042	2,779,650	46,136	2,890,193	2,936,329
Total funds carried forward		7,715	3,030,576	3,038,291	11,608	2,768,042	2,779,650

The Statement of Financial Activities includes all gains and losses in the year and therefore a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 13 to 31 form part of these financial statements

THE ASHLEY FOUNDATION

Consolidated Balance Sheet As at 30 May 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed assets					
Tangible assets	17	2,448,142	2,321,175	2,448,142	2,321,175
Investments	18	-	-	1	1
Total fixed assets		2,448,142	2,321,175	2,448,143	2,321,176
Current assets					
Debtors	19	350,558	182,435	350,558	182,435
Cash at bank and in hand		756,269	773,313	754,896	771,940
Total current assets		1,106,827	955,748	1,105,454	954,375
Creditors: Amounts falling due within one year	20	(220,201)	(200,350)	(219,121)	(199,270)
Net current assets		886,626	755,398	886,333	755,105
Total assets less current liabilities		3,334,768	3,076,573	3,334,476	3,076,281
Creditors: Amounts falling due after more than one year	21	(296,477)	(296,923)	(296,477)	(296,923)
Net assets		3,038,291	2,779,650	3,037,999	2,779,358
The funds of the charity					
Restricted income funds	25	7,715	11,608	7,715	11,608
Unrestricted income funds	24	3,030,576	2,768,042	3,030,284	2,767,750
Total funds		3,038,291	2,779,650	3,037,999	2,779,358

For the year ended 30 May 2023 the group was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 2-2-24 2024 and are signed on their behalf by:

Mrs L Edwards
Chair of Trustees



Charity Number: 1063208 Company Number: 3366712

The notes on pages 13 to 31 form part of these financial statements

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Statement of Cash Flows

For the year ended 30 May 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash generated from/(used in) operating activities	28	170,050	(192,424)	170,050	(193,779)
Cash flow from investing activities					
Interest income		9,713	1,779	9,713	1,779
Purchase of tangible fixed assets		<u>(179,469)</u>	<u>(1,011,098)</u>	<u>(179,469)</u>	<u>(1,011,098)</u>
Cash flow from investing activities		<u>(169,756)</u>	<u>(1,009,319)</u>	<u>(169,756)</u>	<u>(1,009,319)</u>
Cash flow from financing activities					
Repayments of loans		<u>(17,338)</u>	<u>(343,869)</u>	<u>(17,338)</u>	<u>(343,869)</u>
Cash used in financing activities		<u>(17,338)</u>	<u>(343,869)</u>	<u>(17,338)</u>	<u>(343,869)</u>
Decrease in cash and cash equivalents in the year		<u>(17,044)</u>	<u>(1,545,612)</u>	<u>(17,044)</u>	<u>(1,546,968)</u>
Cash and cash equivalents at the beginning of the year		<u>773,313</u>	<u>2,318,925</u>	<u>771,940</u>	<u>2,318,908</u>
Total cash and cash equivalents at the end of the year		<u><u>756,269</u></u>	<u><u>773,313</u></u>	<u><u>754,896</u></u>	<u><u>771,940</u></u>

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Notes to the Financial Statements

For the year ended 30 May 2023

1. Company information

Homeless Action (Formerly known as The Ashley Foundation) is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 October 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Homeless Action meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant Accounting Policy note(s).

(b) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Shop2023 CIC (Formerly known as Homeless Action CIC) on a line by line basis. A separate statement of financial activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

(c) Going Concern

At the time of approving the financial statements the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Funds structure

- General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Notes to the Financial Statements

For the year ended 30 May 2023

2. Accounting policies (Continued)

(e) Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income is recognised on a receivable basis.

(f) Service agreements and management agreements

The charity has service agreements in place with other similar organisations. The income from these agreements is shown on a gross basis with expenditure included in Expenditure on Charitable Activities.

The charity has management agreements in place with Falcon Housing Association CIC to manage the provision of accommodation for the homeless in properties in Sunderland. Falcon is the leaseholder of these properties. The terms of the agreements result in the charity receiving income from Falcon equal to the amounts that Falcon receive as housing benefit from the council. This income is included in Income from Charitable Activities. Expenditure incurred in providing the service required under the terms of the agreements is included in Expenditure on Charitable Activities.

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Notes to the Financial Statements

For the year ended 30 May 2023

2. Accounting policies (Continued)

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs include costs of the preparation and examination of the statutory financial statements, the costs of Trustee meetings and the cost of any legal advice to Trustees on governance or constitutional matters.
- Other expenditure represents those items not falling into any other heading.

(h) Fixed assets

Individual fixed assets costing £2,000 or more are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at the rates listed below so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life:

Freehold land and buildings	2% per annum on cost
Plant and machinery	10% per annum on cost
Office equipment	33.3% per annum on cost
Motor vehicles	16.7% per annum on cost

(i) Investments

Fixed asset investments are included at market value at the Balance Sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds, and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

(j) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

(k) Pensions

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with the current legislation.

HOMELESS ACTION

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Notes to the Financial Statements For the year ended 30 May 2023

2. Accounting policies (Continued)

(l) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking any discount due.

(m) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments.

(n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party at the amount due to settle the obligation and can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

(o) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Legal status of the charity

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation. The number of members at the year-end was seven (2022 - eight).

4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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Notes to the Financial Statements

For the year ended 30 May 2023

5.	Grants, donations, and legacies	Restricted Funds	Unrestricted Funds	Total Funds 2023	Restricted Funds	Unrestricted Funds	Total Funds 2022
		£	£	£	£	£	£
	Donations and legacies						
	Appeals and donations	-	813	813	-	1,476	1,476
	Grants	42,650	5,000	47,650	12,408	8,956	21,364
	Total per statement of funds	42,650	5,813	48,463	12,408	10,432	22,840

The income from grants, donations and legacies was £48,463 (2022: £22,840) of which £5,813 was unrestricted (2022: £10,432) and £42,650 restricted (2022: £12,408).

6.	Incoming resources from charitable activities	Restricted Funds	Unrestricted Funds	Total Funds 2023	Restricted Funds	Unrestricted Funds	Total Funds 2022
		£	£	£	£	£	£
	Charitable activities						
	Housing benefit - hostels and flats	-	2,951,345	2,951,345	-	1,837,780	1,837,780
	Income from hostels and flats	-	-	-	-	1,517,606	1,517,606
	Residents' contributions - hostels and flats	-	150,058	150,058	-	145,966	145,966
	Emergency Beds Scheme	-	35,043	35,043	-	45,058	45,058
	Community Café & Hub takings	-	64,445	64,445	-	54,637	54,637
	Other income	-	22,121	22,121	-	22,723	22,723
	Total income from charitable activities	-	3,223,012	3,223,012	-	3,623,770	3,623,770

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For the year ended 30 May 2023

7. Income earned from commercial trading activities

The wholly owned trading subsidiary Shop2023 CIC (formerly known as Homeless Action CIC) (Company Number: 08044728, registered office: 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP) previously operated a charity shop providing clothing and furniture to those in need and to raise funds for The Ashley Foundation. This closed in March 2020.

The summary financial results of the subsidiary were:

	2023 £	2022 £
Shop takings	-	-
Grant income	-	-
	-	-
Cost of sales and administration costs	-	(3,144)
Operating profit	-	(3,144)
The assets and liabilities of the subsidiary company were:		
Current assets	1,373	1,373
Creditors: amounts falling due within one year	(1,081)	(1,081)
Net assets	292	292
Aggregate share capital and reserves	292	292

8. Investment income	Restricted Funds £	Unrestricted Funds £	Total Funds 2023 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £
Bank interest	-	9,713	9,713	-	1,779	1,779
Total investment income	-	9,713	9,713	-	1,779	1,779

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Notes to the Financial Statements

For the year ended 30 May 2023

9.	Expenditure on charitable activities - Current year	Community Café & Hub £	Accom Provision £	Total Funds 2023 £
	Wages and salaries costs	52,643	1,053,657	1,106,300
	Staffing costs	110	9,168	9,278
	Premises costs	10,347	885,679	896,026
	Service charges - Blackburn Hostels	-	418,386	418,386
	Office costs	451	17,297	17,748
	Food costs	39,275	86,208	125,483
	Other costs	4,139	10,132	14,271
	Laundry and cleaning costs	4,247	10,164	14,411
	Motor and travel costs	-	16,209	16,209
	Depreciation	-	49,168	49,168
	Governance costs	-	7,560	7,560
	Support costs	-	352,267	352,267
	Total	111,212	2,915,895	3,027,107
	Expenditure on charitable activities - Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2022 £
	Wages and salaries costs	57,020	1,022,377	1,079,397
	Staffing costs	244	3,239	3,483
	Premises costs	13,601	1,296,720	1,310,321
	Service charges - Blackburn Hostels	-	884,298	884,298
	Office costs	271	17,677	17,948
	Food costs	20,123	63,188	83,311
	Other costs	1,339	15,195	16,534
	Laundry and cleaning costs	3,164	8,367	11,531
	Motor and travel costs	8	10,952	10,960
	Legal costs	-	793	793
	Loan interest	-	13,220	13,220
	Depreciation	-	32,231	32,231
	Governance costs	-	7,350	7,350
	Support costs	-	338,407	338,407
	Total	95,770	3,714,014	3,809,784

Expenditure on charitable activities was £3,027,107 (2022: £3,809,784) of which £2,980,584 was unrestricted (2022: £3,785,548) and £46,543 restricted (2022: £24,236).

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Notes to the Financial Statements

For the year ended 30 May 2023

10.	Summary of analysis of expenditure and related income for charitable activities – Current year	Community Café & Hub £	Accom Provision £	Total Funds 2023 £
	Costs (note 9)	111,212	2,915,895	3,027,107
	Grant support (note 5)	(12,410)	(35,240)	(47,650)
	Net cost - other income	98,802	2880,655	2,979,457
	Summary of analysis of expenditure and related income for charitable activities – Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2022 £
	Costs (note 9)	95,770	3,714,014	3,809,784
	Grant support - restated (note 5)	(12,408)	(8,956)	(21,364)
	Net cost - other income	83,362	3,705,058	3,788,420

11. Analysis of governance and support costs - Current year

The charity allocates its support costs as shown in the table below and then further apportions those costs to the charitable activities undertaken (see note 10). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2023 £
Bank charges	746	-	746
Wages and salaries costs	217,469	-	217,469
Staffing costs	4,822	-	4,822
Bad debt	(1,550)	-	(1,550)
Premises costs	22,501	-	22,501
Office costs	25,038	-	25,038
Food costs	185	-	185
Other costs	9,882	-	9,882
Laundry and cleaning costs	319	-	319
Motor and travel costs	754	-	754
Accountancy costs	30,925	-	30,925
Audit costs	-	7,560	7,560
Legal costs	19,621	-	19,621
Trustees' expenses	-	-	-
Loan interest	18,221	-	18,221
Depreciation	3,334	-	3,334
	352,267	7,560	359,827

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Notes to the Financial Statements

For the year ended 30 May 2023

11. Analysis of governance and support costs - Prior year

The charity allocates its support costs as shown in the table below and then further apports those costs to the charitable activities undertaken (see note 10). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2022 £
Bank charges	900	-	900
Wages and salaries costs	187,009	-	187,009
Staffing costs	21,431	-	21,431
Bad debt	3,217	-	3,217
Premises costs	22,527	-	22,527
Office costs	24,412	-	24,412
Food costs	170	-	170
Other costs	2,136	-	2,136
Laundry and cleaning costs	510	-	510
Motor and travel costs	1,226	-	1,226
Accountancy costs	40,746	-	40,746
Audit costs	-	7,350	7,350
Legal costs	28,762	-	28,762
Trustees' expenses	-	-	-
Loan interest	443	-	443
Depreciation	4,918	-	4,918
	<u>338,407</u>	<u>7,350</u>	<u>345,757</u>

12. Trustees' remuneration and expenses

The Trustees were not paid, and nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2022: £Nil).

Expenses totalling £Nil (2022: Nil) were paid to no (2022: no) Trustees in the year to 30 May 2023 in respect of motor and travel costs.

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Notes to the Financial Statements

For the year ended 30 May 2023

13.	Net income/(expenditure)	2023	2022
		£	£
	Net income/(expenditure) is stated after charging:		
	Operating leases	90,696	196,178
	Management agreements	453,012	835,753
	Service charges - Blackburn Hostels	418,386	884,298
	Auditor's remuneration - statutory audit	7,560	7,350
	Bank interest payable	18,221	13,663
	Depreciation	52,502	37,149
		<u></u>	<u></u>
14.	Analysis of staff costs and remuneration of key management personnel	2023	2022
		£	£
	Wages and salaries	1,227,449	1,168,247
	National insurance contributions	82,558	84,835
	Employers' pension contributions	13,762	13,324
		<u></u>	<u></u>
	Total staff costs	1,323,769	1,266,406
		<u></u>	<u></u>

The average number of employees during the year was 28 (2022: 38) with all employees' time involved in providing either support to the governance of the charity or support services to charitable activities. The charity considers its key management personnel comprise the Trustees and the Chief Executive Officer. The total employment benefits including employer's pension contributions of the key management personnel was £115,723 (2022: £115,270). One employee (2022: one) had employee benefits (excluding pension contributions) in excess of £60,000. This employee received remuneration in the banding £100,000 - £110,000 (2022: £110,000 - £120,000).

During the year payments totalling £Nil (2022: £12,310) were made in respect of termination payments to employees/former employees.

15. Pension costs

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with current legislation. It is a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The employer's charge for the year for the charity was £13,762 (2022: £13,324).

16. Corporation tax

The company is a registered charity and is, therefore, exempt from taxation.

HOMELESS ACTION

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Notes to the Financial Statements

For the year ended 30 May 2023

17. Tangible fixed assets - Group	Freehold Interest in Land and Buildings £	Assets in course of construction £	Fixtures, Fittings and Equipment £	Plant and Machinery including Motor Vehicles £	Total £
Cost					
As at 30 May 2022	2,453,005	-	18,187	60,096	2,531,288
Additions	-	151,970	-	27,499	179,469
Disposals	-	-	-	-	-
As at 30 May 2023	2,453,005	151,970	18,187	87,595	2,710,757
Depreciation					
As at 30 May 2022	149,469	-	11,290	49,354	210,113
Charge for the year	49,064	-	826	2,612	52,502
Disposals	-	-	-	-	-
As at 30 May 2023	198,533	-	12,116	51,966	262,615
Net book value					
As at 30 May 2023	2,254,472	151,970	6,071	35,629	2,448,142
As at 30 May 2022	2,303,536	-	6,897	10,742	2,321,175

HOMELESS ACTION

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Notes to the Financial Statements

For the year ended 30 May 2023

17. Tangible fixed assets - Charity	Freehold Interest in Land and Buildings £	Assets in course of construction £	Fixtures, Fittings and Equipment £	Plant and Machinery including Motor Vehicles £	Total £
Cost					
As at 30 May 2022	2,453,005	-	18,187	60,096	2,531,288
Additions	-	151,970	-	27,499	179,469
Disposals	-	-	-	-	-
As at 30 May 2023	2,453,005	151,970	18,187	87,595	2,710,757
Depreciation					
As at 30 May 2022	149,469	-	11,290	49,354	210,113
Charge for the year	49,064	-	826	2,612	52,502
Disposals	-	-	-	-	-
As at 30 May 2023	198,533	-	12,116	51,966	262,615
Net book value					
As at 30 May 2023	2,254,472	151,970	6,071	35,629	2,448,142
As at 30 May 2022	2,303,536	-	6,897	10,742	2,321,175

18. Investments held as fixed assets

The charity holds one ordinary share of £1 in its wholly owned trading subsidiary company Homeless Action CIC which is incorporated in England and Wales. The activities and results of this company are summarised in note 7.

19. Debtors	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Housing benefit receivable	280,378	82,958	280,378	82,958
Trade debtors	42,524	72,708	42,524	72,708
Prepayments, accrued income & other debtors	27,656	26,769	27,656	26,769
	350,558	182,435	350,558	182,435

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Notes to the Financial Statements

For the year ended 30 May 2023

20.	Creditors: Amounts falling due within one year	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
	Bank loans and overdrafts	15,817	32,709	15,817	32,709
	Amounts due to suppliers	38,756	20,380	38,756	20,380
	Taxation and national insurance	21,669	24,737	21,669	24,737
	Other creditors	3,119	3,618	3,119	3,618
	Accruals and deferred income	140,740	118,906	139,660	117,826
		<u>220,201</u>	<u>200,350</u>	<u>219,121</u>	<u>199,270</u>

Creditors: Amounts falling due within one year includes the following liabilities, on which security has been given by the charity and group:

	Group & Charity 2023 £	Group & Charity 2022 £
Bank loans	<u>15,817</u>	<u>32,709</u>

The bank loans are secured by a first legal charge over 81-83 Abingdon Street, 254 Hornby Road, 39 and 45 Bairstow Street, 1 Wolverton Avenue, 176/178 Watson Road, 10 Knowle Avenue, The Warehouse back Cocker Street, 23 Cocker Street and 264-266 Dickson Road; all of which are situated in Blackpool.

There is further security provided by a fixed and floating charge over the other assets of the charity.

21.	Creditors: Amounts falling due after more than one year	Group & Charity 2023 £	Group & Charity 2022 £
	Bank loans	<u>296,477</u>	<u>296,923</u>

Included in the creditors are the following amounts due after more than five years:

	Group & Charity 2023 £	Group & Charity 2022 £
After more than five years by instalments	<u>234,820</u>	<u>230,408</u>

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Notes to the Financial Statements

For the year ended 30 May 2023

22. Operating lease commitments and management agreements

As at 30 May 2023 the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases and management agreements as follows:

	Group & Charity 2023 £	Group & Charity 2022 £
Less than one year	490,934	453,012
Within two to five years	1,958,556	1,812,047
Over five years	4,700,636	5,257,683
Total	7,150,126	7,522,742

23. Related parties

Controlling entity

The charity is controlled by the Trustees who are all directors of the company.

Related party transactions in the current year:

During the year the Charity paid motor costs totalling £21,399 (2022: £1,164) to Modern Classic Cars, an entity where Trustee Mr S Robinson is a member of key management.

Previous year related party transactions were:

The net amount owed by the Charity's subsidiary Shop2023 CIC (Formerly known as Homeless Action C.I.C) to the Charity as at 31 August 2022 was £3,217. As the company has ceased to trade the Directors consider that the recovery of the outstanding balance is unlikely, therefore it has been written off.

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Notes to the Financial Statements

For the year ended 30 May 2023

24. Analysis of charitable funds – Group	At 30 May 2022	Incoming Resources	Resources Expended	Transfers	At 30 May 2023
- unrestricted current year	£	£	£	£	£
General funds	2,679,334	3,189,780	(2,980,564)	-	2,888,550
Designated Fund – Poplar House	18,315	7,668	-	-	25,983
Designated Fund – Sunderland Flats	36,446	12,302	-	-	48,748
Designated Fund – 1,000 Voices	2,531	-	-	-	2,531
Designated Fund – Mini bus	5,000	10,000	-	-	15,000
Designated Fund – Blackpool Hostels	0	23,348	-	-	23,348
Designated Fund – Blackpool Flats	26,416	-	-	-	26,416
Total funds	2,768,042	3,243,098	(2,980,564)	-	3,030,576
Analysis of charitable funds – Group	At 30 May 2021	Incoming Resources (Restated)	Resources Expended	Transfers	At 30 May 2022
- unrestricted prior year	£	£	£	£	£
General funds	2,852,890	3,618,852	(3,788,692)	(3,716)	2,679,334
Designated Fund – Poplar House	10,485	7,830	-	-	18,315
Designated Fund – Sunderland Flats	24,287	12,159	-	-	36,446
Designated Fund – 1,000 Voices	2,531	-	-	-	2,531
Designated Fund – Mini bus	-	5,000	-	-	5,000
Designated Fund – Blackpool Flats	-	-	-	26,416	26,416
Total funds	2,890,193	3,643,841	(3,788,692)	22,700	2,768,042
Analysis of charitable funds – Charity	At 30 May 2022	Incoming Resources	Resources Expended	Transfers	At 30 May 2023
- unrestricted current year	£	£	£	£	£
General funds	2,767,750	3,243,098	(2,980,564)	-	3,030,284
Total funds	2,767,750	3,243,098	(2,980,564)	-	3,030,284
Analysis of charitable funds – Charity	At 30 May 2021	Incoming Resources	Resources Expended	Transfers	At 30 May 2022
- unrestricted prior year	£	£	£	£	£
General funds	2,886,755	3,643,841	(3,785,546)	22,700	2,767,750
Total funds	2,886,755	3,643,841	(3,785,546)	22,700	2,767,750

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Notes to the Financial Statements

For the year ended 30 May 2023

25.	Analysis of charitable funds - Group & charity - restricted – Current year	At 31 May 2022 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2023 £
	Mental Health Support	-	-	-	-	-
	Community Foundation Grant	-	30,240	(22,525)	-	7,715
	The National Lottery Community Fund - The Ashley Foundation					
	Community Café and Hub	11,608	12,410	(24,018)	-	-
	Total funds	11,608	42,650	(46,543)	-	7,715

Name of fund

Description, nature, and purposes of the fund

Mental Health Support

Support for the provision of mental health of our residents in Blackpool. This grant was fully used by 30th May 2022.

Community Foundation Grant

Support through the provision of skill workshops including finances, IT, Life skills, sports and leisure, volunteering, and job training including hairdressing and building.

The National Lottery Community Fund - The Ashley Foundation Community Café & Hub

Support for running costs of the Community Café & Hub during the first three years of operation. Due to COVID-19 the funding period, in agreement with the National Lottery was extended by six months, and the final tranche of funding was received in February 2023.

Analysis of charitable funds - Group & charity - restricted - prior year	At 31 May 2022 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2023 £
Mental Health Support	22,700	-	-	(22,700)	-
The National Lottery Community Fund - The Ashley Foundation					
Community Café and Hub	23,436	12,408	(24,236)	-	11,608
Total funds	46,136	12,408	(24,436)	(22,700)	11,608

26. Transfers

Any surplus expenditure arising on any of the restricted funds is met from general (unrestricted) funds.

Where applicable and where not prohibited under any terms specified by the donor, any restricted funds where it is deemed that the associated activity or purpose has ceased are likewise transferred to general funds at the discretion of the Trustees.

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Notes to the Financial Statements

For the year ended 30 May 2023

27.	Net assets by fund - Group - Current year	Restricted Funds	Unrestricted Funds	Total Funds
		£	£	2023 £
	Tangible fixed assets	7,715-	2,440,427	2,448,142
	Cash at bank and in hand	-	756,269	756,269
	Other net current assets / (liabilities)		130,375	130,357
	Creditors of more than one year	-	(296,477)	(296,477)
	Net assets	7,715	3,03,0576	3,038,291
	Net assets by fund - Group - Prior year	Restricted Funds	Unrestricted Funds	Total Funds
		£	£	2022 £
	Tangible fixed assets	-	2,321,175	2,321,175
	Cash at bank and in hand	-	773,313	773,313
	Other net current assets / (liabilities)	11,608	(29,523)	(17,915)
	Creditors of more than one year	-	(296,923)	(296,923)
	Net assets	11,608	2,768,042	2,779,650
	Net assets by fund - Charity - Current year	Restricted Funds	Unrestricted Funds	Total Funds
		£	£	2023 £
	Tangible fixed assets	7,715-	2,440,427	2,448,142
	Cash at bank and in hand	-	754,895	754,895
	Other net current assets / (liabilities)		130,375	130,375
	Creditors of more than one year	-	(296,477)	(296,477)
	Net assets	7,715	3,030,576	3,038,291
	Net assets by fund - Charity - Prior year	Restricted Funds	Unrestricted Funds (Restated)	Total Funds
		£	£	2022 (Restated) £
	Tangible fixed assets	-	2,321,175	2,321,175
	Cash at bank and in hand	-	771,940	771,940
	Other net current assets / (liabilities)	11,608	(28,442)	(16,834)
	Creditors of more than one year	-	(296,923)	(296,923)
	Net assets	11,608	2,767,750	2,779,358

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Notes to the Financial Statements

For the year ended 30 May 2023

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

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Net movement in funds	258,641	(156,679)	258,641	(153,533)
Add Depreciation	52,502	37,149	52,502	37,149
Deduct Interest income shown in investing activities	(9,713)	(1,779)	(9,713)	(1,779)
Decrease/(increase) in debtors	(168,123)	15,443	(168,123)	15,443
(Decrease)/increase in creditors	36,743	(86,558)	36,743	(91,060)
Net cash generated in/used by operating activities	170,050	(192,424)	170,050	(193,780)

29. Net debt reconciliation - Group - Current year

	30 May 2022 £	Cash flows £	30 May 2023 £
Cash	773,313	(17,044)	756,269
Loans falling due within one year	(32,709)	16,892	(15,817)
Loans falling due after one year	(296,923)	446	(296,477)
Net debt	443,681	294	443,975

Net debt reconciliation - Group - Prior year

	30 May 2020 £	Cash flows £	30 May 2022 £
Cash	2,318,925	(1,545,612)	773,313
Loans falling due within one year	(35,863)	3,154	(32,709)
Loans falling due after one year	(637,638)	340,715	(296,923)
Net debt	1,645,424	(1,201,743)	443,681

HOMELESS ACTION

(Formerly known as The Ashley Foundation)

Notes to the Financial Statements

For the year ended 30 May 2023

29.	Net debt reconciliation continued - Charity - Current year	30 May 2022	Cash flows	30 May 2023
		£	£	£
	Cash	771,940	(17,044)	754,896
	Loans falling due within one year	(32,709)	16,892	(15,817)
	Loans falling due after one year	(296,923)	446	(296,477)
	Net debt	442,308	294	442,602
	Net debt reconciliation - Charity - Prior year	30 May 2020	Cash flows	30 May 2022
		£	£	£
	Cash	2,318,908	(1,546,968)	771,940
	Loans falling due within one year	(35,863)	3,154	(32,709)
	Loans falling due after one year	(637,638)	340,715	(296,923)
	Net debt	1,645,406	(1,203,099)	442,308

Accounts

THE ASHLEY FOUNDATION

(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MAY 2022

Company Number: 3366712

Registered Charity Number: 1063208

THE ASHLEY FOUNDATION

Financial Statements

For the year ended 30 May 2022

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THE ASHLEY FOUNDATION

Reference and Administrative Details

For the year ended 30 May 2022

Registered Charity Name:	The Ashley Foundation
Charity Registration Number:	1063208
Company Registration Number:	3366712
Principal Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Registered Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Trustees:	Mrs L Edwards - Chair Dr M O'Donnell Mr A Oldfield Mr S Robinson Mrs E Warren
Solicitors:	Napthens Jubilee House East Beach Lytham St Annes Lancashire FY8 5FT
Bankers:	Lloyds Bank 25-27 Birley Street Blackpool Lancashire FY1 1EG
Auditor:	Mitchell Charlesworth (Audit) Limited 3rd Floor 44 Peter Street Manchester M2 5GP

THE ASHLEY FOUNDATION

Trustees' Annual Report For the year ended 30 May 2022

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 30 May 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The principal objective of the charity throughout the year was the relief of poverty by the provision of accommodation to persons in need and providing support to clients to assist them with the wider issues of homelessness. This was achieved by the operation of 201 hostel rooms spread across 7 sites in Blackpool, Sunderland, and Blackburn, and 88 self-contained Move On flats across 20 sites in Blackpool and Sunderland. The properties are occupied under differing arrangements including owned and operated, leased and operated and operated on behalf of other parties via management agreements. From April 2022 the number of sites operated in Blackburn reduced from 3 to 1 following the surrender of the leases of the 2 properties, reducing the overall number of hostel rooms from 201 to 138

In the hostels, daily support is provided to the clients assisting them with daily living skills. The clients in the flats are supported to live independently.

From March 2020 to April 2021, a further 23 rooms were provided in Blackpool to support the Government initiative to eliminate rough sleeping during the COVID-19 pandemic. From April 2021 to March 2022 a flat in Blackpool and other accommodation was made available to accommodate homeless individuals with COVID. Additional accommodation was also provided in Sunderland via creative use of existing accommodation, and this is ongoing.

In September 2019 the Charity opened a Community Café & Hub in Blackpool to provide opportunities for clients to experience practical work experience. Unfortunately, due to the COVID-19 restrictions this was only able to operate fully until March 2020. The Café re-opened with limited opening hours from June 2020 to October 2020, before closing again until the end of May 2021 when it fully re-opened. From May 2021 the Café has opened fully and now supported several clients in obtaining catering experience and qualifications.

The Trustees are clear that the objectives and activities of The Ashley Foundation are carried out for public benefit. They have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the purpose and objectives and when planning the future activities. In particular, the Trustees will consider how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

Provision of accommodation - During the year accommodation was provided for a total of 751 (2021: 850) homeless individuals, 305 in Blackpool (2021: 395), 216 in Sunderland (2021: 231) and 230 in Blackburn (2021: 224). There continues to be high demand for accommodation from the local authorities and high occupancy levels were achieved. At any one time the charity could have 270 (2021: 289) residents staying in one of its properties. Overall numbers were less than the previous year when additional temporary accommodation was provided as a result of COVID-19.

Partnership working - we have developed excellent relationships with our local authority partners in Blackpool, Sunderland and Blackburn.

Move on - review of all residents in hostels and flats is undertaken regularly to facilitate moving residents, wherever possible, to the most appropriate accommodation. This involves independent flats, move on flats or other hostel accommodation.

Supporting People - the Ashley Foundation has co-operated fully with both Blackpool and Blackburn Councils on the Supporting People Review national pilots.

COVID-19 - we have continued to play a part in supporting our local authorities in addressing homelessness during the pandemic, supporting additional facilities and by providing COVID-19 secure isolation facilities.

Financial review

The statements of financial activities are set out on page 10 of the financial statements.

Consolidated income for the year was £3,937,270 (2021: £3,962,086), and consolidated expenditure for the year was £4,199,362 (2021: £4,204,878).

The overall consolidated deficit for the year was £156,679, (2021: deficit of £242,792). . The year over year reduction in the deficit is largely due to operating cost savings net of inflationary increases and costs incurred in 2020-21 relating to the Charity Commission investigation which did not re-occur in 2021-22

Reserves/Reserves policy

Total reserves as at 30 May 2022 are £2,779,650 (2021: £2,936,329), of which £2,768,042 (2021: £2,890,193) are held in general unrestricted reserves and £11,608 (2021: £46,136) are held in restricted reserves. Within the unrestricted reserved are designated funds totalling £88,698 (2021: £37,303). See note 24 for further details.

Reserves are defined as unrestricted funds that are freely available to spend on charitable purposes. Reserves should be held to service an unexpected need for funds, covering unforeseen day-to-day operational costs, a shortfall in income or to fulfil our obligations. Our reserves policy is designed to reflect the underlying risks facing the charity and to ensure that we have appropriate level of reserves to safeguard our operations and services to homeless people, in particular the opening and initial operating of new buildings. Accordingly, we aim as far as reasonably practicable, to maintain reserve funds of up to six months operational running costs. This policy is reviewed annually. Based on the general reserves of £0.688 million (net of funds represented by property and associated borrowing and designated funds), 3.0 months reserves are in place. The decision to utilise available cash reserves to acquire the Blackpool Hostels reduced available reserves by approximately 3 months. The Trustees consider the level of reserves to be sufficient at the moment but will be reviewing this.

Going concern

Following a review of the financial position at the date of signing these accounts and projections for the following 12 months the Trustees consider that the charity is a going concern.

Trading subsidiary

The charity's wholly owned subsidiary, Homeless Action C.I.C. ceased operating its charity shop in March 2020 as a result of the Covid-19 pandemic. It was subsequently decided not to re-open the shop, and the lease which ended in August 2021 was not renewed. The Trustees have decided to retain the company in a dormant state.

Structure, governance, and management

Governing document

The charity was incorporated in May 1997. The Ashley Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 May 1997, as amended by special resolutions dated 4 September 1997, 4 January 2000, 5 January 2012, and 11 June 2021.

THE ASHLEY FOUNDATION

Trustees' Annual Report (Continued)

For the year ended 30 May 2022

Governance

Introduction

On 20 March 2020, the Charity Commission opened a statutory inquiry into the affairs of the charity - full details can be found on The Charity Commission website. The Trustees at the time the inquiry was launched were Mr David Kam, who was suspended as a Trustee by the Charity Commission on 9 July 2020 and subsequently resigned on 14 July 2020, Mr Ashley Dribben who was suspended by the Charity Commission on 6 October 2020 and resigned 18 December 2020, Mr Goran Cemerikic, who subsequently resigned on 25 March 2020 and Mrs Lisa Edwards. On 8 October 2020 the Charity Commission authorised Mrs Edwards, as the only trustee able to act, to appoint new trustees in line with the provisions in the charity's Articles of Association in respect of the minimum and maximum numbers and quorum provisions. On 30 October 2020, in accordance with The Charity Commissions authority, Mrs Edwards appointed Dr Mark O'Donnell, Mr Alan Oldfield, Mr Simon Robinson and Mrs Elizabeth Warren as Trustees of the charity. In accordance with Articles 31 & 32 of the company's Articles of Association Mrs Edwards and Dr O'Donnell resigned as Directors in June 2022 and were unanimously re-elected for a further term of office.

Appointment of trustees

Other than in the exceptional circumstances outlined above, when new Trustees are required, positions will be advertised locally, and a formal selection process will take place. This will also involve the potential new trustee(s) visiting local hostels and flats and also attending a trustee meeting to gain an appreciation of the workings of the charity.

Trustee induction and training

Trustee induction involves visits to see the premises and to meet the management and staff teams, together with time spent with the Chief Executive and Senior Managers to better and more fully understand the activities of the charity. Due to the COVID-19 restrictions this was not possible for the new Trustees until June 2021.

Related parties

In addition to the trustees who served during the year, the Trustees consider the following individuals and organisations to be related parties for the purposes of disclosure of related party transactions: , Mrs W Swift and Homeless Action C.I.C.

Details of related party transactions required to be disclosed in accordance with the relevant legislation and guidance can be found in Note 23 on Page 27.

Fundraising standards

The charity does not carry out significant fundraising activities.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

Trustees' Annual Report (Continued) For the year ended 30 May 2022

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees who served the company during the period of the report were as follows:

Key management personnel: Trustees

Chair: Mrs L Edwards
Dr M O'Donnell
Mr A Oldfield
Mr S Robinson
Mrs E Warren

Key management personnel: Principal staff

Chief Executive Officer: Mrs W Swift

THE ASHLEY FOUNDATION

Trustees' Annual Report (Continued)

For the year ended 30 May 2022

Trustees' responsibilities

The trustees (who are also directors of The Ashley Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the current trustees are aware, and subject to the findings of the Charity Commission investigation which commenced on 20 March 2020 into events and transactions during this and previous financial years:

- there is no relevant audit information of which the charitable company's auditors is unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board on 9-12-22 and signed on its behalf by:

Mrs L Edwards - Chair
Trustee



Independent Auditor's Report to the Members of The Ashley Foundation For the year ended 30 May 2022

Opinion

We have audited the financial statements of The Ashley Foundation for the year ended 30 May 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Company Statement of Financial Position, the Cash Flow Statement and the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 May 2022 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 applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of The Ashley Foundation [Continued]

For the year ended 30 May 2022

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 Trustees' Report and from the requirement to prepare a Strategic Report.

Independent Auditor's Report to the Members of The Ashley Foundation [Continued] For the year ended 30 May 2022

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 directors 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 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 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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and business performance;
- the organisation's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Independent Auditor's Report to the Members of The Ashley Foundation [Continued] For the year ended 30 May 2022

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following area:

The estimation of the housing benefit accrual. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the House in Multiple Occupation regulations, and the Selective Licensing schemes.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

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

Use of our Report

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

Jamielee Johnston (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth (Audit) Limited
Chartered Accountants and Statutory Auditors
3rd Floor
44 Peter Street
Manchester
M2 5GP

_____ 2022

THE ASHLEY FOUNDATION

Consolidated Statement of Financial Activities (Including Consolidated Income and Expenditure Account) For the year ended 30 May 2022

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £
Income							
Donations and legacies	5	12,408	10,432	22,840	24,816	45,713	70,529
Income from charitable activities:							
Operation of accommodation and café	6	-	3,623,770	3,623,770	-	3,867,630	3,867,630
Income from other trading activities							
Commercial trading operation	7	-	-	-	-	14,538	14,538
Investment income - bank interest	8	-	1,779	1,779	-	1,073	1,073
Rental income		-	7,860	7,860	-	8,316	8,316
Total incoming resources		12,408	3,643,841	3,656,249	24,816	3,937,270	3,962,086
Expenditure							
Cost of raising funds:							
Commercial trading operation	7		(3,144)	(3,144)	-	(14,150)	(14,150)
Expenditure on charitable activities:							
Operation of accommodation and café	9	(24,236)	(3,785,548)	(3,809,784)	(5,516)	(4,185,212)	(4,190,728)
Total expenditure		(24,236)	(3,788,692)	(3,812,928)	(5,516)	(4,199,362)	(4,204,878)
Transfers		(22,700)	22,700	-	-	-	-
Net incoming resources for the year		(34,528)	(122,151)	(156,679)	19,300	(262,092)	(242,792)
Total funds brought forward		46,136	2,890,193	2,936,329	26,836	3,152,285	3,179,121
Total funds carried forward		11,608	2,768,042	2,779,650	46,136	2,890,193	2,936,329

The Statement of Financial Activities includes all gains and losses in the year and therefore a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 14 to 33 form part of these financial statements

THE ASHLEY FOUNDATION

Consolidated Balance Sheet

As at 30 May 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	17	2,321,175	1,347,226	2,321,175	1,347,226
Investments	18	-	-	1	1
Total fixed assets		2,321,175	1,347,226	2,321,176	1,347,227
Current assets					
Debtors	19	182,435	197,878	182,435	197,878
Cash at bank and in hand		773,313	2,318,925	771,940	2,318,908
Total current assets		955,748	2,516,803	954,375	2,516,786
Creditors: Amounts falling due within one year	20	(200,350)	(290,062)	(199,270)	(293,484)
Net current assets		755,398	2,226,741	755,105	2,223,302
Total assets less current liabilities		3,076,573	3,573,967	3,076,281	3,570,529
Creditors: Amounts falling due after more than one year	21	(296,923)	(637,638)	(296,923)	(637,638)
Net assets		2,779,650	2,936,329	2,779,358	2,932,891
The funds of the charity					
Restricted income funds	25	11,608	46,136	11,608	46,136
Unrestricted income funds	24	2,768,042	2,890,193	2,767,750	2,886,755
Total funds		2,779,650	2,936,329	2,779,358	2,932,891

The trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on 9-12-22 2022 and are signed on their behalf by:

Mrs L Edwards
Chair of Trustees



Charity Number: 1063208
Company Number: 3366712

The notes on pages 14 to 33 form part of these financial statements

THE ASHLEY FOUNDATION

Statement of Cash Flows

For the year ended 30 May 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash generated from/(used in) operating activities	28	(192,424)	470,564	(193,779)	474,546
Cash flow from investing activities					
Interest income		1,779	1,073	1,779	1,073
Purchase of tangible fixed assets		(1,011,098)	-	(1,011,098)	-
Cash flow from investing activities		(1,009,319)	1,073	(1,009,319)	1,073
Cash flow from financing activities					
Repayments of loans		(343,869)	(35,359)	(343,869)	(35,539)
Cash used in financing activities		(343,869)	(35,539)	(343,869)	(35,539)
Increase/(decrease) in cash and cash equivalents in the year		(1,545,612)	436,278	(1,546,968)	440,261
Cash and cash equivalent at the beginning of the year		2,318,925	1,882,647	2,318,908	1,878,647
Total cash and cash equivalents at the end of the year		773,313	2,318,925	771,940	2,318,908

Notes to the Financial Statements For the year ended 30 May 2022

1. Company information

The Ashley Foundation is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 October 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Ashley Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant Accounting Policy note(s).

(b) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Homeless Action CIC on a line by line basis. A separate statement of financial activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

(c) Going Concern

At the time of approving the financial statements and having due regard to the impact of Covid-19, as referred to in the Trustees' Report, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Funds structure

- General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

2. Accounting policies [Continued]

(e) Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income is recognised on a receivable basis.

(f) Service agreements and management agreements

The charity has service agreements in place with other similar organisations. The income from these agreements is shown on a gross basis with expenditure included in Expenditure on Charitable Activities.

The charity has management agreements in place with Falcon Housing Association CIC to manage the provision of accommodation for the homeless, in properties in Blackpool and Sunderland. From April 2022 the management agreements in Blackpool were terminated following the purchase of the properties by the Charity. Falcon is the leaseholder of these properties. The terms of the agreements result in the charity receiving income from Falcon equal to the amounts that Falcon receive as housing benefit from the respective local councils. This income is included in Income from Charitable Activities. Expenditure incurred in providing the service required under the terms of the agreements is included in Expenditure on Charitable Activities.

Notes to the Financial Statements For the year ended 30 May 2022

2. Accounting policies [Continued]

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs include costs of the preparation and examination of the statutory financial statements, the costs of Trustee meetings and the cost of any legal advice to Trustees on governance or constitutional matters.
- Other expenditure represents those items not falling into any other heading.

(h) Fixed assets

Individual fixed assets costing £2,000 or more are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at the rates listed below so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life:

Freehold land and buildings	2% per annum on cost
Plant and machinery	10% per annum on cost
Office equipment	33.3% per annum on cost

(i) Investments

Fixed asset investments are included at market value at the Balance Sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds, and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

(j) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

(k) Pensions

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with the current legislation.

Notes to the Financial Statements For the year ended 30 May 2022

2. Accounting policies [Continued]

(l) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking any discount due.

(m) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments.

(n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party at the amount due to settle the obligation and can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

(o) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Legal status of the charity

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation. The number of members at the year-end was three (2021 - six).

4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Notes to the Financial Statements
For the year ended 30 May 2022

5.	Grants, donations, and legacies	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 (Restated) £
	Donations and legacies						
	Appeals and donations	-	1,476	1,476	-	2,651	2,651
	Grants	12,408	8,956	21,364	24,816	43,062	67,878
	Total per statement of funds	12,408	10,432	22,840	24,816	45,713	70,529

The income from grants, donations and legacies was £22,840 (2021: £70,529) of which £10,432 was unrestricted (2021: £45,713) and £12,408 restricted (2021: £24,816).

6.	Incoming resources from charitable activities	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £
	Charitable activities						
	Housing benefit - hostels and flats	-	1,837,780	1,837,780	-	1,967,046	1,967,046
	Income from hostels and flats	-	1,517,606	1,517,606	-	1,596,207	1,596,207
	Residents' contributions - hostels and flats	-	145,966	145,966	-	119,015	119,015
	Emergency Beds Scheme	-	45,058	45,058	-	172,949	172,949
	Community Café & Hub takings	-	54,637	54,637	-	9,302	9,302
	Other income	-	22,723	22,723	-	3,111	3,111
	Total income from charitable activities	-	3,623,770	3,623,770	-	3,867,630	3,867,630

Notes to the Financial Statements
For the year ended 30 May 2022

7. Income earned from commercial trading activities

The wholly owned trading subsidiary Homeless Action CIC (Company Number: 08044728, registered office: 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP) previously operated a charity shop providing clothing and furniture to those in need and to raise funds for The Ashley Foundation. This closed down in March 2020.

The summary financial results of the subsidiary were:

	2022 £	2021 £
Shop takings	-	-
Grant income	-	14,538
	-	14,538
	-	14,358
Cost of sales and administration costs	(3,144)	(14,150)
Operating profit	(3,144)	388
The assets and liabilities of the subsidiary company were:		
Current assets	1,373	4,638
Creditors: amounts falling due within one year	(1,081)	(1,200)
Net assets	292	3,438
Aggregate share capital and reserves	292	3,438

8. Investment income	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £
Bank interest	-	1,779	1,779	-	1,073	1,073
Total investment income	-	1,779	1,779	-	1,073	1,073

THE ASHLEY FOUNDATION

Notes to the Financial Statements

For the year ended 30 May 2022

9.	Expenditure on charitable activities - Current year	Community Café & Hub £	Accom Provision £	Total Funds 2022 £
	Wages and salaries costs	57,020	1,022,377	1,079,397
	Staffing costs	244	3,239	3,483
	Premises costs	13,601	1,296,720	1,310,321
	Service charges - Blackburn Hostels	-	884,298	884,298
	Office costs	271	17,677	17,948
	Food costs	20,123	63,188	83,311
	Other costs	1,339	15,195	16,534
	Laundry and cleaning costs	3,164	8,367	11,531
	Motor and travel costs	8	10,952	10,960
	Legal costs	-	793	793
	Loan interest	-	13,220	13,220
	Depreciation	-	32,231	32,231
	Governance costs	-	7,350	7,350
	Support costs	-	338,407	338,407
	Total	95,770	3,714,014	3,809,784
	Expenditure on charitable activities - Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2021 £
	Wages and salaries costs	6,718	1,058,549	1,065,267
	Staffing costs	-	250	250
	Premises costs	2,076	1,601,388	1,603,464
	Service charges - Blackburn Hostels	-	946,955	946,955
	Office costs	65	16,571	16,636
	Food costs	4,048	79,436	83,484
	Other costs	1,150	9,735	10,885
	Laundry and cleaning costs	620	16,814	17,434
	Motor and travel costs	33	5,252	5,285
	Legal costs	-	(5,750)	(5,750)
	Loan interest	-	19,086	19,086
	Depreciation	-	27,702	27,702
	Governance costs	-	6,250	6,250
	Support costs	-	393,780	393,780
	Total	14,710	4,176,018	4,190,728

Expenditure on charitable activities was £3,809,784 (2021: £4,190,728) of which £3,785,548 was unrestricted (2021: £4,185,212) and £24,236 restricted (2021: £5,516).

Notes to the Financial Statements
For the year ended 30 May 2022

10.	Summary of analysis of expenditure and related income for charitable activities – Current year	Community Café & Hub £	Accom Provision £	Total Funds 2022 £
	Costs (note 9)	95,770	3,714,014	3,809,784
	Grant support (note 5)	(12,408)	(8,956)	(21,364)
	Net cost - other income	83,362	3,705,058	3,788,420
	Summary of analysis of expenditure and related income for charitable activities – Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2021 £
	Costs (note 9)	14,710	4,176,018	4,190,728
	Grant support - restated (note 5)	(24,816)	(43,062)	(67,878)
	Net cost - other income	(10,106)	4,132,956	4,122,850

11. Analysis of governance and support costs - Current year

The charity allocates its support costs as shown in the table below and then further apports those costs to the charitable activities undertaken (see note 10). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2022 £
Bank charges	900	-	900
Wages and salaries costs	187,009	-	187,009
Staffing costs	21,431	-	21,431
Bad debt	3,217	-	3,217
Premises costs	22,527	-	22,527
Office costs	24,412	-	24,412
Food costs	170	-	170
Other costs	2,136	-	2,136
Laundry and cleaning costs	510	-	510
Motor and travel costs	1,226	-	1,226
Accountancy costs	40,746	-	40,746
Audit costs	-	7,350	7,350
Legal costs	28,762	-	28,762
Trustees' expenses	-	-	-
Loan interest	443	-	443
Depreciation	4,918	-	4,918
	338,407	7,350	345,757

Notes to the Financial Statements
For the year ended 30 May 2022

11. Analysis of governance and support costs - Prior year

The charity allocates its support costs as shown in the table below and then further apportions those costs to the charitable activities undertaken (see note 10). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2021 £
Wages and salaries costs	156,190	-	156,190
Staffing costs	36,527	-	36,527
Premises costs	33,336	-	33,336
Office costs	21,207	-	21,207
Food costs	134	-	134
Other costs	5,027	-	5,027
Laundry and cleaning costs	2,213	-	2,213
Motor and travel costs	2,758	-	2,758
Accountancy costs	62,271	-	62,271
Audit costs	-	6,250	6,250
Legal costs	66,678	-	66,678
Trustees' expenses	-	-	-
Loan interest	2,514	-	2,514
Depreciation	4,925	-	4,925
	<u>393,780</u>	<u>6,250</u>	<u>400,030</u>

12. Trustees' remuneration and expenses

The Trustees were not paid nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2021: £Nil).

Expenses totalling £Nil (2021: £273) were paid to no (2021: one) Trustee(s) in the year to 30 May 2022 in respect of motor and travel costs.

Notes to the Financial Statements
For the year ended 30 May 2022

13.	Net income/(expenditure)	2022	2021
		£	£
	Net income/(expenditure) is stated after charging:		
	Operating leases	196,178	216,636
	Management agreements	835,753	886,454
	Service charges - Blackburn Hostels	884,298	946,955
	Auditor's remuneration - statutory audit	7,350	6,250
	Bank interest payable	13,663	21,600
	Depreciation	37,149	32,626
		<u> </u>	<u> </u>
14.	Analysis of staff costs and remuneration of key management personnel	2022	2021
		£	£
	Wages and salaries	1,168,247	1,107,843
	National insurance contributions	84,835	94,713
	Employers' pension contributions	13,324	18,901
		<u> </u>	<u> </u>
	Total staff costs	1,266,406	1,221,457
		<u> </u>	<u> </u>

The average number of employees during the year was 38 (2021: 41) with all employees' time involved in providing either support to the governance of the charity or support services to charitable activities. The charity considers its key management personnel comprise the Trustees and the Chief Executive Officer. The total employment benefits including employer's pension contributions of the key management personnel was £115,270 (2021: £115,084). One employee (2021: one) had employee benefits (excluding pension contributions) in excess of £60,000. This employee received remuneration in the banding £110,000 - £120,000 (2021: £110,000 - £120,000).

During the year payments totalling £12,310 (2021: £41,121) were made in respect of termination payments to employees/former employees.

15. Pension costs

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with current legislation. It is a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The employer's charge for the year for the charity was £13,324 (2021: £18,901).

16. Corporation tax

The company is a registered charity and is, therefore, exempt from taxation.

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2022

17. Tangible fixed assets - Group

	Freehold Interest in Land and Buildings £	Fixtures, Fittings and Equipment £	Plant and Machinery including Motor Vehicles £	Total £
Cost				
As at 30 May 2021	1,453,005	18,187	48,998	1,520,190
Additions	1,000,000	-	11,098	11,098
Disposals	-	-	-	-
As at 30 May 2022	2,453,005	18,187	60,096	2,531,288
Depreciation				
As at 30 May 2021	116,241	7,725	48,998	172,964
Charge for the year	33,228	3,565	356	37,149
Disposals	-	-	-	-
As at 30 May 2022	149,469	11,290	49,354	210,113
Net book value				
As at 30 May 2022	2,303,536	6,897	10,742	2,321,175
As at 30 May 2021	1,336,764	10,462	-	1,347,226

Notes to the Financial Statements
For the year ended 30 May 2022

17. Tangible fixed assets - Charity

	Freehold Interest in Land and Buildings £	Fixtures, Fittings and Equipment £	Plant and Machinery including Motor Vehicles £	Total £
Cost				
As at 30 May 2021	1,453,005	18,187	48,998	1,520,190
Additions	1,000,000	-	11,098	11,098
Disposals	-	-	-	-
As at 30 May 2022	2,453,005	18,187	60,096	2,531,288
Depreciation				
As at 30 May 2021	116,241	7,725	48,998	172,964
Charge for the year	33,228	3,565	356	37,149
Disposals	-	-	-	-
As at 30 May 2022	149,469	11,290	49,354	210,113
Net book value				
As at 30 May 2022	2,303,536	6,897	10,742	2,321,175
As at 30 May 2021	1,336,764	10,462	-	1,347,226

18. Investments held as fixed assets

The charity holds one ordinary share of £1 in its wholly owned trading subsidiary company Homeless Action CIC which is incorporated in England and Wales. The activities and results of this company are summarised in note 7.

19. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Housing benefit receivable	82,958	163,984	82,958	163,984
Trade debtors	72,708	14,013	72,708	14,013
Prepayments, accrued income & other debtors	26,769	19,881	26,769	19,881
	182,435	197,878	182,435	197,878

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2022

20.	Creditors: Amounts falling due within one year	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
	Bank loans and overdrafts	32,709	35,863	32,709	35,863
	Amounts due to suppliers	20,380	10,812	20,380	10,812
	Taxation and national insurance	24,737	29,077	24,737	29,077
	Other creditors	3,618	51,173	3,618	51,173
	Accruals and deferred income	118,906	163,137	117,826	166,559
		<u>200,350</u>	<u>290,062</u>	<u>199,270</u>	<u>293,484</u>

Creditors: Amounts falling due within one year includes the following liabilities, on which security has been given by the charity and group:

	Group & Charity 2022 £	Group & Charity 2021 £
Bank loans	32,709	35,863

The bank loans are secured by a first legal charge over 81-83 Abingdon Street, 254 Hornby Road, 39 and 45 Bairstow Street, 1 Wolverton Avenue, 176/178 Watson Road, 10 Knowle Avenue, The Warehouse back Cocker Street, 23 Cocker Street and 264-266 Dickson Road; all of which are situated in Blackpool.

There is further security provided by a fixed and floating charge over the other assets of the charity.

21.	Creditors: Amounts falling due after more than one year	Group & Charity 2022 £	Group & Charity 2021 £
	Bank loans	296,923	637,638

Included in the creditors are the following amounts due after more than five years:

	Group & Charity 2022 £	Group & Charity 2021 £
After more than five years by instalments	230,408	481,925

Notes to the Financial Statements For the year ended 30 May 2022

22. Operating lease commitments and management agreements

As at 30 May 2022 the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases and management agreements as follows:

	Group & Charity 2022 £	Group & Charity 2021 £
Less than one year	453,012	1,053,692
Within two to five years	1,812,047	3,552,474
Over five years	5,257,683	10,282,271
Total	7,522,742	14,888,437

23. Related parties

Controlling entity

The charity is controlled by the Trustees who are all directors of the company.

Related party transactions in the current year.

The net amount owed by the Charity's subsidiary Homeless Action C.I.C to the Charity as at 31st August 2022 was £3,217. As the company has ceased to trade the Directors consider that the recovery of the outstanding balance is unlikely, therefore it has been written off.

Previous year related party transactions were:

Mrs Janet Kam, wife of the former trustee Mr David Kam, received reimbursement of expenses in respect of her mobile phone totalling £Nil (2021: £273).

An expense claim of £2,750 payable to Mr Lee Dribben, the former Business Development and Special Projects Manager remains unpaid.

Notes to the Financial Statements
For the year ended 30 May 2022

23. Related parties [Continued]

The charity's wholly owned subsidiary, Homeless Action CIC ceased operating its charity shop in March 2020 as a result of the Covid-19 pandemic, and subsequent to that it was decided not to re-open the shop. This coincides with the lease on the shop terminating in August 2021 and it was not renewed. There is a balance owed to the subsidiary of £Nil (2021 – £4,621) at the year-end.

24. Analysis of charitable funds – Group - unrestricted current year	At 30 May 2021 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2022 £
General funds	2,852,890	3,592,436	(3,788,692)	(22,700)	2,679,334
Designated Fund – Poplar House	10,485	7,830	-		18,315
Designated Fund – Sunderland Flats	24,287	12,159	-		36,446
Designated Fund – 1,000 Voices	2,531	-	-		2,531
Designated Fund – Mini bus	-	5,000	-		5,000
Designated Fund – Blackpool Flats	-	26,416			26,416
Total funds	2,890,193	3,643,841	(3,788,692)	22,700	2,768,042
Analysis of charitable funds – Group - unrestricted prior year	At 30 May 2020 (Restated) £	Incoming Resources (Restated) £	Resources Expended £	Transfers £	At 30 May 2021 £
General funds	3,152,285	3,884,640	(4,184,035)		2,852,890
Designated Fund – Poplar House	-	25,383	(14,898)		10,485
Designated Fund – Sunderland Flats	-	24,287	-		24,287
Designated Fund – 1,000 Voices	-	2,960	(429)	-	2,531
Total funds	3,152,285	3,937,270	(4,199,362)	-	2,890,193
Analysis of charitable funds – Charity - unrestricted current year	At 30 May 2021 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2022 £
General funds	2,886,755	3,643,841	(3,785,546)	22,700	2,767,750
Total funds	2,886,755	3,643,841	(3,785,546)	22,700	2,767,750
Analysis of charitable funds – Charity - unrestricted prior year	At 30 May 2020 (Restated) £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2021 £
General funds	3,149,236	3,922,732	(4,185,213)		2,886,755
Total funds	3,149,236	3,922,732	(4,185,213)		2,886,755

Notes to the Financial Statements
For the year ended 30 May 2022

25. Analysis of charitable funds – Group & charity – restricted - Current	At 31 May 2021 £	Incoming Resources £	Resources Expended £	Transfers £	At 30 May 2022 £
Mental Health Support	22,700	-	-	(22,700)	-
The National Lottery Community Fund - The Ashley Foundation Community Café and Hub	23,436	12,408	(24,236)	-	11,608
Total funds	46,136	12,408	(24,436)	(22,700)	11,608

Name of fund

Description, nature, and purposes of the fund

Mental Health Support

Support for the provision of mental health of our residents in Blackpool.

The National Lottery Community Fund - The Ashley Foundation Community Café & Hub

Support for running costs of the Community Café & Hub during the first three years of operation. Due to COVID-19 the funding period, in agreement with the National Lottery was extended by six months, and the final tranche of funding will be received in February 2023.

Analysis of charitable funds – Group & Charity - restricted - prior year	At 31 May 2020 £	Incoming Resources (Restated) £	Resources Expended £	At 30 May 2021 £
Mental Health Support	22,700	-	-	22,700
The National Lottery Community Fund - The Ashley Foundation Community Café & Hub	4,136	24,816	(5,516)	23,436
Total funds	26,836	24,816	(5,516)	46,136

Transfers

26. As stated above, any surplus expenditure arising on any of the restricted funds is met from general (unrestricted) funds.

Where applicable and where not prohibited under any terms specified by the donor, any restricted funds where it is deemed that the associated activity or purpose has ceased are likewise transferred to general funds at the discretion of the Trustees.

THE ASHLEY FOUNDATION

Notes to the Financial Statements

For the year ended 30 May 2022

27.	Net assets by fund – Group - Current year	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £
	Tangible fixed assets	-	2,321,175	2,321,175
	Cash at bank and in hand	-	773,313	773,313
	Other net current assets / (liabilities)	11,608	(29,523)	(17,915)
	Creditors of more than one year	-	(296,923)	(296,923)
	Net assets	11,608	2,768,042	2,779,650
	Net assets by fund – Group - Prior year	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £
	Tangible fixed assets	-	1,347,226	1,347,226
	Cash at bank and in hand	-	2,318,925	2,318,925
	Other net current assets / (liabilities)	46,136	(138,320)	(92,184)
	Creditors of more than one year	-	(637,638)	(637,638)
	Net assets	46,136	2,890,193	2,936,329
	Net assets by fund – Charity - Current year	Restricted Funds £	Unrestricted Funds £	Total Funds 2022 £
	Tangible fixed assets	-	2,321,175	2,321,175
	Cash at bank and in hand	-	771,940	771,940
	Other net current assets / (liabilities)	11,608	(28,442)	(16,834)
	Creditors of more than one year	-	(296,923)	(296,923)
	Net assets	11,608	2,767,750	2,779,358
	Net assets by fund – Charity - Prior year	Restricted Funds £	Unrestricted Funds (Restated) £	Total Funds (Restated) 2021 (Restated) £
	Tangible fixed assets	-	1,347,227	1,347,226
	Cash at bank and in hand	-	2,318,908	2,318,908
	Other net current assets / (liabilities)	46,136	(141,742)	(95,606)
	Creditors of more than one year	-	(637,638)	(637,638)
	Net assets	46,136	2,886,755	2,932,891

Notes to the Financial Statements
For the year ended 30 May 2022

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

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Net movement in funds	(156,679)	(242,792)	(153,533)	(242,404)
Add: Depreciation	37,149	32,626	37,149	32,626
Deduct interest income shown in investing activities	(1,779)	(1,073)	(1,779)	(1,073)
Decrease/(increase) in debtors	15,443	737,094	15,443	737,094
(Decrease)/increase in creditors	(86,558)	(55,291)	(91,060)	(51,696)
Net cash used in operating activities	(192,424)	470,564	(193,780)	474,547

29. Net debt reconciliation – Group - Current year

	30 May 2021 £	Cash flows £	30 May 2022 £
Cash	2,318,925	(1,545,612)	773,313
Loans falling due within one year	(35,863)	3,154	(32,709)
Loans falling due after one year	(637,638)	340,715	(296,923)
Net debt	1,645,424	(1,201,743)	443,681

Net debt reconciliation – Group - Prior year

	30 May 2020 £	Cash flows £	30 May 2021 £
Cash	1,882,647	436,278	2,318,925
Loans falling due within one year	(35,754)	(109)	(35,863)
Loans falling due after one year	(673,106)	35,468	(637,638)
Net debt	1,173,787	471,636	1,645,423

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2022

29.	Net debt reconciliation continued – Charity - Current year	30 May 2021	Cash flows	30 May 2022
		£	£	£
	Cash	2,318,908	(1,546,968)	771,940
	Loans falling due within one year	(35,863)	3,154	(32,709)
	Loans falling due after one year	(637,638)	340,715	(296,923)
	Net debt	1,645,406	(1,203,099)	442,308
	Net debt reconciliation – Charity - Prior year	30 May 2020	Cash flows	30 May 2021
		£	£	£
	Cash	1,878,647	440,261	2,318,908
	Loans falling due within one year	(35,754)	(109)	(35,863)
	Loans falling due after one year	(673,106)	35,468	(637,638)
	Net debt	1,169,787	475,619	1,645,406

Accounts

THE ASHLEY FOUNDATION

(A Company Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 MAY 2021

Company Number: 3366712

Registered Charity Number: 1063208

THE ASHLEY FOUNDATION

Financial Statements

For the year ended 30 May 2021

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THE ASHLEY FOUNDATION

Reference and Administrative Details For the year ended 30 May 2021

Registered Charity Name:	The Ashley Foundation
Charity Registration Number:	1063208
Company Registration Number:	3366712
Principal Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Registered Office:	81 Abingdon Street Blackpool Lancashire FY1 1PP
Trustees:	Mrs L Edwards - Chair Dr M O'Donnell Mr A Oldfield Mr S Robinson Mrs E Warren
Solicitors:	Napthens Libra House, Cropper Close Whitehills Business Park Blackpool Lancashire FY4 5PU
Bankers:	Lloyds Bank 25-27 Birley Street Blackpool Lancashire FY1 1EG
Auditor:	Mitchell Charlesworth LLP 3rd Floor 44 Peter Street Manchester M2 5GP

THE ASHLEY FOUNDATION

Trustees' Annual Report For the year ended 30 May 2021

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 30 May 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

The principal objective of the charity throughout the year was the relief of poverty by the provision of accommodation to persons in need and providing support to clients to assist them with the wider issues of homelessness. This was achieved by the operation of 201 hostel rooms spread across 7 sites in Blackpool, Sunderland, and Blackburn, and 88 self-contained Move On flats across 20 sites in Blackpool and Sunderland. The properties are occupied under differing arrangements including owned and operated, leased and operated and operated on behalf of other parties via management agreements.

In the hostels, daily support is provided to the clients assisting them with daily living skills. The clients in the flats are supported to live independently

In addition, from March 2020, a further 23 rooms were provided in Blackpool to support the Government initiative to eliminate rough sleeping during the COVID-19 pandemic. This was provided by utilising a hotel that was unable to operate due to the COVID-19 restrictions. This provision ended in April 2021. Additional accommodation was also provided in Sunderland via creative use of existing accommodation, and this is on-going.

In September 2019 the Charity opened a Community Café & Hub in Blackpool to provide opportunities for clients to experience practical work experience. Unfortunately, due to the COVID-19 restrictions this was only able to operate fully until March 2020. The Café re-opened with limited opening hours from June 2020 to October 2020, before closing again until the end of May 2021 when it fully re-opened.

The Trustees are clear that the objectives and activities of The Ashley Foundation are carried out for public benefit. They have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the purpose and objectives and when planning the future activities. In particular, the Trustees will consider how planned activities will contribute to the aims and objectives they have set.

Achievements and performance

Provision of accommodation - During the year accommodation was provided for a total of 850 (2020 763) homeless individuals, 395 in Blackpool (2020 287), 231 in Sunderland (2020 183) and 224 in Blackburn (2020 293). There was a very high demand for accommodation from the local authorities and high occupancy levels were achieved. At any one time the charity will have 289 (2020 289) residents staying in one of its properties.

Partnership working - we have developed excellent relationships with our local authority partners in Blackpool, Sunderland and Blackburn.

Move on - review of all residents in hostels and flats is undertaken regularly to facilitate moving residents, wherever possible, to the most appropriate accommodation. This involves independent flats, move on flats or other hostel accommodation.

Supporting People - the Ashley Foundation has co-operated fully with both Blackpool and Blackburn Councils on the Supporting People Review national pilots.

COVID-19 – we have continued to play a major part in supporting our local authorities in addressing homelessness during the pandemic, supporting additional facilities and by providing COVID-19 secure isolation facilities.

THE ASHLEY FOUNDATION

Trustees' Annual Report (Continued)

For the year ended 30 May 2021

Financial review

The statements of financial activities are set out on page 10 of the financial statements.

Consolidated income for the year was £3,962,086 (2020: £4,081,470), and consolidated expenditure for the year was £4,204,878 (2020: £4,250,694).

The overall consolidated deficit for the year was £242,792, (2020: deficit of £169,224). The 2020 deficit includes an accounting estimate of £769,533 in respect of amounts agreed as being due from Sunderland Council. This is as a result of extensive discussions with the council (on behalf of Falcon Housing Association C.I.C), held between July 2020 and February 2021 which resulted in the agreement of final rents for the period 21st December 2017 to date, in respect of the 10 properties providing accommodation in move on flats in Sunderland, and for the period 31st January 2018 to date, in respect of the hostel accommodation, also in Sunderland. The 2020 accounts included an accounting estimate of £870,509 in respect of this matter. Based on amounts received this has been revised to £769,533, i.e., a reduction of £100,976. See note 30 for the impact of this.

Reserves/Reserves policy

Total reserves as at 30 May 2021 are £2,936,329 (2020: £3,179,121), of which £2,890,193 (2020: £3,152,285) are held in general unrestricted reserves and £46,136 (2020: £26,836) are held in restricted reserves. Within the unrestricted reserved are designated funds totally £37,303(2020 nil). See note 24 for further details.

Reserves are defined as unrestricted funds that are freely available to spend on charitable purposes. Reserves should be held to service an unexpected need for funds, covering unforeseen day-to-day operational costs, a shortfall in income or to fulfil our obligations. Our reserves policy is designed to reflect the underlying risks facing the charity and to ensure that we have appropriate level of reserves to safeguard our operations and services to homeless people, in particular the opening and initial operating of new buildings. Accordingly, we aim as far as reasonably practicable, to maintain reserve funds of up to six months operational running costs. This policy is reviewed annually. Six months operational running costs equate to £2.085 million, therefore, based on the general reserves of £2.18 million (net of funds represented by property and associated borrowing), adequate reserves are in place.

Going concern

Following a review of the financial position at the date of signing these accounts and projections for the following 12 months the Trustees consider that the charity is a going concern.

Trading subsidiary

The charity's wholly owned subsidiary, Homeless Action C.I.C. ceased operating its charity shop in March 2020 as a result of the Covid-19 pandemic, and subsequent to that it has been decided not to re-open the shop. This coincides with the lease on the shop terminating in August 2021 and it will not be renewed. The Trustees consider that the recovery of the outstanding inter-company loan balance as at 30 May 2020 of £76,955 is unlikely and therefore this was written off in the accounts for the period ending 31st May 2020. The Trustees have decided to retain the company in a dormant state pending a review of future strategy.

Structure, governance, and management

Governing document

The charity was incorporated in May 1997. The Ashley Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 7 May 1997, as amended by special resolutions dated 4 September 1997, 4 January 2000, 5 January 2012, and 11 June 2021.

THE ASHLEY FOUNDATION

Trustees' Annual Report (Continued) For the year ended 30 May 2021

Governance

Introduction

On 20 March 2020, the Charity Commission opened a statutory inquiry into the affairs of the charity - full details can be found on The Charity Commission website. The Trustees at the time the inquiry was launched were Mr David Kam, who was suspended as a Trustee by the Charity Commission on 9 July 2020 and subsequently resigned on 14 July 2020, Mr Ashley Dribben who was suspended by the Charity Commission on 6 October 2020 and was removed on 18 December 2020, Mr Goran Cemerikic, who subsequently resigned on 25 March 2020 and Mrs Lisa Edwards. On 8 October 2020 the Charity Commission authorised Mrs Edwards, as the only trustee able to act, to appoint new trustees in line with the provisions in the charity's Articles of Association in respect of the minimum and maximum numbers and quorum provisions. On 30 October 2020, in accordance with The Charity Commissions authority, Mrs Edwards appointed Dr Mark O'Donnell, Mr Alan Oldfield, Mr Simon Robinson and Mrs Elizabeth Warren as Trustees of the charity.

Appointment of trustees

Other than in the exceptional circumstances outlined above, when new Trustees are required, positions will be advertised locally, and a formal selection process will take place. This will also involve the potential new trustee(s) visiting local hostels and flats and also attending a trustee meeting to gain an appreciation of the workings of the charity.

Trustee induction and training

Trustee induction involves visits to see the premises and to meet the management and staff teams, together with time spent with the Chief Executive and Senior Managers to better and more fully understand the activities of the charity. Due to the COVID-19 restrictions this was not possible for the new Trustees until June 2021.

Related parties

In addition to the trustees who served during the year, the Trustees consider the following individuals and organisations to be related parties for the purposes of disclosure of related party transactions: Mr L Dribben, Mrs W Swift, Homeless Action C.I.C., A Gordon Electrical Services Ltd and Mistle Ltd.

Details of related party transactions required to be disclosed in accordance with the relevant legislation and guidance can be found in Note 23 on Page 27.

Fundraising standards

The charity does not carry out significant fundraising activities.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

THE ASHLEY FOUNDATION

Trustees' Annual Report (Continued) For the year ended 30 May 2021

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees who served the company during the period of the report were as follows:

Key management personnel: Trustees

Chair: Ms L Edwards (appointed chair 30/10/20)

Dr M O'Donnell (appointed 30/10/20)

Mr A Oldfield (appointed 30/10/20)

Mr S Robinson (appointed 30/10/20)

Mrs E Warren (appointed 30/10/20)

Mr D Kam (suspended by the Charity Commission on 09/07/20, resigned 14/07/20)

Mr A Dribben (suspended by the Charity Commission on 06/10/20, removed 18/12/20)

Key management personnel: Principal staff

Chief Executive Officer: Mrs W Swift

THE ASHLEY FOUNDATION

Trustees' Annual Report (Continued) For the year ended 30 May 2021

Trustees' responsibilities

The trustees (who are also directors of The Ashley Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the current trustees are aware, and subject to the findings of the Charity Commission investigation which commenced on 20 March 2020 into events and transactions during this and previous financial years:

- there is no relevant audit information of which the charitable company's auditors is unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board on 13/12/2021 and signed on its behalf by:



Mrs L Edwards - Chair
Trustee

THE ASHLEY FOUNDATION

Independent Auditor's Report to the Members of The Ashley Foundation For the year ended 30 May 2021

Opinion

We have audited the financial statements of The Ashley Foundation for the year ended 30 May 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Company Statement of Financial Position, the Cash Flow Statement and the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 May 2021 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 applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Conclusions relating to going concern

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

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

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

THE ASHLEY FOUNDATION

Independent Auditor's Report to the Members of The Ashley Foundation [Continued] For the year ended 30 May 2021

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 Trustees' Report and from the requirement to prepare a Strategic Report.

Independent Auditor's Report to the Members of The Ashley Foundation [Continued] For the year ended 30 May 2021

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees 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 directors 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 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 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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and business performance;
- the organisation's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the Board of Trustees of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the organisation's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

THE ASHLEY FOUNDATION

Independent Auditor's Report to the Members of The Ashley Foundation [Continued] For the year ended 30 May 2021

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the following area:

The estimation of the housing benefit accrual, the process for authorising expenditure and cash control which have been updated part way through the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the organisation operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the House in Multiple Occupation regulations, and the Selective Licensing schemes.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Data Protection Regulations.

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

Use of our Report

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



Jamielee Johnston (Senior Statutory Auditor)
For and on behalf of Mitchell Charlesworth LLP
Chartered Accountants and Statutory Auditors
3rd Floor
44 Peter Street
Manchester
M2 5GP

13 December 2021

THE ASHLEY FOUNDATION

Consolidated Statement of Financial Activities (Including Consolidated Income and Expenditure Account) For the year ended 30 May 2021

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2020 (Restated) £
Income							
Donations and legacies	5	24,816	45,713	70,529	24,816	28,502	53,318
Income from charitable activities:							
Operation of accommodation and café	6	-	3,867,630	3,867,630	-	3,967,133	3,967,133
Income from other trading activities							
Commercial trading operation	7	-	14,538	14,538	-	40,635	40,635
Investment income - bank interest	8	-	1,073	1,073	-	11,255	11,255
Rental income		-	8,316	8,316	-	9,129	9,129
Total incoming resources		24,816	3,937,270	3,962,086	24,816	4,056,654	4,081,470
Expenditure							
Cost of raising funds:							
Commercial trading operation	7	-	(14,150)	(14,150)	-	(22,811)	(22,811)
Expenditure on charitable activities:							
Operation of accommodation and café	9	(5,516)	(4,185,212)	(4,190,728)	(79,123)	(4,148,760)	(4,227,883)
Total expenditure		(5,516)	(4,199,362)	(4,204,878)	(79,123)	(4,171,571)	(4,250,694)
Net incoming resources for the year		19,300	(262,092)	(242,792)	(54,307)	(114,917)	(169,224)
Total funds brought forward		26,836	3,152,285	3,179,121	81,143	3,267,202	3,348,345
Total funds carried forward		46,136	2,890,193	2,936,329	26,836	3,152,285	3,179,121

The Statement of Financial Activities includes all gains and losses in the year and therefore a Statement of Total Recognised Gains and Losses has not been prepared.

The notes on pages 14 to 33 form part of these financial statements

THE ASHLEY FOUNDATION

Consolidated Balance Sheet

As at 30 May 2021

	Notes	Group 2021 £	Group 2020 (Restated) £	Charity 2021 £	Charity 2020 (Restated) £
Fixed assets					
Tangible assets	17	1,347,226	1,379,852	1,347,226	1,379,852
Investments	18	-	-	1	1
Total fixed assets		1,347,226	1,379,852	1,347,227	1,379,853
Current assets					
Debtors	19	197,878	934,972	197,878	934,722
Cash at bank and in hand		2,318,925	1,882,647	2,318,908	1,878,647
Total current assets		2,516,803	2,817,619	2,516,786	2,813,369
Creditors: Amounts falling due within one year	20	(290,062)	(345,244)	(293,484)	(344,044)
Net current assets		2,226,741	2,472,375	2,223,302	2,469,325
Total assets less current liabilities		3,573,967	3,852,227	3,570,529	3,849,178
Creditors: Amounts falling due after more than one year	21	(637,638)	(673,106)	(637,638)	(673,106)
Net assets		2,936,329	3,179,121	2,932,891	3,176,072
The funds of the charity					
Restricted income funds	25	46,136	26,836	46,136	26,836
Unrestricted income funds	24	2,890,193	3,152,285	2,886,755	3,149,236
Total funds		2,936,329	3,179,121	2,932,891	3,176,072

The trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on 13 December 2021 and are signed on their behalf by:



Mrs L Edwards
Chair of Trustees

Charity Number: 1063208

Company Number: 3366712

The notes on pages 14 to 33 form part of these financial statements

THE ASHLEY FOUNDATION

Statement of Cash Flows

For the year ended 30 May 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash generated from/(used in) operating activities	28	470,563	(803,001)	474,546	(804,294)
Cash flow from investing activities					
Interest income		1,073	11,255	1,073	11,255
Sale/purchase of tangible fixed assets		-	(4,378)	-	(4,378)
Cash flow from investing activities		<u>1,073</u>	<u>6,877</u>	<u>1,073</u>	<u>6,877</u>
Cash flow from financing activities					
Decrease in Loan		(35,359)	(31,788)	(35,539)	(31,788)
Cash used in financing activities		<u>(35,539)</u>	<u>(31,788)</u>	<u>(35,539)</u>	<u>(31,788)</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>436,278</u>	<u>(827,912)</u>	<u>440,261</u>	<u>(829,205)</u>
Cash and cash equivalent at the beginning of the year		<u>1,882,647</u>	<u>2,710,559</u>	<u>1,878,647</u>	<u>2,707,852</u>
Total cash and cash equivalents at the end of the year		<u><u>2,318,925</u></u>	<u><u>1,882,647</u></u>	<u><u>2,318,908</u></u>	<u><u>1,878,647</u></u>

THE ASHLEY FOUNDATION

Notes to the Financial Statements

For the year ended 30 May 2021

1. Company information

The Ashley Foundation is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 October 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Ashley Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant Accounting Policy note(s).

(b) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Homeless Action CIC on a line by line basis. A separate statement of financial activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

(c) Going Concern

At the time of approving the financial statements and having due regard to the impact of Covid-19, as referred to in the Trustees' Report, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Funds structure

- General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.
- Restricted funds are funds subject to specific restrictive conditions imposed by the donor or by the purpose of the contract / monies received. The purpose and use of restricted funds is set out in note 24 to the financial statements.
- Designated funds are funds which have been allocated or designated for specific purposes by the charity out of unrestricted funds.

Notes to the Financial Statements For the year ended 30 May 2021

2. Accounting policies [Continued]

(e) Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Grants are deferred to future periods only when this is specified by the funder or other preconditions of the fund are not yet met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Investment income is recognised on a receivable basis.

(f) Service agreements and management agreements

The charity has service agreements in place with other similar organisations. The income from these agreements is shown on a gross basis with expenditure included in Expenditure on Charitable Activities.

The charity has management agreements in place with Falcon Housing Association CIC to manage the provision of accommodation for the homeless, in properties in Blackpool and Sunderland. Falcon is the leaseholder of these properties. The terms of the agreements result in the charity receiving income from Falcon equal to the amounts that Falcon receive as housing benefit from the respective local councils. This income is included in Income from Charitable Activities. Expenditure incurred in providing the service required under the terms of the agreements is included in Expenditure on Charitable Activities.

Notes to the Financial Statements For the year ended 30 May 2021

2. Accounting policies [Continued]

(g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds are the direct and indirect costs of raising funds for charitable purposes, including applying for grants.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs include costs of the preparation and examination of the statutory financial statements, the costs of Trustee meetings and the cost of any legal advice to Trustees on governance or constitutional matters.
- Other expenditure represents those items not falling into any other heading.

(h) Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at the rates listed below so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life:

Freehold land and buildings	2% per annum on cost
Plant and machinery	10% per annum on cost
Office equipment	33.3% per annum on cost

(i) Investments

Fixed asset investments are included at market value at the Balance Sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds, and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

(j) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

(k) Pensions

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with the current legislation.

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

2. Accounting policies [Continued]

(l) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking any discount due.

(m) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments.

(n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party at the amount due to settle the obligation and can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

(o) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Legal status of the charity

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation. The number of members at the year-end was three (2020 - six).

4. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

5. Grants, donations, and legacies	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2020 (Restated) £
Donations and legacies						
Appeals and donations	-	2,651	2,651	-	3,502	3,502
Grants	24,816	43,062	67,878	24,816	25,000	49,816
Total per statement of funds	24,816	45,713	70,529	24,816	28,502	53,318

The income from grants, donations and legacies was £70,529 (2020 - £53,318) of which £45,713 was unrestricted (2020 - £28,502) and £24,816 restricted (2020 - £24,816).

6. Incoming resources from charitable activities	Restricted Funds £	Unrestricted Funds £	Total Funds 2021 £	Restricted Funds £	Unrestricted Funds £	Total Funds 2020 £
Charitable activities						
Housing benefit - hostels and flats	-	1,967,046	1,967,046	-	1,968,190	1,968,190
Housing benefit - exceptional arrears (below)	-			-	769,533	769,533
Income from hostels and flats	-	1,596,207	1,596,207	-	1,073,406	1,073,406
Residents' contributions - hostels and flats	-	119,015	119,015	-	102,929	102,929
Emergency Beds Scheme	-	172,949	172,949	-	44,642	44,642
Community Café & Hub takings	-	9,302	9,302	-	8,433	8,433
Other income	-	3,111	3,111	-	-	-
Total income from charitable activities	-	3,867,630	3,867,630	-	3,967,133	3,967,133

Housing benefit exceptional arrears

The Income from operation of hostels and flats - exceptional arrears is the amount agreed and due from Sunderland Council in respect of Housing Benefit payable to Falcon Housing Association CIC and then due to the charity under the terms of the management agreements in place for the operation of the Sunderland hostel and flats.

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

7. Income earned from commercial trading activities

The wholly owned trading subsidiary Homeless Action CIC (Company Number: 08044728, registered office: 81 Abingdon Street, Blackpool, Lancashire, FY1 1PP) operated a charity shop providing clothing and furniture to those in need and to raise funds for The Ashley Foundation.

The summary financial results of the subsidiary were:	2021	2020
	£	£
Shop takings	-	15,635
Grant income	14,538	25,000
	<u>14,538</u>	<u>40,635</u>
Group balance write off	-	76,955
	<u>14,358</u>	<u>117,590</u>
Cost of sales and administration costs	(14,150)	(22,811)
Operating profit	<u>388</u>	<u>94,779</u>
The assets and liabilities of the subsidiary company were:		
Current assets	4,638	4,250
Creditors: amounts falling due within one year	(1,201)	(1,200)
Net assets	<u>3,438</u>	<u>3,050</u>
Aggregate share capital and reserves	<u>3,438</u>	<u>3,050</u>

8. Investment income	Restricted Funds	Unrestricted Funds	Total Funds	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	2021	£	£	2020
			£			£
Bank interest	-	1,073	1,073	-	11,255	11,255
Total investment income	<u>-</u>	<u>1,073</u>	<u>1,073</u>	<u>-</u>	<u>11,255</u>	<u>11,255</u>

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

9.	Expenditure on charitable activities - Current year	Community Café & Hub £	Accom Provision £	Total Funds 2021 £
	Wages and salaries costs	6,718	1,058,549	1,065,267
	Staffing costs	-	250	250
	Premises costs	2,076	1,601,388	1,603,464
	Service charges - Blackburn Hostels		946,955	946,955
	Office costs	65	16,571	16,636
	Food costs	4,048	79,436	83,484
	Other costs	1,150	9,735	10,885
	Laundry and cleaning costs	620	16,814	17,434
	Motor and travel costs	33	5,252	5,285
	Legal costs	-	(5,750)	(5,750)
	Loan interest	-	19,086	19,086
	Depreciation	-	27,702	27,702
	Governance costs	-	6,250	6,250
	Support costs	-	393,780	393,780
	Total	14,710	4,176,018	4,190,728
	Expenditure on charitable activities - Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2020 £
	Wages and salaries costs	40,489	866,279	906,768
	Staffing costs	101	-	101
	Premises costs	46,526	1,449,101	1,495,627
	Service charges - Blackburn Hostels	-	1,030,890	1,030,890
	Office costs	2,064	23,834	25,898
	Food costs	5,351	90,954	96,305
	Other costs	1,827	17,485	19,312
	Laundry and cleaning costs	871	22,872	23,743
	Motor and travel costs	366	3,455	3,821
	Legal costs	1,834	1,829	3,663
	Loan interest	-	23,578	23,578
	Depreciation	-	27,596	27,596
	Governance costs	-	102,810	102,810
	Support costs	-	467,771	467,771
	Total	99,429	4,128,454	4,227,883

Expenditure on charitable activities was £4,190,728 (2020 - £4,227,883) of which £4,150,639 was unrestricted (2020 - £4,148,760) and £5,516 restricted (2020 - £79,123).

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

10.	Summary of analysis of expenditure and related income for charitable activities – Current year	Community Café & Hub £	Accom Provision £	Total Funds 2021 £
	Costs (note 9)	14,710	4,176,018	4,190,728
	Grant support (note 5)	(24,816)	(43,062)	(67,878)
	Net cost - other income	(10,106)	4,132,956	4,122,850
	Summary of analysis of expenditure and related income for charitable activities – Prior year	Community Café & Hub £	Accom Provision £	Total Funds 2020 £
	Costs (note 9)	99,429	4,218,454	4,227,883
	Grant support - restated (note 5)	(24,816)	(25,000)	(49,816)
	Net cost - other income	74,613	4,193,454	4,178,267

11. Analysis of governance and support costs - Current year

The charity allocates its support costs as shown in the table below and then further apportions those costs to the charitable activities undertaken (see note 10). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2021 £
Wages and salaries costs	156,190	-	156,190
Staffing costs	36,527	-	36,527
Premises costs	33,336	-	33,336
Office costs	21,207	-	21,207
Food costs	134	-	134
Other costs	5,027	-	5,027
Laundry and cleaning costs	2,213	-	2,213
Motor and travel costs	2,758	-	2,758
Accountancy costs	62,271	-	62,271
Audit costs	-	6,250	6,250
Legal costs	66,678	-	66,678
Trustees' expenses	-	-	-
Loan interest	2,514	-	2,514
Depreciation	4,925	-	4,925
	393,780	6,250	400,030

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Notes to the Financial Statements For the year ended 30 May 2021

11. Analysis of governance and support costs - Prior year

The charity allocates its support costs as shown in the table below and then further apportions those costs to the charitable activities undertaken (see note 10). Unless stated otherwise, support costs are directly attributed to the activity.

Support cost	General Support £	Governance £	Total 2020 £
Wages and salaries costs	335,307	-	335,307
Staffing costs	1,809	-	1,809
Premises costs	41,091	-	41,091
Office costs	29,242	-	29,242
Food costs	400	-	400
Other costs	12,348	-	12,348
Laundry and cleaning costs	2,148	-	2,148
Motor and travel costs	8,024	-	8,024
Accountancy costs	29,438	-	29,438
Audit costs	-	5,250	5,250
Legal costs	-	96,350	96,350
Trustees' expenses	-	1,210	1,210
Loan interest	3,058	-	3,058
Depreciation	4,906	-	4,906
	<u>467,771</u>	<u>102,810</u>	<u>570,581</u>

12. Trustees' remuneration and expenses

The Trustees were not paid nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2020 - £Nil).

Expenses totalling £273 (2020 - £742) were paid to one (2020 - one) Trustee(s) in the year to 30 May 2021 in respect of motor and travel costs.

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Notes to the Financial Statements For the year ended 30 May 2021

13. Net income/(expenditure)	2021	2020
	£	£
Net income/(expenditure) is stated after charging:		
Operating leases	216,636	216,636
Management agreements	886,454	863,995
Service charges - Blackburn Hostels	946,955	1,030,890
Auditor's remuneration - statutory audit	6,250	5,250
Bank interest payable	21,600	28,800
Depreciation	32,626	32,502

14. Analysis of staff costs and remuneration of key management personnel	2021	2020
	£	£
Wages and salaries	1,107,843	1,116,893
National insurance contributions	94,713	107,174
Employers' pension contributions	18,901	18,009
Total staff costs	1,221,457	1,242,076

The average number of employees during the year was 41 (2020 - 43) with all employees' time involved in providing either support to the governance of the charity or support services to charitable activities. The charity considers its key management personnel comprise the Trustees, the Chief Executive Officer, and in the prior year the Special Project Manager. The total employment benefits including employer's pension contributions of the key management personnel was £115,084 (2020 - £165,130). One employee (2020 - one) had employee benefits (excluding pension contributions) in excess of £60,000. This employee received remuneration in the banding £110,000 - £120,000 (2020 - £100,000 - £110,000).

During the year payments totalling £41,121 (2020 - £Nil) were made in respect of termination payments to employees/former employees.

15. Pension costs

The charity operates an auto enrolment defined contribution scheme for all eligible employees in line with current legislation. It is a defined contribution scheme and contributions are charged in the statement of financial activities as they accrue. The employer's charge for the year for the charity was £18,901 (2020 - £18,009).

16. Corporation tax

The company is a registered charity and is, therefore, exempt from taxation.

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

17. Tangible fixed assets - Group

	Freehold Interest in Land and Buildings £	Fixtures, Fittings and Equipment £	Plant and Machinery including Motor Vehicles £	Total £
Cost				
As at 30 May 2020	1,453,005	18,187	48,998	1,520,190
Additions	-	-	-	-
Disposals	-	-	-	-
As at 30 May 2021	1,453,005	18,187	48,998	1,520,190
Depreciation				
As at 30 May 2020	87,180	4,160	48,998	140,338
Charge for the year	29,061	3,565	-	32,626
Disposals	-	-	-	-
As at 30 May 2021	116,241	7,725	48,998	172,964
Net book value				
As at 30 May 2021	1,336,764	10,462	-	1,347,226
As at 30 May 2020	1,365,825	14,027	-	1,379,852

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

17. Tangible fixed assets - Charity

	Freehold Interest in Land and Buildings £	Fixtures, Fittings and Equipment £	Plant and Machinery including Motor Vehicles £	Total £
Cost				
As at 30 May 2020	1,453,005	18,187	48,998	1,520,190
Additions	-	-	-	-
Disposals	-	-	-	-
As at 30 May 2021	1,453,005	18,187	48,998	1,520,190
Depreciation				
As at 30 May 2020	87,180	4,160	48,998	140,338
Charge for the year	29,061	3,565	-	32,626
Disposals	-	-	-	-
As at 30 May 2021	116,241	7,725	48,998	172,964
Net book value				
As at 30 May 2021	1,336,764	10,462	-	1,347,226
As at 30 May 2020	1,365,825	14,027	-	1,379,852

18. Investments held as fixed assets

The charity holds one ordinary share of £1 in its wholly owned trading subsidiary company Homeless Action CIC which is incorporated in the United Kingdom. The activities and results of this company are summarised in note 7.

19. Debtors

	Group 2021 £	Group 2020 (Restated) £	Charity 2021 £	Charity 2020 (Restated) £
Housing benefit receivable	163,984	913,803	163,984	913,803
Other debtors	14,013	16,868	14,013	16,618
Prepayments and accrued income	19,881	4,301	19,881	4,301
	197,878	934,972	197,878	934,722

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

20.	Creditors: Amounts falling due within one year	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
	Bank loans and overdrafts	35,863	35,754	35,863	35,754
	Amounts due to suppliers	10,812	20,194	10,812	20,194
	Taxation and national insurance	29,077	28,004	29,077	28,004
	Other creditors	51,173	52,161	51,173	52,161
	Accruals and deferred income	163,137	209,131	166,559	207,931
		<u>290,062</u>	<u>345,244</u>	<u>293,484</u>	<u>344,044</u>

Creditors: Amounts falling due within one year includes the following liabilities, on which security has been given by the charity and group:

	Group & Charity 2021 £	Group & Charity 2020 £
Bank loans	35,863	35,754

The bank loans are secured by a first legal charge over 81-83 Abingdon Street, 254 Hornby Road, 38 and 45 Bairstow Street, 1 Woverton Avenue, 176/178 Watson Road, 10 Knowle Avenue, The Warehouse back Cocker Street, 23 Cocker Street and 264-266 Dickson Road; all of which are situated in Blackpool.

There is further security provided by a fixed and floating charge over the other assets of the charity.

21.	Creditors: Amounts falling due after more than one year	Group & Charity 2021 £	Group & Charity 2020 £
	Bank loans	637,638	673,106

Included in the creditors are the following amounts due after more than five years:

	Group & Charity 2021 £	Group & Charity 2020 £
After more than five years by instalments	481,925	519,658

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

22. Operating lease commitments and management agreements

As at 30 May 2021 the charity had total commitments under non-cancellable operating leases and management agreements as follows:

	Group & Charity 2021 £	Group & Charity 2020 £
Agreements which expire:		
Less than one year	1,053,692	1,092,754
Within two to five years	3,552,474	3,718,048
Over five years	10,282,271	11,170,390
Total	14,888,437	15,981,192

23. Related parties

Controlling entity

The charity is controlled by the Trustees who are all directors of the company.

During the current year Mrs Janet Kam, wife of the former trustee Mr David Kam, received reimbursement of expenses in respect of her mobile phone totalling £273 (2020 - £468). There were no other related party transactions in the current year.

Previous year related party transactions were:

Mr David Kam, former Trustee and chair, received reimbursement of expenses totalling £Nil (2020 - £742).. Mr Kam was a director of the company until 14 July 2020.

During the current year Mrs Janet Kam, wife of the former trustee Mr David Kam, received reimbursement of expenses in respect of her mobile phone totalling £273 (2020 - £468). There were no other related party transactions in the current year.

Mr Ashley Dribben, former Trustee, received a reimbursement of legal costs totalling £Nil (2020 - £15,876). In 2020, a balance of £425 from Mistle Limited was written off during the year. Mr Dribben was a director of this company until 30 October 2018.

Mr Goran Cemerikic, former Trustee, is the sole director of A Gordon Electrical Services Limited which provides electrical contracting services to the charity, and during the year A Gordon Electrical Services Limited invoiced the charity for services totalling £Nil (2020 - £6,706).

Mrs Lisa Edwards, Trustee and chair, took legal action on behalf of the charity and costs totalling £Nil (2020 - £35,570) were paid directly to the lawyers in relation to this action.

Transactions between the charity and Mr Lee Dribben, the former CEO and latterly Business Development and Special Projects Manager, were as follows:

Reimbursement of expenses in respect of staff barbecue totalling £Nil (2020 - £3,000).

Cash withdrawals made by Mr Dribben totalling £Nil (2020 - £1,200).

Provision of cash for use as petty cash by the charity in exchange for cheques - £Nil (2020 - £21,500).

Reimbursement for use of personal credit card for payment of charity supplies, services, and hospitality £Nil (2020 - £45,762). An expense claim of £2,750 has remained unpaid.

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

The charity's wholly owned subsidiary, Homeless Action CIC ceased operating its charity shop in March 2020 as a result of the Covid-19 pandemic, and subsequent to that it was decided not to re-open the shop. This coincides with the lease on the shop terminating in August 2021 and it was not renewed. There is a balance owed to the subsidiary of £4,621 (2020 – £Nil) at the year-end.

24. Analysis of charitable funds – Group - unrestricted current year	At 30 May 2020 (Restated)	Incoming Resources	Resources Expended	At 30 May 2021
	£	£	£	£
General funds	3,152,285	3,884,640	(4,184,035)	2,852,890
Designated Fund – Poplar House	-	25,383	(14,898)	10,485
Designated Fund – Sunderland Flats	-	24,287	-	24,287
Designated Fund – 1,000 Voices	-	2,960	(429)	2,531
Total funds	3,152,285	3,937,270	(4,199,362)	2,890,193
Analysis of charitable funds – Group - unrestricted prior year	At 30 May 2019	Incoming Resources (Restated)	Resources Expended	At 30 May 2020 (Restated)
	£	£	£	£
General funds	3,267,202	4,056,654	(4,171,571)	3,152,285
Total funds	3,267,202	4,056,654	(4,171,571)	3,152,285
Analysis of charitable funds – Charity - unrestricted current year	At 30 May 2020 (Restated)	Incoming Resources	Resources Expended	At 30 May 2021
	£	£	£	£
General funds	3,149,236	3,922,552	(4,190,729)	2,881,239
Total funds	3,149,236	3,922,552	(4,190,729)	2,881,239
Analysis of charitable funds – Charity - unrestricted prior year	At 30 May 2019	Incoming Resources (Restated)	Resources Expended	At 30 May 2020 (Restated)
	£	£	£	£
General funds	3,281,977	4,016,019	(4,148,760)	3,149,236
Total funds	3,281,977	4,016,019	(4,148,760)	3,149,236

THE ASHLEY FOUNDATION

Notes to the Financial Statements For the year ended 30 May 2021

25.	Analysis of charitable funds – Group & charity – restricted - Current	At 31 May 2020 £	Incoming Resources £	Resources Expended £	At 30 May 2021 £
	Mental Health Support	22,700	-	-	22,700
	The National Lottery Community Fund - The Ashley Foundation Community Café and Hub	4,136	24,816	(5,516)	23,436
	Total funds	26,836	24,816	(5,516)	46,136

Name of fund

Description, nature, and purposes of the fund

Community Café & Hub Set up

Contributions towards the redevelopment of a new property acquired in Blackpool for the Community Café and Hub.

Bute Avenue Refurbishment

Contributions towards the redevelopment of a new property acquired to expand the provision of move on flats in Blackpool.

Mental Health Support

Support for the provision of mental health of our residents in Blackpool.

The National Lottery Community Fund - The Ashley Foundation Community Café & Hub

Support for running costs of the Community Café & Hub during the first three years of operation.

Analysis of charitable funds – Group & Charity – restricted – prior year	At 31 May 2019 £	Incoming Resources (Restated) £	Resources Expended £	At 30 May 2020 £
Community Cafe & Hub set Up	35,128	-	(35,128)	-
Bute Avenue refurbishment	21,015	-	(21,015)	-
Mental Health Support	25,000	-	(2,300)	22,700
The National Lottery Community Fund - The Ashley Foundation Community Café & Hub	-	24,816	(20,680)	4,136
Total funds	81,143	24,816	(79,123)	26,836

26. Transfers

As stated above, any surplus expenditure arising on any of the restricted funds is met from general (unrestricted) funds.

Where applicable and where not prohibited under any terms specified by the donor, any restricted funds where it is deemed that the associated activity or purpose has ceased are likewise transferred to general funds at the discretion of the Trustees.

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Notes to the Financial Statements For the year ended 30 May 2021

27. Net assets by fund – Group - Current year	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	2021
			£
Tangible fixed assets	-	1,347,226	1,347,226
Cash at bank and in hand	-	2,318,925	2,318,925
Other net current assets / (liabilities)	46,136	(138,320)	(92,184)
Creditors of more than one year	-	(637,638)	(637,638)
Net assets	46,136	2,890,193	2,936,329
Net assets by fund – Group - Prior year	Restricted Funds	Unrestricted Funds	Total Funds
	£	(Restated)	2020
		£	(Restated)
			£
Tangible fixed assets	-	1,379,852	1,379,852
Cash at bank and in hand	-	1,882,647	1,882,647
Other net current assets / (liabilities)	26,836	562,892	589,728
Creditors of more than one year	-	(673,106)	(673,106)
Net assets	26,836	3,152,285	3,179,121
Net assets by fund – Charity - Current year	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	2021
			£
Tangible fixed assets	-	1,347,227	1,347,226
Cash at bank and in hand	-	2,318,908	2,318,908
Other net current assets / (liabilities)	46,136	(90,090)	(43,954)
Creditors of more than one year	-	(637,638)	(637,638)
Net assets	46,136	2,886,755	2,932,891
Net assets by fund – Charity - Prior year	Restricted Funds	Unrestricted Funds	Total Funds
	£	(Restated)	2020
		£	(Restated)
			£
Tangible fixed assets	-	1,379,853	1,379,853
Cash at bank and in hand	-	1,878,647	1,878,647
Other net current assets / (liabilities)	26,836	563,842	590,678
Creditors of more than one year	-	(673,106)	(673,106)
Net assets	26,836	3,149,236	3,176,072

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Notes to the Financial Statements For the year ended 30 May 2021

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

	Group 2021 £	Group 2020 (Restated) £	Charity 2021 £	Charity 2020 (Restated) £
Net movement in funds	(242,792)	(68,248)	(242,404)	(163,027)
Add: Depreciation	32,626	32,502	32,626	32,502
Deduct interest income shown in investing activities	(1,073)	(11,255)	(1,073)	(11,255)
Decrease/(increase) in debtors	737,094	(947,484)	737,094	(853,352)
(Decrease)/increase in creditors	(55,291)	191,484	(51,696)	190,838
Net cash used in operating activities	470,563	(803,001)	474,546	(804,294)

29. Net debt reconciliation – Group - Current year

	30 May 2020 £	Cash flows £	30 May 2021 £
Cash	1,882,647	436,278	2,318,925
Loans falling due within one year	(35,754)	(109)	(35,863)
Loans falling due after one year	(673,106)	35,468	(637,638)
Net assets	1,173,787	471,636	1,645,423

Net debt reconciliation – Group - Prior year

	30 May 2019 £	Cash flows £	30 May 2020 £
Cash	2,710,559	(827,912)	1,882,647
Loans falling due within one year	(31,381)	(4,373)	(35,754)
Loans falling due after one year	(709,266)	36,160	(673,106)
Net assets	1,969,912	(796,125)	1,173,787

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Notes to the Financial Statements For the year ended 30 May 2021

29.	Net debt reconciliation continued – Charity - Current year	30 May 2020	Cash flows	30 May 2021
		£	£	£
	Cash	1,878,647	440,261	2,318,908
	Loans falling due within one year	(35,754)	(109)	(35,863)
	Loans falling due after one year	(673,106)	35,468	(637,638)
	Net assets	1,169,787	475,619	1,645,406
	Net debt reconciliation – Charity - Prior year	30 May 2019	Cash flows	30 May 2020
		£	£	£
	Cash	2,707,852	(829,205)	1,878,647
	Loans falling due within one year	(31,381)	(4,373)	(35,754)
	Loans falling due after one year	(709,266)	36,160	(673,106)
	Net assets	1,967,205	(797,418)	1,169,787
30.	Prior period adjustments and restatements - Group			2021
				£
	Reconciliation of changes in unrestricted funds			
	As previously reported			3,253,261
	Correction to estimated housing benefit accrual			(100,976)
	As adjusted			3,152,285
	Restatements of changes in income for the previous period			
	As previously reported			(68,248)
	Correction to estimated housing benefit accrual			(100,976)
	As restated			(169,224)

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Notes to the Financial Statements For the year ended 30 May 2021

30. Prior period adjustments and restatements - Charity	2021
	£
Reconciliation of changes in unrestricted funds	
As previously reported	3,250,212
Correction to estimated housing benefit accrual	(100,976)
As adjusted	3,149,236
Restatements of changes in income for the previous period	
As previously reported	(163,027)
Correction to estimated housing benefit accrual	(100,976)
As restated	(264,003)

The prior period adjustment is due to the adjustment of the estimate of the housing benefit accrual made in the prior year, whose value is now known exactly.