ACTION FOUNDATION

England & Wales · Charity number 1132051

Details

Status	Registered
Legal form	Charitable company
Company number	06946097
Registered	2009-10-08
Register	View on the Charity Commission register

Contact

Address	The Castlegate Centre Melbourne Street Newcastle Upon Tyne NE1 2JQ
Phone	01912313113
Email	info@actionfoundation.org.uk
Website	www.actionfoundation.org.uk

Activities

Objects: THE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED FOR THE PUBLIC BENEFIT ARE:3.1 THE PREVENTION AND/OR RELIEF OF POVERTY BY THE PROVISION OF ADVICE ANDASSISTANCE, TRAINING AND THE PROVISION OF HOUSING AND ACCOMMODATION FORPERSONS IN NEED OF SUCH PROVISIONS AND THE IMPROVEMENT OF HOUSING ANDLIVING CONDITIONS FOR SUCH PERSONS;3.2 THE ADVANCEMENT OF EDUCATION FOR THE PUBLIC BENEFIT;3.3 THE RELIEF OF THOSE IN NEED BY REASON OF THEIR YOUTH, AGE, ILL HEALTH,DISABILITY, FINANCIAL HARDSHIP OR SOCIAL DISADVANTAGE, PARTICULARLY PERSONSSUFFERING OR RECOVERING FROM SUBSTANCE ABUSE, EATING DISORDERS,PROSTITUTION OR PERSONS IN SIMILAR SITUATIONS; AND3.4 THE PROMOTION OF HUMAN RIGHTS (AS SET OUT IN THE UNIVERSAL DECLARATION OFHUMAN RIGHTS AND SUBSEQUENT UNITED NATIONS CONVENTIONS ANDDECLARATIONS) THROUGHOUT THE WORLD BY RELIEVING NEED AMONG THE VICTIMSOF HUMAN RIGHTS ABUSE.

Activities: We support asylum seekers, refugees and other migrants in the North East of England to lead lives that are safe, independent and fulfilled, by providing supported accommodation and free English language and employment classes. Our ?Skills for Life? English language classes are delivered from our classrooms in Newcastle and Sunderland, as well as in other centres through our community partnerships.

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing, Economic/community Development/employment
- **Who:** Elderly/old People, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NORTH EAST ENGLAND AND THE WORLD
- Gateshead
- Newcastle Upon Tyne City
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,750,728	£1,584,616	£699,493	30
2024-03-31	£1,507,685	£1,485,966	£533,381	24
2023-03-31	£1,324,392	£1,479,916	£511,662	27
2022-03-31	£1,372,692	£1,642,110	£667,186	30
2021-03-31	£1,744,353	£1,577,842	£936,604	29

Trustees

Name	Role	Appointed
David Lyall	Chair	2019-02-27
ANDREW COULSON		2012-04-25
Gabrielle Suzanne Mandell		2022-04-07
Helen Louise Young		2024-01-11
Sally Hamilton		2024-03-07

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ACTION FOUNDATION

England & Wales - Charity number 1132051

Accounts

Registered number: 6946097
Charity number: 1132051

ACTION FOUNDATION

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

ACTION FOUNDATION
(A Company Limited by Guarantee)

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ACTION FOUNDATION

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Trustees	W A Coulson S Hamilton D Lyall G S Mandell R Naeb (resigned 30 September 2024) G Okai (resigned 23 May 2024) H Young
Company registered number	6946097
Charity registered number	1132051
Registered office	The Castlegate Centre Melbourne Street Newcastle upon Tyne NE1 2JQ
Company secretary	D McAuley
Independent auditors	Kinnair Associates Limited Chartered Accountants Aston House Redburn Road Newcastle upon Tyne NE5 1NB
Bankers	Co-operative Bank plc PO Box 250 Skelmersdale WN8 6WT Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the charitable company for the year 1 April 2024 to 31 March 2025. The Annual Report serves the purpose of both a trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

Policies and objectives

The charitable company's objects are:

1. The prevention and / or relief of poverty by the provision of advice and assistance to the public including to refugees, asylum seekers, migrant workers and their dependents, particularly by the provision of education and training with a view to facilitating job creation and work opportunities for such persons, and by the provision of housing and accommodation for persons in need of such provision, and the improvement of housing and living conditions for such persons;

2. The advancement of education (including mental, physical, social and health education) by provision of schooling, training and advisory services;

3. The advancement of environmental protection or improvement, particularly by educating the public in the conservation, protection and improvement of the physical and natural environment, and by the promotion of waste reduction, recycling, and by addressing the causes of climate change;

4. The relief of those in need by reason of their youth, age, ill health, disability, financial hardship or other disadvantage, particularly by supporting or assisting persons suffering or recovering from substance abuse, eating disorders, prostitution or persons in similar situations who are in need of charitable support; and

5. The promotion of human rights, particularly by the support of those suffering from human rights abuses and / or issues of injustice perpetrated by individuals, groups or governments on the grounds of race, religion, colour, sex, sexual orientation, disability, political views / activities, ethnicity or medical or other condition.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Activities undertaken to achieve objectives

The main activities undertaken in relation to these objects are:

Accommodation Services

- Housing - provides free accommodation and support to destitute migrants with no recourse to public funds to try and resolve their immigration status and plan for their future;
- Letting - manages property and provides supported accommodation to homeless refugees to enable them to progress onto independent living.

Language and Learning - provides free English language classes, digital inclusion and employability support to migrants not able to access provision elsewhere.

Objectives and activities (continued)

InterAction - provides social inclusion, advice and welfare support through drop-in, outreach and casework activities.

Young Lives - provides young refugees and asylum seekers and their families with youth groups, activity sessions, 1:1 support, trips and residentials that provide specialised practical, emotional and social support.

Achievements and performance

Main achievements of the Charity

In this year we again supported over 3,100 people, demonstrating the consistent demand for our services. We continue to support individuals from over 100 different nations, working closely in partnership with others in the region.

Again, the principle challenge we faced was of an uncertain political and economic climate. This risk was highlighted by the riots of August 2024 in response to which we rapidly responded and adapted our operations, moving contact online where possible and implementing stringent security measures in our on-site delivery.

Our management team and Board of Trustees have been stable throughout the period, enabling growth in depth and maturity of operations as well as continued progress against our strategic plan. Though we did successfully recruit two trustees, one with lived experience as a current client, unfortunately both had a change in personal circumstances before they could formally join our Board.

In January 2025 we undertook a halfway review of our five year Strategic Plan which included input from clients and volunteers as well as staff and trustees. Excellent progress was noted on the strategic priorities to deliver new and existing services and develop partnerships, which has enabled us to focus on building our internal capacity, sustainability and readiness to respond throughout 2025. Our Strategic Plan as well as our Purpose and Values statements can be found on our website.

We also recruited a part time Inclusion Development Manager who began in January 2025 and works across the organisation on development and change projects to support our practice around EDI, Client Engagement and Lived Experience. This additional capacity and specific focus has further strengthened our work in this area.

Having launched our 'InForm' database system in January 2024 and as part of the Data Project, a four-year project funded by the Paul Hamlyn Foundation, we undertook the process of embedding and refining both the system and our practice. Although a hugely beneficial change this process was a steep learning curve for us and it was only in early 2025 that we began to fully realise its potential across all of our services.

Though we held an optimistic outlook on the media and political policy landscape following the 2024 General Election, events have transpired quite differently. As mentioned above we rapidly responded to the outbreak of violence across the UK, including at numerous cities in our region in August 2024. Following this operational response which was focused on ensuring the safety of our staff and volunteers as well as adapting our services to best support our clients, we undertook a listening exercise, the summary of which we published in our 'Unwanted, like a stranger' report, available on our website. Sadly, throughout the second half of this year, we saw continued political and media attention given to this issue and a significant rise in the instances of hate crime committed again them. We continue to support our clients and advocate for a fairer, more tolerant society through our regional profile and positive messaging.

Achievements and performance (continued)

Review of activities

Young Lives

Having formally launched our Young Lives service in January 2024 we were pleased to both refine our approach and secure multi-year funding from Comic Relief and Children in Need to support this work. The service supported 322 children and young people through 236 sessions and additional 1:1 support. We worked with partners such as Northumbria University and Solace Surf School to deliver a broad range of activities and educational input.

In November 2024 Young Lives won both Project of the Year and Social Action of the Year at the prestigious North East Youth Awards and in early 2025 the Youth Leadership group produced their short film 'Small Matters' which highlights the need for refugee youth voices and was showcased at a launch event at the Glasshouse International Centre for Music.

During this period, we began negotiations with Handcrafted with a view to developing a partnership for the provision of support to Unaccompanied Asylum Seeking Children (UASC). A due diligence process was conducted and in January 2025 it was agreed that a partnership could be formed to proactively tender for this contracted work.

InterAction

Though the numbers decreased slightly from the previous year we continued to engage with large numbers through our Newcastle drop-in, South Tyneside outreach work and through occasional events or activities. We saw over 2,500 attendances at our drop-in and helped 140 people navigate their local NHS services, linking them with GPs and other health services in South Tyneside.

This work was supported by 40 committed volunteers, 88% of whom have lived experience of migration and as well as providing essential support to others, gain valuable skills through their participation.

In the summer of 2024 we said goodbye to the project manager who had led the project for four years and following a thorough recruitment process, welcomed back a pervious InterAction project officer to manage the delivery of this vital service.

Language and Learning

Having transitioned over the previous 12 months, this service underwent a period of embedding our Digital Inclusion work which started in November 2024, funded by Virgin Money Foundation, and Employability, which was initially a general program funded by the North of Tyne Combined Authority and then latterly specifically focussed on displaced international workers, funded by NEADASS.

We also continued to provide free English language classes which ran until December 2024 in both Newcastle and Sunderland and in 2025, because of a lack of funding, in Newcastle only. We delivered 595 classes which were supported by 48 dedicated and highly skilled volunteers and benefitted over 360 learners.

At the end of this period we said goodbye to the project manager who had managed the project for 2 years and fulfilled a pivotal role in the transition and development of its provision. We were successful in recruiting an excellent candidate who began shortly after and leads the further embedding of these changes and growth of the provision.

Achievements and performance (continued)

Accommodation Services

We continued to see significant demand for our Accommodation support throughout the year and although asylum decision making slowed following the general election in 2024, the waiting lists were such that many refugees still remain waiting for a place to live.

In our Lettings project we supported 95 newly recognised refugees, helping 45 to move into independent living and supporting 6 family reunions for people whose relatives were in other countries. In our Housing project we supported 12 destitute asylum seekers and across both projects we delivered 4,467 hours of support with 89% of all residents moving on positively.

We have also continued to be active in advocating for destitute or homeless migrants, engaging with national campaigns, sharing best practice with European partners and promoting regional conversations.

Financial review

The financial environment has again been positive, and with a continued focus on cost controls our income has exceeded expenditure, allowing us to maintain sufficient reserves and set aside funds for capital investment. Thankfully there were no significant events affecting the financial performance of the charity during this period.

Our principal source on income continues to be charitable activity, accounting for 46% of total income and the majority of which is Lettings activity. This is supplemented by grants (31%) and other income (23%). These income streams support the delivery of project activity to asylum seekers and refugees and are anticipated to continue sustainably for the coming years with moderate growth projected.

The principle risks the charity faces are from national policy change affecting either our client demographics or the legal status of the services we deliver, both unlikely events outside of our influence or control. These risks, as well as others of lesser significance, are reviewed twice annually by the Board of Trustees, termly at Sub Groups and bi-monthly by management staff.

With the implementation of our five-year Strategic Plan we launched our Business Development Strategy in 2023 to deliver on our ambitious priorities over the coming years. The strategy is to grow Action Foundation in a gradual and sustainable manner, with a focus on measured service growth and the addition of more supported accommodation, both through philanthropic landlords and property acquisition. Though we have not yet been able to expand our accommodation in this period, we were able through a generous donation from supporters to purchase a property from one of our existing landlords, reducing our costs and increasing our assets against which we could borrow to invest further.

Positive steps have been made in securing longer term funding streams including Comic relief, Children in Need and the new Digital Inclusion grant from Virgin Money Foundation, which with the continued support from The Mercer's Company, Refugee Action and the National Lottery, South Tyneside Primary Care Network and Tuixen, represent a solid foundation for securing grant funding with a shorter timeline for delivery. Work is ongoing to flex and adapt our services aligned to client needs, whilst attracting sustainable levels funding.

Our community fundraising continued to provide highlights with activity throughout the year as our supporters and staff took on new and not so new challenges to raise funds, demonstrating their ongoing commitment and passion for our clients and our work. We attracted 24 runners for the Great North Run in September 2024, which is always a highlight of the fundraising calendar. Our Winter Campaign "Unwrap the Joy" was intended as a positive contrast to the increasingly hostile environment faced by migrants and again raised a significant sum which included match funding from Aviva Community Fund and their staff. As well as other regular donations, we received a single large donation of £160,000 from supporters for the purchase of a property.

Large or small, we are hugely grateful to everyone who donates or fundraises for our work. We would also like to thank all our funders and a list of Trusts and Foundations that have supported us over the last two years is on pages 21-22.

Overall, our income increased by 16% on the previous year, and we saw an increase in expenditure of 7%. We also made s significant transfer between funds of £160,000 which was donated for the purchase of a property, and free reserves therefore decreased to £101,352 (2024: £172,170). However, our fixed assets were increased by the same amount and total £503,026.

Reserves policy

Free reserves

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the year, the Trustees' policy is to aim to maintain three months unrestricted expenditure (c. £95k) held in readily realisable assets. The Trustees are satisfied with reserves at the current level in line with the aims of the policy.

Reserves tied up in fixed assets

The general fund includes £503,026 which is tied up in tangible fixed assets.

Restricted funds

The charitable charity holds and administers a number of restricted funds. As at 31 March 2025 restricted funds totalled £95,116. These are not available for the general purposes of the charity.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Structure, governance and management

Constitution

Action Foundation is a company limited by guarantee, governed by its Memorandum and Articles of Association. The charitable company was incorporated on 27th June 2009 with registration number 6946097. It has been registered as a charity with the Charity Commission, number 1132051 since 9 October 2009. There are currently five members, each of whom agree to contribute £1 in the event of the charitable company winding up.

Methods of appointment or election of trustees

The number and skills of directors is regularly reviewed, and any gaps identified. Open recruitment is undertaken and following application and interview suitable candidates are invited to attend meetings, initially as observers, before being formally invited to join the board following discussion and agreement from both parties. Directors shall hold office for a term of four years but shall be eligible to hold office for further terms of four years indefinitely. At least one trustee must be an elder of City Church, Newcastle.

Structure, governance and management (continued)

Organisational structure
The charitable company is organised so that the directors meet regularly to review its affairs and set objectives. There is a full-time Chief Executive supported by a management team managing day to day activities. There is a close relationship with City Church Newcastle who founded the charity and provide ongoing support with office space and facilities at their building, The CastleGate as well as having a requirement to have at least one City Church elder as a Trustee of Action Foundation.

Decision-making arrangements
Organisational priorities and the overall financial strategy for the Charity are set by the Board of Trustees. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Chief Executive Officer.

Decisions on annual salary awards, significant or unusual expenditure and new projects of strategic significance are reserved for Trustees.

The Board of Trustees is assisted in its work by seven sub-groups. The sub-groups are responsible for more detailed oversight of specific areas of operation/activity and can consider proposals from senior management and make recommendations to the Board of Trustees.

Policies adopted for the induction and training of Trustees
Induction plans are used for Trustee induction and set out specific items to be covered, by whom and the target dates for completion of each item in the induction plan.

A specific set of training requirements is in place which all Trustees must undergo.

Arrangements for setting pay and remuneration
Salaries are reviewed annually by the Finance Sub-Group with the assistance of the Chief Executive Officer. An established salary scale exists, and all staff are placed on specific points within a salary banding. Criteria used in setting pay include a cost of living uplift and incremental progression.

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

Plans for future periods
As noted above, following excellent progress in other priorities we have now shifted our strategic focus to building our internal capacity, sustainability and readiness to respond. This focus on efficient systems, streamlined processes and organisational agility aligns with our Business Development strategy and will continue to strengthen our position over the coming years. To continue to strengthen our governance, trustee recruitment is again planned for 2026 following an internal skills audit.

Our services continue to grow and diversify, with Young Lives beginning support for UASCs in partnership with Handcrafted, a homelessness organisation based in County Durham, from October 2025, Afghan Resettlement in partnership with the Refugee Council beginning in November 2025 and mental health support groups and individual therapy piloted through a Home Office grant contracted through the North East Migration Partnership all representing new elements of support. This collaboration and partnership to deliver new support which complements our existing services is encouraging and ultimately impactful for our clients.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

Disclosure of information to auditors
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors
The auditors, Kinnair Associates Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 20 November 2025 and signed on their behalf by:

W A Coulson
Trustee

D P McAuley
Charity Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTION FOUNDATION

Opinion

We have audited the financial statements of Action Foundation (the 'charity') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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:

- the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Charities Act 2011 et seq., and Charity Commission regulations;.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- requesting correspondence with HMRC, relevant regulators and the Charity's legal advisors.
- requesting unusual correspondence with HMRC, relevant regulators and, if we are put on notice of any issues, the Company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Detlev Anderson (Senior Statutory Auditor)
for and on behalf of
Kinnair Associates Limited
Chartered Accountants
Statutory Auditor
Aston House
Redburn Road
Newcastle upon Tyne
NE5 1NB

Date:

ACTION FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Income from:					
Donations, legacies and grants	3	**283,310**	**647,618**	**930,928**	*742,784*
Charitable activities	4	**365,881**	**441,374**	**807,255**	*749,816*
Other trading activities	5	**9,796**	**-**	**9,796**	*10,890*
Other income	6	**2,749**	**-**	**2,749**	*4,195*
Total income		**661,736**	**1,088,992**	**1,750,728**	*1,507,685*
Expenditure on:					
Raising funds	7	**83,320**	**-**	**83,320**	*101,594*
Charitable activities	8	**627,836**	**873,460**	**1,501,296**	*1,384,372*
Total expenditure		**711,156**	**873,460**	**1,584,616**	*1,485,966*
Net (expenditure)/income		**(49,420)**	**215,532**	**166,112**	*21,719*
Transfers between funds	17	**160,000**	**(160,000)**	**-**	*-*
Net movement in funds		**110,580**	**55,532**	**166,112**	*21,719*
Reconciliation of funds:					
Total funds brought forward		**493,797**	**39,584**	**533,381**	*511,662*
Net movement in funds		**110,580**	**55,532**	**166,112**	*21,719*
Total funds carried forward		**604,377**	**95,116**	**699,493**	*533,381*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 35 form part of these financial statements.

ACTION FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 6946097

BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		*2024 £*
Fixed assets					
Tangible assets	13		**503,026**		*339,434*
			503,026		*339,434*
Current assets					
Debtors	14	**44,479**		*43,460*	
Cash at bank and in hand		**287,367**		*343,367*	
		331,846		*386,827*	
Current liabilities					
Creditors: amounts falling due within one year	15	**(51,525)**		*(110,776)*	
Net current assets			**280,321**		*276,051*
Total assets less current liabilities			**783,347**		*615,485*
Creditors: amounts falling due after more than one year	16		**(83,854)**		*(82,104)*
Total net assets			**699,493**		*533,381*

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

	Note	2025 £	*2024 £*
Charity funds			
Restricted funds	17	**95,116**	*39,584*
Unrestricted funds	17	**604,377**	*493,797*
Total funds		**699,493**	*533,381*

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

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 20 November 2025 and signed on their behalf by:

W A Coulson
Trustee

D P McAuley
Charity Secretary

The notes on pages 17 to 35 form part of these financial statements.

ACTION FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	*2024 £*
Cash flows from operating activities			
Net cash used in operating activities	20	**109,000**	*82,276*
Cash flows from investing activities			
Purchase of tangible fixed assets		**(165,000)**	-
Net cash (used in)/provided by investing activities		**(165,000)**	-
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		**(56,000)**	**82,276**
Cash and cash equivalents at the beginning of the year		**343,367**	*261,091*
Cash and cash equivalents at the end of the year	21	**287,367**	*343,367*

The notes on pages 17 to 35 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. General information

The Charity is a private company limited by guarantee, registered in England and Wales, number 06946097. The registered office is The Castlegate Centre, Melbourne Street, Newcastle upon Tyne, NE1 2JQ. The Charity is also registered as a charity in England and Wales, Charity number 1132051.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in Sterling, which is the functional currency of the Charity and amounts are rounded to the nearest £.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

2.2 Going concern

The Trustees are satisfied there are no material uncertainties affecting the Charity's ability to continue in operational existence as a going concern for at least a period of 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key sources of estimation uncertainty to report that have a significant risk of causing a material adjustment to the financial statements.

2. Accounting policies (continued)

2.4 Income

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

Voluntary income is accounted for when received by the charity.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

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

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- Nil
Office equipment	- 20% - 33%

Freehold buildings are not depreciated. In view of the planned maintenance programme in place at each property, making an allowance for the estimated cost of the land and the expected residual value, the Trustees consider that any depreciation of the freehold properties be immaterial.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

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

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2. Accounting policies (continued)

2.10 Financial instruments

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

2.11 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

3. Income from donations, legacies and grants

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Donations			
Donations	57,043	178,124	**235,167**
Gift aid	6,160	-	**6,160**
Donated services	143,965	-	**143,965**
Grants			
Comic Relief	33,750	-	**33,750**
Communities CAN	-	10,000	**10,000**
Home Office eVisa Fund	-	11,299	**11,299**
Newcastle City Council	-	33,250	**33,250**
Newcastle Fund	-	24,956	**24,956**
North East Association of Directors of Adult Social Services	-	49,000	**49,000**
North of Tyne Combined Authority	-	45,468	**45,468**
Platten Family Fund	-	10,000	**10,000**
Refugee Action	-	45,201	**45,201**
South Tyneside Know Your Neighbourhood Fund	-	46,569	**46,569**
The Mercers Company	-	35,000	**35,000**
The Tuixen Fund	34,000	-	**34,000**
Virgin Money Foundation	-	53,750	**53,750**
Asian Fund	-	2,000	**2,000**
Children in need	-	12,000	**12,000**
Clifford Chance	-	1,000	**1,000**
Gateshead Council	-	9,012	**9,012**
Hospital of God	1,000	-	**1,000**
Newby Trust	-	9,981	**9,981**
Newcastle Law Centre	-	4,000	**4,000**
Northumberland Village Homes Trust Fund	-	5,000	**5,000**
Proctor and Gamble	2,083	-	**2,083**
Northumbria University	-	4,008	**4,008**
Paul Hamlyn	196	-	**196**
Screwfix Foundation	-	8,000	**8,000**
Sir James Knott Trust	-	5,000	**5,000**
Swire Trust	-	25,000	**25,000**
The Wellesley Trust	-	10,000	**10,000**
The 1989 Willan Charitable Trust	2,500	-	**2,500**
The Barbour Foundation	-	10,000	**10,000**

3. Income from donations, legacies and grants (continued)

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Other	2,613	-	**2,613**
Total 2025	283,310	647,618	**930,928**

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total funds 2024 £*
Donations			
Donations	*81,793*	-	*81,793*
Gift Aid	*7,033*	-	*7,033*
Donated facilities and services	*218,929*	-	*218,929*
Grants			
The Aurum Charitable Trust	*35,000*	-	*35,000*
Community Foundation	-	*40,262*	*40,262*
Gateshead Council	-	*11,667*	*11,667*
Greatham Hospital	*3,000*	-	*3,000*
The National Lottery	-	*75,000*	*75,000*
Newcastle City Council	-	*13,700*	*13,700*
Newcastle Fund	-	*45,000*	*45,000*
The North East Law Centre	-	*8,992*	*8,992*
The Paul Hamlyn Foundation	-	*44,000*	*44,000*
Porticus	-	*33,313*	*33,313*
Refugee Action	-	*70,678*	*70,678*
Sir James Knott	-	*10,000*	*10,000*
Tuixen Foundation	*21,250*	-	*21,250*
Virgin Money Foundation	*13,750*	-	*13,750*
Wilan Trust	*7,500*	-	*7,500*
Other	*1,917*	-	*1,917*
	390,172	*352,612*	*742,784*

3. Income from donations, legacies and grants (continued)

Included in the above income is a total of £143,965 for donated facilities (2024: £218,929 for donated facilities and services). This amount includes £nil (2024: £133,447) for volunteer teachers and assistants' time and £143,965 (2024: £85,482) for rent at market value.

Volunteer teachers and assistants' time is no longer included in services in kind as it is judged not to meet the criteria for recognition as services in kind required by the Charities' SORP.

4. Income from charitable activities

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**
Language and Learning	-	-	**-**
Accommodation Services	319,909	441,374	**761,283**
InterAction	45,972	-	**45,972**
	365,881	441,374	**807,255**

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total funds 2024 £*
Language and Learning	*13,132*	-	*13,132*
Accommodation Services	*290,375*	*400,337*	*690,712*
InterAction	*45,972*	-	*45,972*
	349,479	*400,337*	*749,816*

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Training income	9,796	**9,796**	*10,890*

6. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Other income	2,749	**2,749**	*4,195*

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Wages and salaries	72,666	**72,666**	*86,474*
Employer's NIC	5,886	**5,886**	*7,938*
Pension costs	4,578	**4,578**	*3,236*
Fundraising costs	190	**190**	*3,946*
Total 2025	83,320	**83,320**	*101,594*

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Language and Learning	148,150	166,425	**314,575**
Accommodation Services	400,254	534,358	**934,612**
InterAction	43,310	129,665	**172,975**
Data Project	11,304	22,346	**33,650**
Young Lives	24,818	20,666	**45,484**
	627,836	873,460	**1,501,296**

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Total 2024 £*
Language and Learning	*169,786*	*94,488*	*264,274*
Accommodation Services	*336,013*	*455,047*	*791,060*
InterAction	*21,744*	*209,446*	*231,190*
Data Project	*33,105*	*36,065*	*69,170*
Young Lives	*7,671*	*21,007*	*28,678*
	568,319	*816,053*	*1,384,372*

9. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Language and Learning	304,449	10,126	**314,575**
Accommodation Services	870,267	64,345	**934,612**
InterAction	161,929	11,046	**172,975**
Data Project	31,809	1,841	**33,650**
Young Lives	39,041	6,443	**45,484**
	1,407,495	93,801	**1,501,296**

	Activities undertaken directly 2024 £	*Support costs 2024 £*	*Total funds 2024 £*
Language and Learning	*251,262*	*13,012*	*264,274*
Accommodation Services	*750,448*	*40,612*	*791,060*
InterAction	*219,808*	*11,382*	*231,190*
Data Project	*65,765*	*3,405*	*69,170*
Young Lives	*27,266*	*1,412*	*28,678*
	1,314,549	*69,823*	*1,384,372*

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	*Total funds 2024 £*
Premises	**32,483**	*20,568*
General Office	**11,018**	*22,946*
Conferences & Training	**2,929**	*2,562*
Legal & professional fees	**19,733**	*9,120*
Travel	**764**	*1,344*
Marketing & Fundraising	**13,005**	*4,361*
Bank charges	**765**	*576*
Loan interest	**1,750**	*1,750*
Governance	**11,354**	*6,596*
	93,801	*69,823*

Governance costs are recruitment expenses of £2,474 and costs associated with the preparation and audit of the financial statements of £8,880.

Support costs are allocated between charitable activities as set out below: -

2025	Language and Learning	Accommodation Services	Interaction	Data Project	Young Lives	Total
Premises	3,573	22,088	3,898	650	2,274	32,483
General Office	1,212	7,493	1,322	220	771	11,018
Conferences & Training	322	1,992	351	59	205	2,929
Legal and professional	2,171	13,418	2,368	395	1,381	19,733
Travel	84	520	92	15	53	764
Market and Fundraise	1,431	8,843	1,561	260	910	13,005
Bank charges	84	520	92	15	54	765
Loan interest	1,750	-	-	-	-	1,750
Governance	1,249	7,721	1,362	227	795	11,354
Total 2025	10,627	62,595	11,046	1,841	6,443	93,801

10. Auditors' remuneration

	2025 £	2024 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	**5,950**	*2,500*
Fees payable to the Charity's auditor in respect of:		
All non-audit services not included above	**1,450**	*1,150*

11. Staff costs

	2025 £	2024 £
Wages and salaries	**745,269**	*631,577*
Social security costs	**61,609**	*55,447*
Contribution to defined contribution pension schemes	**47,785**	*37,775*
	854,663	*724,799*

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

	2025 No.	2024 No.
Employees	**30**	*24*

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel comprise the Chief Executive Officer and the two members of the Senior Leadership Team. The employee benefits received by these personnel comprised gross salary and employers' pension contribution and amounted to £154,998 (2024 £172,947).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 March 2025, no Trustee expenses have been incurred *(2024 - £NIL)*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

13. Tangible fixed assets

	Freehold property £	Office equipment £	Total £
Cost or valuation			
At 1 April 2024	**337,000**	**16,471**	**353,471**
Additions	**165,000**	**-**	**165,000**
At 31 March 2025	**502,000**	**16,471**	**518,471**
Depreciation			
At 1 April 2024	**-**	**14,037**	**14,037**
Charge for the year	**-**	**1,408**	**1,408**
At 31 March 2025	**-**	**15,445**	**15,445**
Net book value			
At 31 March 2025	**502,000**	**1,026**	**503,026**
At 31 March 2024	*337,000*	*2,434*	*339,434*

14. Debtors

	2025 £	*2024 £*
Due within one year		
Trade debtors	**19,979**	*5,973*
Other debtors	**13,881**	*22,021*
Prepayments and accrued income	**10,619**	*15,466*
	44,479	*43,460*

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	**29,446**	*18,871*
Other taxation and social security	**-**	*13,554*
Other creditors	**200**	*4,491*
Accruals and deferred income	**21,879**	*73,860*
	51,525	*110,776*

16. Creditors: Amounts falling due after more than one year

	2025 £	2024 £
Other loans	**83,854**	*82,104*

Other loans represent a loan from Commonweal Housing Limited which is due for repayment in April 2027. The loan is secured over one of the properties of the charity and attracts interest at 2.5% per annum.

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Unrestricted funds					
General Funds - all funds	**493,797**	**661,736**	**(711,156)**	**160,000**	**604,377**
Restricted funds					
Language and Learning	**-**	**195,129**	**(162,688)**	**-**	**32,441**
Accommodation Services	**-**	**637,850**	**(476,823)**	**(160,000)**	**1,027**
InterAction	**584**	**142,492**	**(134,078)**	**-**	**8,998**
Data Project	**25,667**	**-**	**(25,667)**	**-**	**-**
Young Lives	**13,333**	**113,521**	**(74,204)**	**-**	**52,650**
	39,584	**1,088,992**	**(873,460)**	**(160,000)**	**95,116**
Total of funds	**533,381**	**1,750,728**	**(1,584,616)**	**-**	**699,493**

A funds Transfer of £160,000 from restricted to unrestricted funds arose on the purchase of a property for which a £160,000 donation had been received in the year.

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	*Income* £	*Expenditure* £	*Balance at 31 March 2024* £
Unrestricted funds				
General Funds - all funds	*408,974*	*754,736*	*(669,913)*	*493,797*
Restricted funds				
Language and Learning	*34,596*	*59,892*	*(94,488)*	-
Accommodation Services	*12,196*	*442,851*	*(455,047)*	-
InterAction	*39,706*	*170,324*	*(209,446)*	*584*
Data Project	*16,190*	*45,542*	*(36,065)*	*25,667*
Young Lives	-	*34,340*	*(21,007)*	*13,333*
	102,688	*752,949*	*(816,053)*	*39,584*
Total of funds	*511,662*	*1,507,685*	*(1,485,966)*	*533,381*

18. Summary of funds

Summary of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
General funds	**493,797**	**661,736**	**(711,156)**	**160,000**	**604,377**
Restricted funds	**39,584**	**1,088,992**	**(873,460)**	**(160,000)**	**95,116**
	533,381	**1,750,728**	**(1,584,616)**	**-**	**699,493**

18. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2023 £	*Income* £	*Expenditure* £	*Balance at 31 March 2024* £
General funds	*408,974*	*754,736*	*(669,913)*	*493,797*
Restricted funds	*102,688*	*752,949*	*(816,053)*	*39,584*
	511,662	*1,507,685*	*(1,485,966)*	*533,381*

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total funds 2025 £**
Tangible fixed assets	503,026	-	**503,026**
Current assets	236,730	95,116	**331,846**
Creditors due within one year	(51,525)	-	**(51,525)**
Creditors due in more than one year	(83,854)	-	**(83,854)**
Total	604,377	95,116	**699,493**

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	*Restricted funds 2024* £	*Total funds 2024* £
Tangible fixed assets	*339,434*	-	*339,434*
Current assets	*347,243*	*39,584*	*386,827*
Creditors due within one year	*(110,776)*	-	*(110,776)*
Creditors due in more than one year	*(82,104)*	-	*(82,104)*
Total	*493,797*	*39,584*	*533,381*

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

	2025 £	*2024 £*
Net income for the year (as per Statement of Financial Activities)	**166,112**	*21,719*
Adjustments for:		
Depreciation charges	**1,408**	*1,408*
Decrease/(increase) in debtors	**(1,019)**	*10,812*
Increase/(decrease) in creditors	**(57,501)**	*48,337*
Net cash provided by operating activities	**109,000**	*82,276*

21. Analysis of cash and cash equivalents

	2025 £	*2024 £*
Cash in hand	**287,367**	*343,367*
Total cash and cash equivalents	**287,367**	*343,367*

22. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	Other non-cash changes £	At 31 March 2025 £
Cash at bank and in hand	**343,367**	**(56,000)**	**-**	**287,367**
Debt due after 1 year	**(82,104)**	**-**	**(1,750)**	**(83,854)**
	261,263	**(56,000)**	**(1,750)**	**203,513**

23. Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he or she ceases to be a member.

24. Related party transactions

City Church Newcastle is a related party as D Lyall is a Trustee of Action Foundation and an Elder at City Church Newcastle. During the year rent was payable to City Church Newcastle of £40,799 (2024: £52,221). At the balance sheet date there was no balance due to or from Newcastle City Church (2024: £nil).

ACTION FOUNDATION

England & Wales - Charity number 1132051

Accounts

COMPANY REGISTRATION NUMBER: 6946097
CHARITY REGISTRATION NUMBER: 1132051

Action Foundation

Company Limited by Guarantee

Financial Statements

31 March 2024



STEPHENSON COATES AUDIT LIMITED
Chartered accountant & statutory auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Action Foundation

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2024

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Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 March 2024

The trustees, who are also the directors' for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2024.

Reference and administrative details

Registered charity name	Action Foundation
Charity registration number	1132051
Company registration number	6946097
Principal office and registered office	The CastleGate Melbourne Street Newcastle upon Tyne NE1 2JQ
The trustees	W A Coulson M F Hall (resigned 13 October 2023) D Lyall G S Mandell R Naeb G Okai (resigned 23 May 2024) H Young (appointed 11 January 2024) S Hamilton (appointed 7 March 2024)
Company secretary & Chief Executive	D McAuley
Auditor	Stephenson Coates Audit Limited Chartered accountants and statutory auditor West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
Bankers	Co-operative Bank plc PO Box 250 Skelmersdale WN8 6WT Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB

Structure, governance and management

Governing document

Action Foundation is a company limited by guarantee, governed by its Memorandum and Articles of Association. The charitable company was incorporated on 27 June 2009 with registration number 6946097. It has been registered as a charity with the Charity Commission, number 1132051 since 9 October 2009. There are currently seven members, each of whom agree to contribute £1 in the event of the charitable company winding up.

Appointment and retirement of directors

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

Organisation

The charitable company is organised so that the directors meet regularly to review its affairs and set objectives. There is a full-time Chief Executive supported by a management team to manage day to day activities. There is a close relationship with City Church Newcastle who founded the charity and provide ongoing support with office space and facilities at their building, CastleGate as well as having a requirement to have at least one City Church elder as a Trustee of Action Foundation.

Risk management

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

Decision making arrangements

Corporate priorities and the overall financial strategy for the Charity are set by the Board of Trustees. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Chief Executive Officer. Decisions on annual salary awards, significant or unusual expenditure and new projects of strategic significance are reserved for Trustees.

The Board of Trustees is assisted in its work by six sub-groups. The Sub Groups are responsible for more detailed oversight of specific areas of operation/activity and can consider proposals from senior management and make recommendations to the Board of Trustees.

Induction and training of Trustees

Induction plans are used for Trustee induction and set out specific items to be covered, by whom and the target dates for completion of each item in the induction plan. A specific set of training requirements is in place which all Trustees must undergo.

Arrangements for setting pay and remuneration

Salaries are reviewed annually by the Finance Sub Group with the assistance of the Chief Executive Officer. An established salary scale exists and all staff are placed on specific points within a salary banding. Criteria used in setting pay include cost of living uplift and incremental progression informed by staff appraisal.

Objectives and activities

The charitable company's objects are:

1. The prevention and/or relief of poverty by the provision of advice and assistance to the public including to refugees, asylum seekers, migrant workers and their dependents particularly by the provision of education and training with a view to facilitating job creation and work opportunities for such persons and by the provision of housing and accommodation for persons in need of such provision and the improvement of housing and living conditions for such persons;

Objectives and activities (continued)

2. The advancement of education (including mental, physical, social and health education) by the provision of schooling, training and advisory services;
3. The advancement of environmental protection or improvement particularly by educating the public in the conservation, protection and improvement of the physical and natural environment, and by the promotion of waste reduction, recycling and by addressing the causes of climate change;
4. The relief of those in need by reason of their youth, age, ill health, disability, financial hardship or other disadvantage, particularly by supporting or assisting persons suffering or recovering from substance abuse, eating disorders, prostitution or persons in similar situations who are in need of charitable support; and
5. The promotion of human rights particularly by the support of those suffering from human rights abuses and/or issues of injustice perpetrated by individuals, groups or governments on the grounds of race, religion, colour, sex, sexual orientation, disability, political views/activities, ethnicity or medical or other condition.

The main activities undertaken in relation to these objects are:

Accommodation Services

- Housing – provides free accommodation and support to destitute migrants with no recourse to public funds to try and resolve their immigration status and plan for their future;
- Letting - manages property and provides supported accommodation to homeless refugees to enable them to progress on to independent living.

Language and Learning - provides free English language classes, digital inclusion and employability support to migrants not able to access provision elsewhere

InterAction - provides social inclusion, advice and welfare support through drop-in, outreach and casework activities in Tyne & Wear.

Young Lives - provides young refugees and asylum seekers and families with social spaces to reduce social isolation, aid with homework and English Language ability, build confidence and meet their immediate needs.

Achievements and performance

This year was a significant one for Action Foundation, seeing record numbers of clients supported and significant progress against our strategic plan. Our services reached over 3,200 individuals and in January 2024 we launched our new service, Young Lives and toward the end of the year we remodelled our Language service to include employability provision, rebranding it 'Language and Learning' as a result. The principal challenge we faced was of an uncertain political and economic climate, but strengthened by the work toward our strategic priority to, "Build our sustainability and readiness to respond to a changing environment", we have increased our operational reserves, added staff capacity and expanded our networking activity.

We have continued to strengthen the management and governance of the organisation, both by welcoming Mark Hall as Head of Client Services (formerly a Trustee) and by welcoming Helen Young and Sally Hamilton to our Board of Trustees. They bring significant experience in clinical psychology, therapy and the Prevent agenda as well as broadening the already diverse backgrounds present within our trustee group. We sadly said goodbye to our wonderful patron Rt Revd Paul Butler, Bishop of Durham, at our Winter celebration event in December 2023. We had a chance to thank Paul for his committed support for Action Foundation for many years and wish him health and happiness in his retirement.

In 2023-2024 we completed the first full year of our Five-Year Strategic Plan, which was developed with various stakeholder groups including staff, volunteers, clients and partner organisations. The Plan remains a focus of our attention and drives forward system changes over future years. We reviewed our Year 1 progress against our agreed metrics and found success in developing our Young Lives service, stepping into employability and launching a new Customer Relations Management (CRM) system, Inform. Taking stock of our progress, we have given further focus in 2024 to strategic thematic elements such as client engagement, the voice of lived experience, equality diversity and inclusion and partnership working. Our Five-Year Strategic Plan as well as our Purpose and Values statements can be found on our website.

Achievements and performance (continued)

As part of the Data Project, a four-year project funded by the Paul Hamlyn Foundation which is now in its final year (ending in early 2025), in 2023 we began work with Homeless Link to implement a CRM (Salesforce) system, Inform. The development of the system allowed a "root and branch" review of our clients support processes and data. Inform went live in early 2024 and delivers systematic approach to case management across client services, including the recording of robust data that can be reviewed and reported "live" and provide quality management data across all our services.

The mainstream media and political policy landscape has continued to be challenging, especially in the run up to the 2024 UK General Election. With a backdrop of unprecedented immigration process backlogs, in April 2023 the Illegal Migration Act was passed into law meaning that those who arrive into the UK via an irregular route have no right to seek safety and will be detained. In fact, this has meant people seeking asylum both before the Act and after remained in a state of permanent "limbo". This law was followed in April 2024 by the Safety of Rwanda Act set to deport "illegal" migrants to Rwanda.

This Policy and media environment has tested the resilience of our clients, volunteers, Trustees and employees, none more so in the autumn and winter of 2023/24, when the number of homeless refugees seeking our support spiked. The Government's rushed decision to "clear" some of the immigration backlog, with no consideration of stretched homeless services or low supply of homes, meant we saw a marked increase in destitution and rough sleepers seeking help, shelter and essentials. We thank the National Lottery for supporting us at this time through their Cost of Living fund, so we could continue to house, feed and support homeless people. We continue to focus on partnership working with other homelessness organisations and to increase the number of bedspaces we can provide to homeless refugees and destitute asylum seekers. As part of our 2023 Winter Campaign, "Raise the Roof", Mohsen, a Lettings Client said:

"I was so happy when I found out I can stay in the UK but when I was told I had to move out, I felt like I am neglected."
On receiving an offer of accommodation from us Mohsen commented: "It was the best news I could hope for. My room is comfortable, clean and I have a very good Action Foundation support worker. She's helped me find a GP, make a dentist appointment and sign up for Universal Credit. She's also helping me find somewhere to live long-term that is not too expensive. I know she is there if I need anything."

We continued with a focus on influencing for Alternatives to Detention, linking with European and national partners in 2023 to build an evidence base. We have proved a workable solution by delivering interventions through our Housing project and collaborating with the UK Home Office to deliver the first Alternative to Detention pilot in three years ago.

Young Lives

In December 2023, we were delighted to welcome Bridget Stratford MBE to the Action Foundation team to set up and deliver our first family and young person's service, Young Lives, for refugees, asylum seekers and migrants. This was identified by clients as a key service that was required to meet the needs of the communities we support. Already the service has supported 175 children through regular youth groups in Newcastle and Gateshead to connect with others and provide a space for learning. The regular groups are supplemented through smaller group activities such as surfing, skateboarding and days away raising their resilience and confidence. Young Lives has added a very positive and new dynamic to our connection with clients and invigorated our staff and volunteer teams by viewing our organisation and communities through the lens of children and young people.

InterAction
As in previous years this service has continued to see large numbers access support. We have been successful in expanding our casework provision through the recruitment and training of both staff and volunteers and deliver this support in the context of a trauma informed environment, predominantly within the context of a weekly drop-in.

Our work in South Tyneside has grown substantially over the year. We have embedded our direct casework with clients through social prescribing by linking clients to local health services and community services, and from summer 2023 extended our provision to focus on social inclusion and volunteering for clients to reduce loneliness and isolation. We have continued our collaboration with STARCH, the Primary Care Network and South Tyneside Council, and reached a wider network of smaller community-based projects that have benefits to client welfare.

Achievements and performance (continued)

Between April 2023 and March 2024, we recorded almost 3,900 attendances at our Newcastle Drop-ins and supporting 2,415 people through our casework. This was all achievable with the dedication and support of more than 33 volunteers, 80% of whom have lived experiences of seeking asylum.

Language and Learning

It has been an exciting and changing year for our Action Language service, now called Language and Learning. Our free unaccredited formal ESOL classes, delivered by over 70 amazing volunteers, is hard to fund, but immensely valuable to clients unable to access or not confident to access mainstream ESOL provision. We recalibrated the service to focus on attendance levels, progress routes for clients, client needs and quality teaching content. This naturally led us to extending our model to digital inclusion and employability as complementary offers for clients in their progression.

We have continued our class based ESOL in Sunderland and Newcastle, which have continued to be supplemented by online classes for those studying at higher levels, as well as smaller literacy groups. From April 2023 until March 2024 more than 562 people attended our free English language classes from 69 different nationalities. Across both Newcastle and Sunderland our staff and volunteers delivered 882 in-person classes, supplemented by online classes. 54 dedicated volunteers gave their time freely to support our Language and Learning service.

We also delivered women's only provision in partnership with the West End Women's and Girls Centre. This provision, specifically designed for women provided an appropriate space and childcare to encourage participation in learning. 26 women participated in 18 classes in 2023, one learner said: "It's very important for me, and it's useful and helps enable me to make some friends".
We are looking forward to achieving success in our new employability and digital skills support services in the coming year.

Accommodation Services

The need for our supported accommodation continued to grow in 2023/24, with a sharp rise in homelessness in our communities. We provided a safe home and support to 118 homeless individuals from 20 different nationalities. Overall we supported 91% of clients to move on in a positive way and enabled four family reunions.

Through our housing project we provided supported accommodation to 19 destitute asylum, seven of which completed their legal review with us and an incredible 80% (7 of 8) had an option to regularise their status in the UK or accepted Assisted Voluntary Return to their country of origin (1). This evidence base builds on the learning from our work in Alternatives to Detention activity which supports the same client cohort. We have continued to be active in this space, engaging with national campaigns, sharing best practice with European partners and contributing to international advocacy for system reform in a European context.

We have continued to be part of the Justice Together Initiative, which seeks to provide consistent free legal support for people like our Action Housing clients. We have also continued to work with solicitors who supplement the skills and knowledge of our staff.

In our Lettings project we supported 91 newly recognised refugees, helping 22 to move into independent living and continuing to support four in their new homes. This project provides support in Newcastle and Gateshead and due to an upturn in demand has seen consistently high levels of occupancy for the period. We are therefore continuing to expand and develop this provision across the region.

Financial review

The financial environment has been more favourable than the previous year, with a recognition from funders such as the National Lottery, of the implications and effects of the cost of living on the charity sector. The financial stability established in the previous year allowed us to build on a solid foundation, with controlled expenditure and a focus on income generation. There has been a focus of work to control, as far as possible, increasing costs for our accommodation service in repairs and maintenance, and utilities costs. This aside there were no other significant events affecting the financial performance of the charity during this period.

Financial review (continued)

Our principal source of income continues to be charitable activity, accounting for 50% of total income and the majority of which is Lettings activity. This is supplemented by grants and donations (49%) and other income (1%). These income streams support the delivery of project activity to asylum seekers and refugees and are anticipated to continue sustainably for the coming years with moderate growth projected.

The principal risks the charity faces are from national policy change affecting either our client demographics or the legal status of the services we deliver, both unlikely events outside of our influence or control. These risks, as well as others of lesser significance, are reviewed twice annually by the board of trustees, termly at Sub Groups and bi-monthly by management staff.

With the implementation of our five-year Strategic Plan we launched our Business Development Strategy in 2023 to deliver on our ambitious priorities over the coming years. The strategy is to grow Action Foundation in a gradual and sustainable manner, with a focus on measured service growth and the addition of more supported accommodation, both through philanthropic landlords and property acquisition. As well as securing continuation funding for each of our existing services, we've been pleased to work with new funders and existing funders such as Tuixen Foundation, Aurum, Porticus, Newby Trust and Garfield Weston who provide core or unrestricted costs, enabling the flexibility and agility needed to respond to our changing environment.

Positive steps have been made in securing longer term funding streams including The Mercer's Company and we saw continued support from Refugee Action and the National Lottery, and South Tyneside Primary Care Network for InterAction. We secured an extension for our homeless contract with Changing Lives for Newcastle City Council's homeless support provision and gained continued support from Virgin Money Foundation for our Housing Project. Work is ongoing to flex and adapt our services aligned to client needs, whilst attracting sustainable levels funding.

Our community fundraising continued to provide highlights with activity throughout the year as our supporters and staff took on new and not so new challenges to raise funds. We attracted 17 runners for the Great North Run in September 2023 and raised an amazing £7,777, and were delighted with six community led fundraising events by supporters generating £2,873. Our Winter Campaign "Raise the Roof" focussed on homelessness in 2023 and raised an amazing £21,929 which included match funding from Aviva Community Fund and their wonderful staff. Combined with other regular and one-off donations, we received £81,793 of unrestricted funding to support our work.

We are very grateful to all our funders and a list of Trusts and Foundations that have supported us over the last two years is on pages 17 and 18.

Overall, our income increased by 14% on the previous year, and out costs remained consistent in the year. This has resulted in a surplus for the year of £21,719.

Reserves policy

Free reserves

Having considered financial risk, liquidity requirement and the timing of cash flows throughout the year, the Trustees' reserves policy is to aim to maintain 3 months expenditure (c. £112,745) held in readily realisable assets. Free reserves at year end 31 March 2024 was £236,467 (2023: £148,487). The Trustees are satisfied with reserves at the current level in line with the aims of the policy.

Reserves tied up in fixed assets

Unrestricted reserves at 31 March 2024 was £493,797 (2023: £408,974). Within this balance includes £339,434 (2023: £340,842) which is tied up in tangible fixed assets.

Restricted funds

The charity holds and administers a number of restricted funds. As at 31 March 2024 restricted funds totalled £39,584 (2023: £102,688). These are not available for the general purposes of the charity.

Plans for future periods

Having made significant progress on a number of our strategic priorities over the last year we hope to build on that success by identifying and investing in key partnerships across the region which maximise our impact and leverage existing synergy to deliver meaningful change for our clients. We have begun building these essential relationships in the various different 'sectors' we work across and are anticipating significant growth and development throughout the coming year.

Following the recruitment and embedding of two trustees in 2023/24 and the departure of Mark Hall in October 2023 we have again been recruiting to our board. This investment in our governance and oversight continues to pay dividends.

We view the next year to be a period of embedding our new employability and digital inclusion offer into Language and Learning, growing and sustaining our Young Lives service, as well as settling our new Inform CRM system as an operational norm. We look forward to developing a new framework for client engagement, lived experience and equality, diversity and inclusion into day-to-day work and launching our training offer to more organisations, raising awareness and good practice, and generating additional income.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 30 September 2024 and signed on behalf of the board of trustees by:

W A Coulson
Trustee

D P McAuley
Charity Secretary

Action Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Action Foundation

Year ended 31 March 2024

Opinion

We have audited the financial statements of Action Foundation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 March 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 directors' 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 12 months from when the financial statements are authorised for issue.

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 charity 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: OISC, Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Oswald.

John Oswald BA FCA
Senior Statutory Auditor
Stephenson Coates Audit Limited
Chartered accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

30 September 2024

Action Foundation

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

Year ended 31 March 2024

	Note	2024 Unrestricted funds £	2024 Restricted funds £	2024 Total funds £	2023 Total funds £
Income and endowments					
Donations and grants	**5**	390,172	352,612	**742,784**	644,601
Charitable activities	**6**	349,479	400,337	**749,816**	612,277
Other trading activities		10,890	-	**10,890**	14,820
Other income	**7**	4,195	-	**4,195**	52,694
Total income		754,736	752,949	**1,507,685**	1,324,392
Expenditure					
Expenditure on raising funds:					
Costs of raising donations	**8**	101,594	-	**101,594**	101,649
Expenditure on charitable activities	**9,10**	568,319	816,053	**1,384,372**	1,378,267
Total expenditure		669,913	816,053	**1,485,966**	1,479,916
Net income / (expenditure)		84,823	(63,104)	**21,719**	(155,524)
Transfers between funds		-	-	-	-
Net movement in funds		84,823	(63,104)	**21,719**	(155,524)
Reconciliation of funds					
Total funds brought forward		408,974	102,688	**511,662**	667,186
Total funds carried forward		**493,797**	**39,584**	**533,381**	511,662

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Statement of Financial Position

31 March 2024

		2024		2023
		£	£	£
Fixed assets				
Tangible fixed assets	**15**		**339,434**	340,842
Current assets				
Debtors	**16**	**43,460**		54,272
Cash at bank and in hand		**343,367**		261,091
		386,827		315,363
Creditors: amounts falling due within one year	**17**	**110,773**		64,189
Net current assets			**276,054**	251,174
Total assets less current liabilities			**615,488**	592,016
Creditors: amounts falling due after more than one year	**18**		**82,104**	80,354
Net assets			**533,381**	511,662
Funds of the charity				
Restricted funds			**39,584**	102,688
Unrestricted funds			**493,797**	408,974
Total charity funds	**20**		**533,381**	511,662

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

These financial statements were approved by the board of trustees and authorised for issue on 30 September 2024, and are signed on behalf of the board by:

W A Coulson
Trustee

The notes on pages 14 to 25 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net income / (expenditure)	**21,719**	(155,523)
Adjustments for:		
Depreciation	**1,408**	1,408
Changes in:		
Trade and other debtors	**10,812**	24,904
Trade and other creditors	**48,337**	(11,801)
Cash generated from operations	**82,276**	(141,012)
Net cash from operating activities	**82,276**	(141,012)
Cash flows from financing activities		
Repayments of borrowings	**-**	(5,000)
Net cash used in financing activities	**-**	(5,000)
Net increase / (decrease) in cash and cash equivalents	**82,276**	(146,012)
Cash and cash equivalents at beginning of year	**261,091**	407,103
Cash and cash equivalents at end of year	**343,367**	261,091

The notes on pages 14 to 25 form part of these financial statements.

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The CastleGate, Melbourne Street, Newcastle upon Tyne, NE1 2JQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.
The financial statements are prepared in sterling, which is the functional currency of the entity.
Action Foundation meets the definition of a public benefit entity under FRS 102.

Going concern

The directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key sources of estimation uncertainty to report that have a significant risk of causing a material adjustment to the financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

All income is derived from services and activities carried out in the UK. All income is recognised when the Charity has entitlement to the funds and 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.

Voluntary income is accounted for as received by the company.

3. Accounting policies (continued)

Income (continued)

Income from grants is recognised in line with expenditure incurred towards meeting the conditions attached to the grant. Any remaining income is recognised when the Charity has fully met the conditions attached to the grant.

Income received in advance of the provision of a specified service is deferred until the criteria for the income recognition is met.

Donated facilities and services are measured at the value it would cost on the open market.

Resources expended

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. All expenditure is accounted for on an accruals basis.

Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

Tangible assets

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

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

Land and buildings - Not depreciated

In view of the planned maintenance programme in place at the property, the trustees consider that any depreciation of the freehold property be immaterial.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Taxation

The Charity is exempt from Corporation Tax because all of its profits from trading are used for charitable purposes.

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

The charity initially recognises and measures concessionary loans at the amounts received. The carrying amount is adjusted in subsequent years to reflect repayments and any accrued interest.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

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

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

5. Donations, legacies and Grants

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Donations			
Donations	81,793	–	**81,793**
Gift Aid	7,033	–	**7,033**
Donated facilities and services +	218,929	–	**218,929**
Grants			
The Aurum Charitable Trust	35,000	–	**35,000**
Community Foundation	–	40,262	**40,262**
Gateshead Council	–	11,667	**11,667**
Greatham Hospital	3,000	–	**3,000**
The National Lottery	–	75,000	**75,000**
Newcastle City Council	–	13,700	**13,700**
Newcastle Fund	–	45,000	**45,000**
The North East Law Centre	–	8,992	**8,992**
The Paul Hamlyn Foundation	–	44,000	**44,000**
Porticus	–	33,313	**33,313**
Refugee Action	–	70,678	**70,678**
Sir James Knott	–	10,000	**10,000**
Tuixen Foundation	21,250	–	**21,250**
Virgin Money Foundation	13,750	–	**13,750**
Wilan Trust	7,500	–	**7,500**
Other	1,917	–	**1,917**
	390,172	352,612	**742,784**

+ Included in the above income is a total of £218,929 for donated facilities and services. This amount includes £133,447 for volunteer teachers and assistants' time and £85,482 for market value rent.

5. Donations, legacies and Grants *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Donations	82,452	–	82,452
Gift Aid	17,748	–	17,748
Donated facilities and services +	236,947	–	236,947
Grants			
The Aurum Charitable Trust	35,000	–	35,000
Connected Voice	–	3,350	3,350
Community Foundation	–	8,250	8,250
Curtin PARP	–	6,980	6,980
Garfield Weston Foundation	–	30,000	30,000
The National Lottery	–	5,500	5,500
The Newby Trust	–	10,000	10,000
Newcastle City Council	–	16,000	16,000
The North East Law Centre	–	12,000	12,000
The Paul Hamlyn Foundation	–	44,000	44,000
Porticus	–	33,333	33,333
Respond & Adapt	–	47,041	47,041
Tuixen Foundation	35,000	–	35,000
Virgin Foundation	–	3,000	3,000
Virgin Money Foundation	15,000	–	15,000
Other	–	3,000	3,000
	422,147	222,454	644,601

+ Included in the above income is a total of £236,947 for donated facilities and services. This amount includes £133,451 for volunteer teachers and assistants' time and £103,496 for market value rent

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Language and Learning	13,132	–	**13,132**
Accommodation Services	290,375	400,337	**690,712**
Digital Inclusion	–	–	–
InterAction	45,972	–	**45,972**
	349,479	400,337	**749,816**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Language and Learning	35,000	–	35,000
Accommodation Services	212,740	299,805	512,545
Digital Inclusion	18,760	–	18,760
InterAction	45,972	–	45,972
	312,472	299,805	612,277

7. Other income

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Newcastle City Council	–	–	–
Gateshead City Council	–	–	–
Other	4,195	–	**4,195**
	4,195	–	**4,195**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Newcastle City Council	24,856	–	24,856
Gateshead City Council	27,838	–	27,838
Other	–	–	–
	52,694	–	52,694

8. Costs of raising donations and grants

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Wages and salaries	86,474	–	**86,474**
Employer's NIC	7,938	–	**7,938**
Pension costs	3,236	–	**3,236**
Fundraising costs	3,946	–	**3,946**
	101,594	–	**101,594**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Wages and salaries	86,882	–	86,882
Employer's NIC	7,976	–	7,976
Pension costs	3,251	–	3,251
Fundraising costs	3,540	–	3,540
	101,649	–	101,649

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Language and Learning	156,775	94,488	**251,263**
Accommodation Services	295,401	455,047	**750,448**
InterAction	10,361	209,446	**219,807**
Digital Inclusion	–	–	–
Data Project	29,700	36,065	**65,765**
Young Lives	6,259	21,007	**27,266**
Support costs	69,823	–	**69,823**
	568,319	816,053	**1,384,372**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Language and Learning	155,557	128,008	283,565
Accommodation Services	365,730	335,290	701,020
InterAction	116,630	90,881	207,511
Digital Inclusion	9,777	14,796	24,573
Data Project	2,012	90,512	92,542
Young Lives	–	–	–
Support costs	69,074	–	69,074
	718,780	659,487	1,378,267

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	**Total funds 2024**	Total funds 2023
	£	£	**£**	£
Language and Learning	251,263	11,751	**263,014**	299,609
Accommodation Services	750,448	36,847	**787,295**	733,669
InterAction	219,808	10,280	**230,087**	214,642
Digital Inclusion	–	–	**–**	28,138
Data Project	65,765	3,076	**68,841**	94,307
Young Lives	27,266	1,275	**28,541**	–
Governance costs	–	6,594	**6,594**	7,902
	1,314,549	69,823	**1,384,372**	1,378,267

Included in the above expenditure is a total of £218,929 (2023: £236,947) for donated facilities and services. This amount includes £133,447 (2023: £133,451) for volunteer teachers and assistants' time and £85,482 (2023: £103,496) for market value rent.

11. Analysis of support costs

	Language and Learning	Accommodation Services	InterAction	Data Project	Young Lives	**Total 2024**	Total 2023
	£	£	£	£	£	**£**	£
Premises	3,931	11,742	3,439	1,029	427	**20,568**	10,601
General office	4,386	13,099	3,837	1,148	476	**22,946**	22,324
Governance costs	1,261	3,765	1,103	330	137	**6,596**	2,721
Conferences & training	490	1,463	428	128	53	**2,562**	7,167
Legal & professional fees	1,743	5,207	1,525	456	189	**9,120**	11,823
Travel	257	767	225	67	28	**1,344**	273
Marketing & Fundraising	834	2,490	729	218	90	**4,361**	10,548
Bank charges	110	329	96	29	12	**576**	1,149
Misc expenses	–	–	–	–	–	**–**	718
Loan interest	–	1,750	–	–	–	**1,750**	1,750
	13,012	40,612	11,382	3,405	1,412	**69,823**	69,074

12. Auditor's remuneration

	2024	2023
	£	£
Audit of the financial statements	**2,500**	1,600
Other accounting services	**1,150**	1,000
Total auditor's remuneration	**3,650**	2,600

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	**631,577**	713,894
Social security costs	**55,447**	64,177
Employer contributions to pension plans	**37,775**	45,326
	724,799	823,397

The average head count of employees during the year was 24 (2023: 27).
No employee received employee benefits of more than £60,000 during the year (2023: Nil).

14. Trustee remuneration and expenses

M Hall was a trustee of the organisation until October 2023, when he was brought onto the Senior Leadership Team.
Total remuneration to M Hall in the year was £20,481 (2023: £Nil).
No other trustees received remuneration or other benefits from employment with the charity.
£Nil (2023: £Nil) was paid to trustees to cover travel expenses.

Remuneration costs relating to Key Management Personnel:

	2024	2023
	£	£
Chief Executive Officer	**53,918**	51,840
Senior Leadership Team	**119,029**	121,807

The above amount includes gross salary with non-contributory pension contribution of 6%.

15. Tangible fixed assets

	Land & Buildings	Equipment	Total
Cost			
As at 1 April 2023	337,000	16,471	353,471
Additions	–	–	–
As at 31 March 2024	**337,000**	**16,471**	**353,471**
Depreciation			
As at 1 April 2023	-	12,629	12,629
Charged in the year	-	1,408	1,408
As at 31 March 2024	**-**	**14,037**	**14,037**
Carrying amount			
As at 31 March 2024	**337,000**	**2,434**	**339,434**
As at 31 March 2023	337,000	3,842	340,842

All tangible fixed assets are held for the purposes of the charity.

16. Debtors

	2024	2023
	£	£
Trade debtors	5,973	22,542
Prepayments and accrued income	15,466	12,680
Other debtors	22,021	19,050
	43,460	54,272

17. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	18,871	2,389
Social security and other taxes	13,554	–
Other creditors	4,491	4,101
Accruals and deferred income	73,857	57,699
	110,773	64,189

Included within creditors is an amount of £69,480 (2023: £48,533) relating to deferred grants where funding has been received and not all conditions have been met. The full amount of £48,533 has been released to the SOFA from the previous accounting period and grant income totalling £69,480 has been deferred at the end of the current accounting period.

18. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Loans	82,104	80,354

Included in creditors due over 1 year is an amount of £82,104 (2023: £80,354) due for repayment in 2 - 5 years.

19. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £37,775 (2023: £45,326).

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2023	Income	Expenditure	Transfers	**At 31 March 2024**
	£	£	£	£	**£**
General funds	408,974	754,736	(669,913)	–	**493,797**

Restricted funds	At 1 April 2023	Income	Expenditure	Transfers	**At 31 March 2024**
	£	£	£	£	**£**
Language and Learning	34,596	59,892	(94,488)	–	–
Accommodation Services	12,196	442,851	(455,047)	–	–
InterAction	39,706	170,324	(209,446)	–	**584**
Digital Inclusion	–	–	–	–	–
Data Project	16,190	45,542	(36,065)	–	**25,667**
Young Lives	–	34,340	(21,007)	–	**13,333**
	102,688	752,949	(816,053)	–	**39,584**

Comparatives:

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
General funds	427,270	802,133	(820,429)	–	408,974

Restricted funds	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Language and Learning	119,167	43,437	(128,008)	–	34,596
Accommodation Services	15,511	331,975	(335,290)	–	12,196
InterAction	33,020	97,567	(90,881)	–	39,706
Digital Inclusion	14,796	–	(14,796)	–	–
Data Project	57,422	49,280	(90,512)	–	16,190
Young Lives	–	–	–	–	–
	239,916	522,259	(659,487)	–	102,688

21. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	**Total Funds 2024**	Total Funds 2023
	£	£	**£**	£
Tangible fixed assets	339,434	–	**339,434**	340,842
Current assets	347,243	39,584	**386,827**	315,363
Creditors less than 1 year	(110,776)	–	**(110,776)**	(64,189)
Creditors greater than 1 year	(82,104)	–	**(82,104)**	(80,354)
Net assets	493,797	39,584	**533,381**	511,662

22. Related parties

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2024	2023	**2024**	2023
	£	£	**£**	£
City Church Newcastle	**52,221**	45,260	–	–
	52,221	45,260	–	–

Rent payable to City Church Newcastle of £52,221 (2023: £45,260) has been included in expenditure on charitable activities. D Lyall is a Trustee of Action Foundation and an Elder at City Church Newcastle.

ACTION FOUNDATION

England & Wales - Charity number 1132051

Accounts

COMPANY REGISTRATION NUMBER: 6946097
CHARITY REGISTRATION NUMBER: 1132051

Action Foundation

Company Limited by Guarantee

Financial Statements

31 March 2023

STEPHENSON COATES AUDIT LIMITED
Chartered accountant & statutory auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Action Foundation

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2023

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Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 March 2023

The trustees, who are also the directors' for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2023.

Reference and administrative details

Registered charity name	Action Foundation
Charity registration number	1132051
Company registration number	6946097
Principal office and registered office	The CastleGate Melbourne Street Newcastle upon Tyne NE1 2JQ
The trustees	W A Coulson M F Hall D Lyall G S Mandell (Appointed 7 April 2022) M Mesgarnezhad (Resigned 19 January 2023) R Naeb (Appointed 21 July 2022) G Okai
Company secretary & Chief Executive	D McAuley
Auditor	Stephenson Coates Audit Limited Chartered accountant & statutory auditor West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
Bankers	Co-operative Bank plc PO Box 250 Skelmersdale WN8 6WT Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB

Structure, governance and management

Governing document

Action Foundation is a company limited by guarantee, governed by its Memorandum and Articles of Association. The charitable company was incorporated on 27th June 2009 with registration number 6946097. It has been registered as a charity with the Charity Commission, number 1132051 since 9 October 2009. There are currently 6 members, each of whom agree to contribute £1 in the event of the charitable company winding up.

Appointment and retirement of directors

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

Organisation

The charitable company is organised so that the directors meet regularly to review its affairs and set objectives. There is a full-time Chief Executive supported by a management team to manage day to day activities. There is a close relationship with City Church Newcastle who founded the charity and provide ongoing support with office space and facilities at their building, CastleGate as well as having a requirement to have at least one City Church elder as a Trustee of Action Foundation.

Risk management

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

Decision making arrangements

Corporate priorities and the overall financial strategy for the Charity are set by the Board of Trustees. The responsibility for ensuring that these priorities and strategies are delivered is delegated to the Chief Executive Officer. Decisions on annual salary awards, significant or unusual expenditure and new projects of strategic significance are reserved for Trustees.

The Board of Trustees is assisted in its work by 6 sub-groups. The Sub Groups are responsible for more detailed oversight of specific areas of operation/activity and can consider proposals from senior management and make recommendations to the Board of Trustees.

Induction and training of Trustees

Induction plans are used for Trustee induction and potential new trustees go through a 6 month induction process before they formally join the board. These set out the detail of the specific things to be covered, by whom and the target dates for completion of each item in the induction plan. A specific set of training requirements is in place which all Trustees must undergo.

Arrangements for setting pay and remuneration

Salaries are reviewed annually by Finance Sub Group with the assistance of the Chief Executive Officer. An established salary scale exists and all staff are placed on specific points within a salary banding. Criteria used in setting pay include cost of living uplift and incremental progression informed by staff appraisal.

Objectives and activities

The charitable company's objects are:

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

The main activities undertaken in relation to these objects are:

Accommodation Services

- Housing – provides free accommodation and support to destitute migrants with no recourse to public funds to try and resolve their immigration status and plan for their future;
- Letting - manages property and provides supported accommodation to homeless refugees to enable them to progress on to independent living.

Language - provides free English language classes to migrants that cannot reasonably access mainstream ESOL provision and is working to develop a Coordination, Enrolment and Advice Service for ESOL provision across Tyneside.

InterAction - provides social welfare and support through drop-in, outreach and casework activities in Newcastle and South Tyneside.

Digital Inclusion - provides refugees and asylum seekers with the knowledge, confidence equipment and data to access digital services.

Achievements and performance

As always, each year brings both challenges and successes for Action Foundation. Our services have continued to provide support to almost 2000 individuals and our work with partners across the region has strengthened. The principle challenge we faced was budgetary and although having completed an internal restructure we are in a strong position to maintain and grow our provision in spite of the ongoing cost of living crisis, it was a painful and difficult process for the charity to undertake.

We have continued to strengthen the management and governance of the organisation, both by welcoming Vicky Miller as Head of Business Development and Communications and by formally welcoming Gabrielle Mandell and Rola Naeb to our Board of Trustees. They bring significant experience in governance, migration and language acquisition as well as broadening the already diverse backgrounds present within our trustee group.

Achievements and performance (continued)

Building on our work reviewing our organisational identity at the start of 2022, we completed our 5 year Strategic Plan, which involved consultation and dialogue with various stakeholder groups including staff, volunteers, clients and partner organisations. The process served to focus our attention and drive forward system changes over the months to date.

Naturally we will review this progress against our agreed metrics as we look to achieve our priorities over the coming years. Our 5 year Strategic Plan as well as our Purpose and Values statements can be found on our website.

One of the areas identified in our Strategic Plan which we have made progress with is volunteering. While volunteers have always made a significant contribution to the work of the charity we have taken the opportunity to improve our support to this vital group. We've developed our internal systems to ensure consistency across all volunteer roles, conducted feedback, and for the first time established new volunteer roles in the accommodation team and in central services. These changes although subtle have strengthened and improved our volunteering engagement and offer.

We have continued to strengthen our infrastructure through the Data Project and in 2023 ran a tender process for the development of a database system which will enable us to better collect, review and manage data across all our project activity. This four year project is funded by the Paul Hamlyn Foundation and is now in its 3rd year. We have successfully commissioned Homeless Link, a national homelessness charity, to build and manage our database, and look forward to launching the new system at the beginning of 2024.

The context for migration work in the UK has continued to be a difficult one, with mainstream media and political policy both targeting our clients. This in turn shapes the funding landscape and places pressure on both staff and volunteers as they work in this space. 2023 has seen the introduction of the Illegal Migration Bill which would prohibit the vast majority of asylum claims and victimise some of the most vulnerable clients we support if implemented in full.

The main area of focus for our influencing work is around Alternatives to Detention having built an evidence base and track record of delivering interventions through our Housing project and collaborating with the UK Home Office to deliver the first Alternative to Detention pilot in their series. We have continued to contribute to discussion and actions in this space, through attendance at All Party Parliamentary Groups, European Alternatives to Detention Network events, supporting local campaigning groups such as 'No to Hassockfield' and through our ongoing collaboration with the Detention Forum who this year agreed a focussed campaign on this issue.

"I don't know how I could have survived for so many years without having somewhere to live. Action Foundation has offered me a lot of help and I would like to say a big thank you."

Action Housing Client

InterAction

The project has continued to see high volumes of people access support, but a shift in focus toward the provision of casework which happened gradually and in response to the changing needs of our clients led this year to the redevelopment of our support. We have been successful in expanding our casework provision through the recruitment and training of both staff and volunteers and deliver this support in the context of a trauma informed environment, predominantly within the context of a weekly drop-in.

The work in South Tyneside has naturally grown and differentiated over the year, expanding from direct casework with clients to health collaboration and pathway development. We continue to work collaboratively with STARCH and South Tyneside Council while investing in stronger partnerships with local health providers.

In the autumn of 2022 we made the decision to incorporate our Digital Inclusion project into the work of InterAction and have been developing a 'cyber café' space which offers peer learning and mentorship alongside the ongoing provision of data and tech as clients require.

Achievements and performance (continued)

Between April 2022 and March 2023, 1,444 people were supported through our casework by more than 30 volunteers. We recorded almost 4,000 attendances at Drop-ins and saw over 1,200 new clients. We couldn't run our InterAction without the support of our volunteers – 81% of whom have lived experiences of seeking asylum.

"Having been an asylum seeker myself I know what people can face. Volunteering gives me the feeling that I'm achieving something that benefits others."

InterAction Volunteer

Language

In-person English classes continued throughout the year both in Sunderland and Newcastle, which have been supplemented by online classes for those studying at higher levels. While classes in the two additional community libraries ceased in Summer 2022, by increasing class sizes we have continued to deliver to approximately the same number of learners as the previous academic year.

The summer of 2022 also saw significant changes to our Language provision as discontinued or delayed funding streams necessitated a reduction in capacity for the academic year beginning September 2022. We reduced the size of the staff team and adjusted our provision accordingly while still being able to continue this vital service in both locations. With a new staff team in place, supported by a skilled and committed volunteer group our provision continues to be accessed by the many in our region who are looking to settle and improve their language skills.

From September 2022-July 2023 more than 700 people attended our free English language classes from 68 different nationalities. Across both Newcastle and Sunderland our staff and volunteers delivered 595 in-person classes, which were supplemented by 412 online classes. 73 dedicated volunteers gave their time freely to support our Language project.

"I went to two different colleges but you couldn't access mainstream classes unless you had lived in England for over six months so I was hopeless until somebody told me about Action Foundation."

Language Client

Accommodation Services

In our Housing project we provided supported accommodation to 24 destitute asylum seekers from 10 different countries, 13 of which completed their legal review with us and an incredible 92% (12 of 13) had an option to regularise their status in the UK or accepted Assisted Voluntary Return to their country of origin (1). This evidence base builds on the learning from our work in Alternatives to Detention activity which supports the same client cohort. We have continued to be active in this space, engaging with national campaigns, sharing best practice with European partners and contributing to international advocacy for system reform in a European context.

In our Lettings project we supported 84 newly recognised refugees, helping 36 to move into independent living. This project provides support in Newcastle and Gateshead and due to an upturn in demand has seen consistently high levels of occupancy for most of the period. We are therefore looking to continue to expand and develop this provision across the region.

We have continued to be part of the Justice Together Initiative, which seeks to provide consistent free legal support for people like our Action Housing clients. We have also continued to work with solicitors who supplement the skills and knowledge of our staff.

In March 2023 we launched our 'Room for Refugees' campaign which very quickly saw two potential landlords come forward and make the offer to purchase a property for use in our Accommodation projects. These exciting new relationships are fantastic opportunities to build on our successful model of partnership to deliver our life changing services.

Achievements and performance (continued)

Digital Inclusion

The project ran independently from October 2020 to November 2022 at which point we integrated the service into our InterAction project. At the point of 'ending' the project we had delivered training and support to 598 beneficiaries, working with 5 different delivery partners and combining 5 funding streams. We recruited and trained 13 volunteers to provide digital skills training, some of who are still volunteering with us in other projects and one of which is now a valued member of staff in the Interaction team.

The feedback and evaluation of the project was overwhelmingly positive with 88% of beneficiaries stating they felt more confident to complete basic digital tasks and 96% more confident to find and take part in further digital skills training.

"I used the tablet to study my masters, look for jobs and joined pre-work trainings from WEA (how to search for job, CV, interview, etc.). I also use Learn My Way and find it useful as it provides any different information. The tablet and digital training are both useful and works well for me and my kids. I really appreciate it."

Digital Inclusion Beneficiary

We are excited to be implementing the learning and materials developed over the course of the project in the ongoing work of InterAction.

Financial review

The financial environment continued to be challenging throughout this period, with less favourable outcomes from prospecting in Quarter 1 & 2 work driving us to complete a necessary restructure in Summer 2022. These cost savings combined with strong financial performance in Quarter 3 & 4 ensured our financial stability and established a solid financial basis for the coming years. There were no other significant events affecting the financial performance of the charity during this period.

Our principle sources of income continues to be: charitable activity, accounting for 46% of total income, of which the majority is lettings activity and; grants and donations (49%). In addition, we have other trading income (1%) and other income (4%). These income streams support the delivery of project activity to asylum seekers and refugees and are anticipated to continue sustainably for the coming years with moderate growth projected.

The principle risks the charity faces are from national policy change affecting either our client demographics or the legal status of the services we deliver, both unlikely events outside of our influence or control. These risks, as well as others of lesser significance, are reviewed twice annually by the board of trustees, termly at Sub Groups and bi-monthly by management staff.

With the completion of our 5 year Strategic Plan we have been working hard on developing our Business Development Strategy to deliver on our ambitious priorities over the coming years. As well as securing continuation funding for each of our existing projects we've been pleased to work with new and existing funders such as Aurn Charitable Trust, Tuixen Foundation, Garfield Weston and Paul Hamlyn Foundation who provide core or unrestricted costs, enabling the flexibility and agility needed to respond to our changing environment.

Positive steps toward long term funding streams were made for our InterAction project through securing a 3 year National Lottery grant as part of the Explore Adapt Renew partnership and through a new contracted opportunity with South Tyneside Clinical Commissioning Group. Work is ongoing across our project activity to ensure delivery is at a sustainable level and our income is profiled to facilitate anticipated developments over the coming years.

Financial review (continued)

Our community fundraising continued to provide highlights with activity throughout the year as our supporters and staff took on new and not so new challenges to raise funds. We again took on the Great North Run and raised an amazing £8,000, and in May 2022 our CEO Duncan McAuley organised a Channel Swim attempt. We focussed our Winter Campaign on 'Warm Hearts' and raised £13,600 to deliver our services, this included match funding from Aviva Community Fund's cost of living support. Combined with other regular and one off donations, we received £82,452 of unrestricted funding to support our work.

Overall, our income decreased by 4% on the previous year which was largely offset by a 10% decrease in expenditure. This represents an anticipated decrease in restricted funds held relating to the use of funds carried forward for use in year, however, free reserves decreased marginally to £148,487 (2022: £168,624).

We are very grateful to all our funders and a list of Trusts and Foundations that have supported us over the last two years is on page 18.

Reserves policy

Free reserves
Having considered financial risk, liquidity requirement and the timing of cash flows throughout the year, the Trustees' reserves policy is to aim to maintain 3 months unrestricted expenditure (c. £145,870) held in readily realisable assets (c. £148,487). The Trustees are satisfied with reserves at the current level in line with the aims of the policy.

Reserves tied up in fixed assets
The unrestricted fund includes £340,842 which is tied up in tangible fixed assets.

Restricted funds
The charity holds and administers a number of restricted funds. As at 31 March 2023 restricted funds totalled £102,688 (2022: £239,916). These are not available for the general purposes of the charity.

Plans for future periods

Our ambitious Strategic Plan 2022-27 establishes clear priorities for our continuing growth and development over the coming years and is underpinned by a new process of annual business planning. Combined with the improved feedback and consultation processes with clients we are equipped to develop services that respond to changing demands and make a tangible impact over the coming years.

Following the recruitment and embedding of two trustees in 2022 and the departure of Maedah Mesgarnezhad in January 2023 we have again been recruiting to our board. This investment in our governance and oversight continues to pay dividends and in July 2023 we have accepted two candidates onto our 6 month induction process before they formally join the board. Both individuals bring specialist skills and broaden the experience of the trustee group, adding to an already established board.

One of the new areas of work we are exploring based on feedback from our clients is employability and although our partners World Jewish Relief were unsuccessful in securing the Refugee Employability Contract we continue to proactively explore opportunities to support our clients in this area. We have also been growing additional income streams, one of which is the provision of training to other organisations. This grew steadily throughout 2022 as we were commissioned by three Local Authorities to provide cultural and migration awareness training. We are proactively pursuing opportunities to further develop this work over the coming months and expect it to grow throughout 2023.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 28th September 2023 and signed on behalf of the board of trustees by:

W A Coulson
Trustee

D P McAuley
Charity Secretary

Action Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Action Foundation

Year ended 31 March 2023

Opinion

We have audited the financial statements of Action Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 March 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 directors' 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 12 months from when the financial statements are authorised for issue.

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 charity 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: OISC, Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Oswald.

John Oswald BA FCA
Senior Statutory Auditor
Stephenson Coates Audit Limited
Chartered accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Date: 28th September 2023

Action Foundation

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

31 March 2023

	Note	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Total funds £
Income and endowments					
Donations and grants	5	422,147	222,454	**644,601**	838,858
Charitable activities	6	312,472	299,805	**612,277**	524,780
Other trading activities		14,820	-	**14,820**	9,054
Other income	7	52,694	-	**52,694**	-
Total income		802,133	522,259	**1,324,392**	1,372,692
Expenditure					
Expenditure on raising funds:					
Costs of raising donations	8	101,649	-	**101,649**	97,179
Expenditure on charitable activities	9,10	718,780	659,487	**1,378,267**	1,544,931
Total expenditure		820,429	659,487	**1,479,916**	1,642,110
Net (expenditure) / income		(18,296)	(137,228)	**(155,524)**	(269,418)
Transfers between funds		-	-	-	-
Net movement in funds		(18,296)	(137,228)	**(155,524)**	(269,418)
Reconciliation of funds					
Total funds brought forward		427,270	239,916	**667,186**	936,604
Total funds carried forward		408,974	102,688	**511,662**	667,186

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 26 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Statement of Financial Position

31 March 2023

		2023		2022
		£	£	£
Fixed assets				
Tangible fixed assets	15		340,842	342,250
Current assets				
Debtors	16	54,272		79,176
Cash at bank and in hand		261,091		407,103
		315,363		486,279
Creditors: amounts falling due within one year	17	64,189		82,739
Net current assets			251,174	403,540
Total assets less current liabilities			592,016	745,790
Creditors: amounts falling due after more than one year	18		80,354	78,604
Net assets			511,662	667,186
Funds of the charity				
Restricted funds			102,688	239,916
Unrestricted funds			408,974	427,270
Total charity funds	20		511,662	667,186

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

These financial statements were approved by the board of trustees and authorised for issue on 28th September 2023, and are signed on behalf of the board by:

W A Coulson
Trustee

The notes on pages 15 to 26 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Net expenditure	**(155,523)**	**(269,418)**
Adjustments for:		
Interest payable and similar charges	**2,896**	**3,120**
Depreciation	**1,408**	**750**
Accrued (income) / expenses	**2,104**	**(4,120)**
Changes in:		
Trade and other debtors	**24,904**	**37,976**
Trade and other creditors	**(16,800)**	**(31,349)**
Cash generated from operations	**(141,012)**	**(263,041)**
Net cash from operating activities	**(141,012)**	**(263,041)**
Cash flows from investing activities		
Payments for the acquisition of Property	**-**	**(110,000)**
Net cash used in investing activities	**-**	**(110,000)**
Cash flows from financing activities		
Repayments of borrowings	**(5,000)**	(5,000)
Net cash used in financing activities	**(5,000)**	(5,000)
Net decrease in cash and cash equivalents	**(146,012)**	**(378,041)**
Cash and cash equivalents at beginning of year	**407,103**	**785,144**
Cash and cash equivalents at end of year	**261,091**	**407,103**

The notes on pages 15 to 26 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The CastleGate, Melbourne Street, Newcastle upon Tyne, NE1 2JQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.
The financial statements are prepared in sterling, which is the functional currency of the entity.
Action Foundation meets the definition of a public benefit entity under FRS 102.

Going concern

The directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key sources of estimation uncertainty to report that have a significant risk of causing a material adjustment to the financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

All income is derived from services and activities carried out in the UK. All income is recognised when the Charity has entitlement to the funds and 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.

Voluntary income is accounted for as received by the company.

3. Accounting policies *(continued)*

Income (continued)

Income from grants is recognised in line with expenditure incurred towards meeting the conditions attached to the grant. Any remaining income is recognised when the Charity has fully met the conditions attached to the grant.

Income received in advance of the provision of a specified service is deferred until the criteria for the income recognition is met.

Donated facilities and services are measured at the value it would cost on the open market.

Resources expended

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. All expenditure is accounted for on an accruals basis.

Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

Tangible assets

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

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

Land and buildings - Not depreciated

In view of the planned maintenance programme in place at the property, the trustees consider that any depreciation of the freehold property be immaterial.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Taxation

The Charity is exempt from Corporation Tax because all of its profits from trading are used for charitable purposes.

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

The charity initially recognises and measures concessionary loans at the amounts received. The carrying amount is adjusted in subsequent years to reflect repayments and any accrued interest.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

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

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

5. Donations, legacies and Grants

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2023 £**
Donations			
Donations	82,452	–	**82,452**
Gift Aid	17,748	–	**17,748**
Donated facilities and services +	236,947	–	**236,947**
Grants			
The Aurum Charitable Trust	35,000	–	35,000
Connected Voice	–	3,350	3,350
Community Foundation	–	8,250	8,250
Curtin PARP	–	6,980	6,980
Garfield Weston Foundation	–	30,000	30,000
The National Lottery	–	5,500	5,500
The Newby Trust	–	10,000	10,000
Newcastle City Council	–	16,000	16,000
The North East Law Centre	–	12,000	12,000
The Paul Hamlyn Foundation	–	44,000	44,000
Porticus	–	33,333	33,333
Respond & Adapt	–	47,041	47,041
Tuixen Foundation	35,000	–	35,000
Virgin Foundation	–	3,000	3,000
Virgin Money Foundation	15,000	–	15,000
Other	–	3,000	3,000
	422,147	222,454	**644,601**

+ Included in the above income is a total of £236,947 for donated facilities and services. This amount includes £133,451 for volunteer teachers and assistants' time and £103,496 for market value rent

5. Donations, legacies and Grants *(continued)*

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2022 £**
Donations			
Donations	76,314	–	76,314
Gift Aid	2,969	–	2,969
Donated facilities and services +	248,998	–	248,998
Grants			
AB Charitable Trust	–	25,000	25,000
Community Foundation County Durham	–	6,809	6,809
Community Foundation for Tyne & Wear and Northumberland	–	1,000	1,000
Connected Voice	–	5,000	5,000
ESOL for Integration Fund*	–	197,223	197,223
Leslie Aldridge Trust^	–	73,646	73,646
Lloyds Bank Foundation for England & Wales	–	38,441	38,441
Newcastle Fund	–	16,891	16,891
Newcastle City Council	–	5,609	5,609
Opencast Charitable	–	1,500	1,500
The Paul Hamlyn Foundation	–	40,000	40,000
Pea Green Boat Community First Fund	–	10,000	10,000
Porticus	–	33,333	33,333
Refugee Action ¬	–	11,125	11,125
Respond & Adapt	–	15,000	15,000
Tuixen Foundation	15,000	–	15,000
Virgin Money Foundation	15,000	–	15,000
	358,281	480,577	838,858

¬ Grants include Early Action Programme funding from the National Lottery Fund, and Respond and Adapt Programme funding sourced from a number of funders and administered by Refugee Action

* ESOL for Integration – Grant from Newcastle City Council, administered by Ministry of Housing, Communities and Local Government

^ Leslie Aldridge Trust – Grant provided for the purchase of a new property in the financial year

+ Included in the above income is a total of £248,998 for donated facilities and services. This amount includes £114,229 for volunteer teachers and assistants' time and £134,769 for market value rent

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2023 £**
Language	35,000	–	**35,000**
Accommodation Services	212,740	299,805	**512,545**
Digital Inclusion	18,760	–	**18,760**
InterAction	45,972	–	**45,972**
	312,472	299,805	**612,277**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Language	35,000	–	35,000
Accommodation Services	174,804	249,337	424,141
Digital Inclusion	50,000	–	50,000
InterAction	15,639	–	15,639
	275,443	249,337	524,780

7. Other income

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2023 £**
Newcastle City Council	24,856	–	**24,856**
Gateshead City Council	27,838	–	**27,838**
	52,694	–	**52,694**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Newcastle City Council	–	–	–
Gateshead City Council	–	–	–
	–	–	–

8. Costs of raising donations and grants

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2023 £**
Wages and salaries	86,882	–	**86,882**
Employer's NIC	7,976	–	**7,976**
Pension costs	3,251	–	**3,251**
Fundraising costs	3,540	–	**3,540**
	101,649	–	**101,649**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Wages and salaries	83,001	–	83,001
Employer's NIC	7,620	–	7,620
Pension costs	3,105	–	3,105
Fundraising costs	3,453	–	3,453
	97,179	–	97,179

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2023 £**
Language	155,557	128,008	**283,565**
Accommodation Services	365,730	335,290	**701,020**
InterAction	116,630	90,881	**207,511**
Digital Inclusion	9,777	14,796	**24,573**
Data Project	2,012	90,512	**92,542**
COVID-response	–	–	–
Support costs	69,074	–	**69,074**
	718,780	659,487	**1,378,267**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Language	234,054	279,042	513,096
Accommodation Services	373,576	365,906	739,482
InterAction	35,902	55,787	91,689
Digital Inclusion	38,344	4,062	42,406
Data Project	18,232	22,578	40,810
COVID-response	–	30,644	30,644
Support costs	86,804	–	86,804
	786,912	758,019	1,544,931

Housing and Letting costs have been combined and re-presented as Accommodation Services.

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	**Total funds 2023**	Total funds 2022
	£	£	**£**	£
Language	283,565	16,044	**299,609**	531,565
Accommodation Services	701,020	32,649	**733,669**	778,111
InterAction	207,511	7,131	**214,642**	97,233
Digital Inclusion	24,573	3,565	**28,138**	48,320
Data Project	92,524	1,783	**94,307**	43,625
COVID-response	–	–	–	30,644
Governance costs	–	7,902	**7,902**	15,433
	1,309,193	69,074	**1,378,267**	1,544,931

Included in the above expenditure is a total of £236,947 (2022: £248,998) for donated facilities and services. This amount includes £133,451 (2022: £114,229) for volunteer teachers and assistants' time and £103,496 (2022: £134,769) for market value rent.

Housing and Letting costs have been represented as Accommodation Services.

11. Analysis of support costs

	Language	Accommodation Services	InterAction	Data Project	Digital Inclusion	**Total 2023**	Total 2022
	£	£	£	£	**£**	**£**	£
Premises	2,862	5,513	1,272	318	636	**10,601**	13,475
General office	6,157	11,378	2,737	684	1,368	**22,324**	19,120
Governance costs	735	1,415	326	82	163	**2,721**	12,950
Conferences & training	1,935	3,727	860	215	430	**7,167**	11,585
Legal & professional fees	3,256	6,271	1,447	125	724	**11,823**	15,843
Travel	74	142	33	8	16	**273**	340
Marketing & Fundraising	2,848	5,485	1,266	316	633	**10,548**	10,174
Bank charges	310	596	138	36	69	**1,149**	1,369
Misc expenses	718	–	–	–	–	**718**	199
Loan interest	–	1,750	–	–	–	**1,750**	1,750
	18,895	36,277	8,079	1,784	4,039	**69,074**	86,804

12. Auditor's remuneration

	2023	2022
	£	£
Audit of the financial statements	**1,600**	1,310
Other accounting services	**1,000**	1,000
Total auditor's remuneration	**2,600**	2,310

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	**713,894**	700,780
Social security costs	**64,177**	59,931
Employer contributions to pension plans	**45,326**	47,115
	823,397	807,826

The average head count of employees during the year was 27 (2022: 30).
No employee received employee benefits of more than £60,000 during the year (2022: Nil).

14. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees. £Nil (2022: £210) was paid to trustees to cover travel expenses.

Remuneration costs relating to Key Management Personnel:

	2023	2022
	£	£
Chief Executive Officer	**51,840**	47,495
Senior Leadership Team	**121,807**	118,395

The above amount includes gross salary with non-contributory pension contribution of 6%.

15. Tangible fixed assets

	Land & Buildings	Equipment	Total
Cost			
As at 1 April 2022	337,000	16,471	353,471
Additions	–	–	–
As at 31 March 2023	**337,000**	**16,471**	**353,471**
Depreciation			
As at 1 April 2022	-	11,221	11,221
Charged in the year	-	1,408	1,408
As at 31 March 2023	**-**	**12,629**	**12,629**
Carrying amount			
As at 31 March 2023	**337,000**	**3,842**	**340,842**
As at 31 March 2022	337,000	5,250	342,250

16. Debtors

	2023	2022
	£	£
Trade debtors	**22,542**	46,391
Prepayments and accrued income	**12,680**	11,487
Other debtors	**19,050**	21,298
	54,272	79,176

17. Creditors: amounts falling due within one year

	2023	2022
	£	£
Loans	–	5,000
Trade creditors	**2,389**	1,202
Social security and other taxes	–	16,270
Other creditors	**4,101**	12,122
Accruals and deferred income	**57,699**	48,145
	64,189	82,739

Included within creditors is an amount of £48,533 (2022: £43,373) relating to deferred grants where funding has been received and not all conditions have been met. The full amount of £43,373 has been released to the SOFA from the previous accounting period and grant income totalling £48,533 has been deferred at the end of the current accounting period.

18. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Loans	**80,354**	78,604

Included in creditors due over 1 year is an amount of £80,354 (2022: £76,604) due for repayment in 2 - 5 years.

19. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £45,326 (2022: £47,115).

20. Analysis of charitable funds

Unrestricted funds

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
General funds	427,270	802,133	(820,429)	–	**408,974**

Restricted funds

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Language	119,167	43,437	(128,008)	–	**34,596**
Accommodation Services	15,511	331,975	(335,290)	–	**12,196**
InterAction	33,020	97,567	(90,881)	–	**39,706**
Digital Inclusion	14,796	–	(14,796)	–	–
Data Project	57,422	49,280	(90,512)	–	**16,190**
COVID-response	–	–	–	–	–
	239,916	522,259	(659,487)	–	**102,688**

Comparatives:

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
General funds	604,933	642,778	(884,091)	63,650	**427,270**

Restricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Language	165,322	242,223	(279,042)	(9,336)	**119,167**
Accommodation Services	101,660	368,924	(365,906)	(89,167)	**15,511**
InterAction	15,187	78,767	(55,787)	(5,147)	**33,020**
Digital Inclusion	18,858	–	(4,062)	–	**14,796**
Data Project	–	40,000	(22,578)	40,000	**57,422**
COVID-response	30,645	–	(30,645)	–	–
	331,671	729,914	(758,019)	(63,650)	**239,916**

Housing and Letting funds have been combined and re-presented as Accommodation Services.

21. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	**Total Funds 2023**	Total Funds 2022
	£	£	**£**	£
Tangible fixed assets	340,842	–	**340,842**	342,250
Current assets	212,675	102,688	**315,363**	486,279
Creditors less than 1 year	(64,189)	–	**(64,189)**	(82,739)
Creditors greater than 1 year	(80,354)	–	**(80,354)**	(78,604)
Net assets	408,974	102,688	**511,662**	667,186

22. Related parties

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2023	2022	**2023**	2022
	£	£	**£**	£
City Church Newcastle	**45,260**	49,360	–	–
	45,260	49,360	–	–

Rent payable to City Church Newcastle of £45,260 (2022: £49,360) has been included in expenditure on charitable activities. D Lyall is a Trustee of Action Foundation and an Elder at City Church Newcastle.

ACTION FOUNDATION

England & Wales - Charity number 1132051

Accounts

COMPANY REGISTRATION NUMBER: 6946097
CHARITY REGISTRATION NUMBER: 1132051

Action Foundation

Company Limited by Guarantee

Financial Statements

31 March 2022

STEPHENSON COATES AUDIT LIMITED
Chartered accountant & statutory auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Action Foundation

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2022

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Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 March 2022

The trustees, who are also the directors' for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name	Action Foundation
Charity registration number	1132051
Company registration number	6946097
Principal office and registered office	The CastleGate Melbourne Street Newcastle upon Tyne NE1 2JQ
The trustees	W A Coulson M F Hall D Lyall G S Mandell (Appointed 7 April 2022) M Mesgarnezhad R Naeb (Appointed 21 July 2022) G Okai
Company secretary	D McAuley (Appointed 28 June 2021) J Prior (Resigned 28 June 2021)
Auditor	Stephenson Coates Audit Limited Chartered accountant & statutory auditor West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
Bankers	Co-operative Bank plc PO Box 250 Skelmersdale WN8 6WT Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB

Structure, governance and management

Governing document

Action Foundation is a company limited by guarantee, governed by its Memorandum and Articles of Association. The charitable company was incorporated on 27th June 2009 with registration number 6946097. It has been registered as a charity with the Charity Commission, number 1132051 since 9 October 2009. There are currently 7 members, each of whom agree to contribute £1 in the event of the charitable company winding up.

Appointment and retirement of directors

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

Organisation

The charitable company is organised so that the directors meet regularly to review its affairs and set objectives. There is a full-time Chief Executive supported by a management team to manage day to day activities. There is a close relationship with City Church Newcastle who founded the charity and provide ongoing support with office space and facilities at their building, CastleGate as well as having a requirement to have at least one City Church elder as a Trustee of Action Foundation.

Risk management

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

Objectives and activities

The charitable company's objects are:

1. The prevention and/or relief of poverty by the provision of advice and assistance to the public including to refugees, asylum seekers, migrant workers and their dependents particularly by the provision of education and training with a view to facilitating job creation and work opportunities for such persons and by the provision of housing and accommodation for persons in need of such provision and the improvement of housing and living conditions for such persons;

2. The advancement of education (including mental, physical, social and health education) by the provision of schooling, training and advisory services;

3. The advancement of environmental protection or improvement particularly by educating the public in the conservation, protection and improvement of the physical and natural environment, and by the promotion of waste reduction, recycling and by addressing the causes of climate change;

4. The relief of those in need by reason of their youth, age, ill health, disability, financial hardship or other disadvantage, particularly by supporting or assisting persons suffering or recovering from substance abuse, eating disorders, prostitution or persons in similar situations who are in need of charitable support; and

5. The promotion of human rights particularly by the support of those suffering from human rights abuses and/or issues of injustice perpetrated by individuals, groups or governments on the grounds of race, religion, colour, sex, sexual orientation, disability, political views/activities, ethnicity or medical or other condition.

The main activities undertaken in relation to these objects are:

Accommodation Services

- Action Housing – provides free accommodation and support to destitute migrants with no recourse to public funds to try and resolve their immigration status and plan for their future;
- Action Letting - manages property and provides supported accommodation to homeless refugees to enable them to progress on to independent living.

Action Language - provides free English language classes to migrants that cannot reasonably access mainstream ESOL provision and is working to develop a Coordination, Enrolment and Advice Service for ESOL provision across Tyneside.

InterAction - provides social welfare and support through drop-in, outreach and casework activities in Newcastle and South Tyneside.

Digital Inclusion - provides refugees and asylum seekers with the knowledge, confidence, equipment and data to access digital services.

Objectives and activities (*continued*)

Achievements and performance

This year has again been both challenging and rewarding for Action Foundation, it has also been a year of significant change as we transitioned out of Covid restrictions and recruited new senior staff posts following the transition from our founding CEO to Duncan McAuley who had previously held a senior role as Head of Client Services. In October 2021 we welcomed Chris Buglass as Head of Fundraising and Resources and Emily Malcolm as Head of Client Services.

Significant work has also been invested in strengthening the Board, both through recruitment and development activity. This work which has been led by our Chair David Lyall and CEO Duncan McAuley has been successful in building a diverse team with a strong experience base from which to further develop the governance of the charity.

During March 2022 we conducted a review of our organisational identity, consulting various stakeholder groups including, staff, volunteers, clients and partner organisations. The result was a refresh of our Purpose and Values statements and the process itself was both a collaborative and inspiring one. The importance of listening to those who receive our services was elucidated throughout as opportunity to do so was afforded to them. Our updated Purpose and Values statements can be found on the 'About Us' section of our website.

Like all charities we don't exist in a vacuum, meaning policy decisions, both regional and national, directly affect our clients, our work and our funding. Although the trend for the last decade has been a broadly negative one with regards to immigration, this year felt like a significant increase in the vilification and victimisation of our client group through national policy and decision making. The Nationality and Borders Bill was passed with no amendments in April 2022 and followed months of sustained campaigning throughout the refugee sector. Six months later, we have only recently begun to see the effects of this legislation on the day to day lives of our clients, but the whole process of campaigning and lobbying only to see the bill pass un-amended was a hugely draining and demoralising one for our staff and volunteers.

The rapid rise in the use of hotels, barracks and other shared accommodation units in the place of dispersed accommodation for asylum seekers has placed a significant extra burden on the voluntary sector since their first use following transfer of the national Asylum Accommodation and Support Contracts in September 2019. Although we ceased conducting outreach sessions to the hotels in our locality in 2021, in the first three months 2022 we coordinated a successful citywide campaign to raise funds for the provision of travel passes to hotel residents. Collectively we raised £10,238. Action Foundation then led on the delivery of this scheme through the summer of 2022.

Building on the work in other regions, we collaborated with a number of other stakeholders and succeeded in leveraging change in the policy of the North of Tyne Combined Authority as related to funding allocation for asylum seekers, enabling more of our most vulnerable clients to attend formal provision from September 2022 onwards.

We have also been investing in our internal systems, specifically with the formalisation of our Data Project, a four year organisation wide review and redevelopment of our data systems, for which the initial mapping and planning began in February 2021. This piece of work is funded by The Paul Hamlyn Foundation and is included separately to our projects providing services to clients listed below.

Objectives and activities (*continued*)

InterAction

The project continued to adapt and deliver support to beneficiaries as lockdown restrictions eased throughout 2021 and into 2022 and monies raised through our Covid-19 response initiative were allocated to InterAction to continue this provision throughout this period.

The team provided outreach support to contingency initial accommodation sites at hotels in the region and have continued to develop capacity for casework in response to the sustained increase in demand for this service.

Between April 2021 and March 2022, 977 refugees, asylum seekers and other migrants attended our drop-in in Newcastle and 381 of those registered as regular attendees. We couldn't run our InterAction without the support of our 77 volunteers – 87% of whom have lived experiences of seeking asylum.

In January 2022 we began work in South Tyneside, working collaboratively with STARCH and South Tyneside Council and funded by South Tyneside Clinical Commissioning Group. The work we're progressing has a focus on addressing barriers our clients face accessing healthcare and builds upon the existing work in the region.

"We all have difficult situations and sometimes we need help, that's why I like to use my abilities to help people and help as a volunteer. Action Foundation is a very friendly and good environment for me and people who need help and it makes me proud to work with the InterAction team."– Drop-In Volunteer

Action Language

In-person English classes continued throughout the year, although social distancing remained in place. Our qualified volunteer teachers provided lessons in four different venues across Newcastle and Sunderland. We also continued our online Zoom classes, introduced during the pandemic, for learners with young children or who struggle to travel to in person classes.

This year also saw the launch of classes in two community libraries as part of the ESOL for Integration Fund delivered with Newcastle City Council and in partnership with N.E.S.T.

Thanks to North of Tyne Combined Authority funding we were able to further develop our work with other ESOL providers to ensure learners can more easily access the right course for their level of English and progress to accredited courses as soon as they are ready. We held our first joint enrolment sessions for job seeking learners and new arrivals from Ukraine with colleges and community providers and hope to build on this work in the future.

"It is easy to learn with you as well. It make me happy and I appreciate this because Action Foundation help me with this and everyone here is very friendly to me. I also learn about English culture and history." Action Language Learner

Objectives and activities (*continued*)

Accommodation Services
Across all of our accommodation projects we have supported 126 people between April 2021 and March 2022.

Though the support provided in partnership with Newcastle City Council came to an end at the beginning of this period we have continued support to 32 destitute migrants through our Action Housing project and have seen 10 individuals either receive refugee status, reengage with the asylum system or, in one case, choose to return to their country of origin. This year we have been part of the Justice Together Initiative, which seeks to provide consistent free legal support for people like our Action Housing clients. We have also continued to work with solicitors who supplement the skills and knowledge of our staff.

The demand for our Action Letting project grew slowly through this period as decision on asylum claims continued at a slower pace. We used the opportunity to made improvements to our 15 properties following the slowdown in activity during Covid-19 which enabled us to visit each home and make repairs and updates which might otherwise have been missed. Providing quality accommodation is a really important element of what we do and our work over this period will ensure our high standards can be maintained for years to come.

We were again supported by a generous donation from the Lesley Aldridge Trust to buy a second four-bed home, bringing our total to three properties and greatly enhancing our ability to provide this essential service.

At the start of 2022, the UN Refugee Agency, UNHCR, published the findings of our Action Access project which found it is more humane and significantly less expensive to support vulnerable women seeking asylum in the community rather than in detention centres.
The evaluation, researched and compiled by Britain's largest independent social research organisation, NatCen (National Centre for Social Research) showed that:

- Supporting vulnerable female asylum seekers in the community is significantly better for their health and wellbeing
- Costs could be half as much as keeping somebody in immigration detention

Digital Inclusion
In October we launched our new Digital Inclusion project and have already begun to see the positive impact of this service on our beneficiaries. With the help of 6 volunteers, we provided 176 tablets and delivered over 350 hours of digital training to equip refugees and asylum seekers with the knowledge, confidence, and IT equipment to access digital services. Prior to enrolment in this project, 140 of these beneficiaries had no access to a laptop or tablet.

Launched during the pandemic, our DI project continued to grow throughout 2021 and into 2022. Our Action Foundation team of staff and volunteers worked with delivery partners West End Refugee Service; North East Solidarity Teaching; Walking With, and Northumberland County of Sanctuary. Together we ensured 296 people got online to access essential services, to stay in contact with friends and family, and engage with training or employment opportunities.

The project was supported by the North of Tyne Combined Authority and Newcastle City Council as well as generous donations of tablets and SiM cards from Lloyds Bank Foundation, Vodaphone, Good things Foundation and many others.

Financial review

The financial environment has been uncertain throughout the year with some grants available to respond to the ongoing impact of Covid-19, but with fewer than anticipated new funds being released. We brought forward £936,604 into this financial year and were therefore well positioned to see a reduction in income from previous years. £667,185 has been carried forward at the end of FY 2022. Positive steps toward long term funding streams were made for our InterAction project through securing a 3 year National Lottery grant as part of the Explore Adapt Renew partnership and through a new contracted opportunity with South Tyneside Clinical Commissioning Group. Work is ongoing across our project activity to ensure delivery is at a sustainable level and our income is profiled to facilitate anticipated developments over the coming years.

Our community fundraising was again successful, generating around £25,000 with activity throughout the year. In September a team of fifteen runners took on the Great North Run's 40th birthday event and raised an amazing £6,687. We ended the year with our 'Gift of Words' Christmas campaign which raised £13,120 for our Language project. Combined with other regular and one off donations, we received £79,283 of unrestricted funding to support our work.

Overall, our income decreased by 21% on the previous year, but our expenditure increased by 4%. This resulted in a deficit for the financial year of £269,418 (2021: surplus £166,511) and a decrease in our free reserves to £168,624 (2021: £474,787). The decrease in free reserves relates primarily to an anticipated use of funds carried forward for use in the current year and our total reserves, bolstered by the purchase of our third property, is still considered sufficient for the effective management of the charity in coming years.

We are very grateful to everyone who contributes to Action Foundation financially, large or small, and a list of Trusts and Foundations that have supported us over the last two years is on pages 18 and 19.

Plans for future periods

The remainder of 2022 has seen significant progress on the second stage of our strategic review, the completion of our 5 year strategic plan. In September we welcomed Vicky Miller as Head of Business Development and Communications, a new role created as part of an internal restructure following the planned departure of Dave Bowditch, our Head of Fundraising. Earlier in the year we confirmed the appointment of two additional trustees, bringing valuable, skills experience and perspectives to the board and further strengthening the governance and oversight of the organisation.

The summer of 2022 also saw significant changes to our Language provision as discontinued or delayed funding streams necessitated a reduction in capacity for the academic year beginning September 2022. The academic year has now begun and although it is early to draw clear conclusions, initial indicators are that our adjusted delivery model can provide a similar service at approximately 80% of our previous capacity despite reducing the project expenditure by almost 60%. We are committed to continuing Language provision and are actively looking for opportunities to develop what we can offer learners in a sustainable and measured way.

In response to the feedback shared by our clients and following our strategic review we are beginning to proactively look at opportunities to provide support around employment, health and to whole families. These new areas of work for us would further enhance the already broad provision we are able to offer and complement our existing services. We are actively looking for opportunities across the north of the region while maintaining a significant presence in Newcastle and Gateshead Local Authorities where the majority of our work is currently situated.

Plans for future periods (*continued*)

In addition to the existing income streams, including our legacy giving campaign which has begun to see commitments following its launch in 2021, we are further diversifying our income through provision of training, establishing social enterprise initiatives and developing partnerships for tendering opportunities across the region. As we expand our income base we will steadily grow our reserves in line with our policy and in anticipation of increasing sector volatility in response to national or global market pressures.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 17th November 2022 and signed on behalf of the board of trustees by:

W A Coulson
Trustee

D P McAuley
Charity Secretary

Action Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Action Foundation

Year ended 31 March 2022

Opinion

We have audited the financial statements of Action Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 March 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 directors' 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 12 months from when the financial statements are authorised for issue.

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 charity 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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.

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

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Ofsted, OISC, Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Oswald BA FCA
Senior Statutory Auditor
Stephenson Coates Audit Limited
Chartered accountants
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Date 17th November 2022

Action Foundation

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

31 March 2022

	Note	2022 Unrestricted funds £	2022 Restricted funds £	2022 **Total funds £**	2021 Total funds £
Income and endowments					
Donations and grants	**5**	358,281	480,577	**838,858**	1,122,967
Charitable activities	**6**	275,443	249,337	**524,780**	613,129
Other trading activities		9,054	-	**9,054**	8,257
Total income		642,778	729,914	**1,372,692**	1,744,353
Expenditure					
Expenditure on raising funds:					
Costs of raising donations	**7**	97,179	-	**97,179**	101,430
Expenditure on charitable activities	**8,9**	786,912	758,019	**1,544,931**	1,476,412
Total expenditure		884,091	758,019	**1,642,110**	1,577,842
Net (expenditure) / income		(241,313)	(28,105)	**(269,418)**	166,511
Transfers between funds		63,650	(63,650)	-	-
Net movement in funds		(177,663)	(91,755)	**(269,418)**	166,511
Reconciliation of funds					
Total funds brought forward		604,993	331,671	**936,604**	770,093
Total funds carried forward		427,270	239,916	**667,186**	936,604

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Statement of Financial Position

31 March 2022

		2022		2020
		£	£	£
Fixed assets				
Tangible fixed assets	**14**		**342,250**	227,000
Current assets				
Debtors	**15**	**79,176**		117,152
Cash at bank and in hand		**407,103**		785,144
		486,279		902,296
Creditors: amounts falling due within one year	**16**	**82,739**		110,838
Net current assets			**403,540**	791,458
Total assets less current liabilities			**745,790**	1,018,458
Creditors: amounts falling due after more than one year	**17**		**78,604**	81,854
Net assets			**667,186**	936,604
Funds of the charity				
Restricted funds			**239,916**	331,671
Unrestricted funds			**427,270**	604,933
Total charity funds	**19**		**667,186**	936,604

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

These financial statements were approved by the board of trustees and authorised for issue on 17th November 2022, and are signed on behalf of the board by:

W A Coulson
Trustee

The notes on pages 15 to 25 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net (expenditure) / income	**(269,418)**	166,511
Adjustments for:		
Interest payable and similar charges	**3,120**	1,750
Depreciation	**750**	-
Accrued (income) / expenses	**(4,120)**	3,250
Changes in:		
Trade and other debtors	**37,976**	50,390
Trade and other creditors	**(31,349)**	43,916
Cash generated from operations	**(263,041)**	265,817
Net cash from operating activities	**(263,041)**	265,817
Cash flows from investing activities		
Payments for the acquisition of Property	**(110,000)**	(102,000)
Net cash used in investing activities	**(110,000)**	(102,000)
Cash flows from financing activities		
Repayments of borrowings	**(5,000)**	(5,000)
Net cash used in financing activities	**(5,000)**	(5,000)
Net (decrease) / increase in cash and cash equivalents	**(378,041)**	158,817
Cash and cash equivalents at beginning of year	**785,144**	626,327
Cash and cash equivalents at end of year	**407,103**	785,144

The notes on pages 15 to 25 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The CastleGate, Melbourne Street, Newcastle upon Tyne, NE1 2JQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.
The financial statements are prepared in sterling, which is the functional currency of the entity.
Action Foundation meets the definition of a public benefit entity under FRS 102.

Going concern

The directors of the charitable company are satisfied that there are no material uncertainties about the charity's ability to continue as a going concern at least for a period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements are prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

Income generated by the charitable company is accounted for on an accruals basis. Voluntary income is accounted for as received by the company. Donated facilities and services are measured at the value it would cost on the open market.

3. Accounting policies *(continued)*

Resources expended

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

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

Tangible assets

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

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

Land and buildings - Not depreciated

In view of the planned maintenance programme in place at the property, the trustees consider that any depreciation of the freehold property be immaterial.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

The charity initially recognises and measures concessionary loans at the amounts received. The carrying amount is adjusted in subsequent years to reflect repayments and any accrued interest.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

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

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

5. Donations and Grants

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2022 £**
Donations			
Donations	76,314	-	**76,314**
Gift Aid	2,969	-	**2,969**
Donated facilities and services +	248,998	-	**248,998**
Grants			
AB Charitable Trust	-	25,000	25,000
Community Foundation County Durham	-	6,809	6,809
Community Foundation for Tyne & Wear and Northumberland	-	1,000	1,000
Connected Voice	-	5,000	5,000
ESOL for Integration Fund*	-	197,223	197,223
Leslie Aldridge Trust^	-	73,646	73,646
Lloyds Bank Foundation for England & Wales	-	38,441	38,441
Newcastle Fund	-	16,891	16,891
Newcastle City Council	-	5,609	5,609
Opencast Charitable	-	1,500	1,500
The Paul Hamlyn Foundation	-	40,000	40,000
Pea Green Boat Community First Fund	-	10,000	10,000
Porticus	-	33,333	33,333
Refugee Action ¬	-	11,125	11,125
Respond & Adapt	-	15,000	15,000
Tuixen Foundation	15,000	-	15,000
Virgin Money Foundation	15,000	-	15,000
	358,281	480,577	**838,858**

¬ Grants include Early Action Programme funding from the National Lottery Fund, and Respond and Adapt Programme funding sourced from a number of funders and administered by Refugee Action

* ESOL for Integration – Grant from Newcastle City Council, administered by Ministry of Housing, Communities and Local Government

^ Leslie Aldridge Trust – Grant provided for the purchase of a new property in the financial year

+ Included in the above income is a total of £248,998 for donated facilities and services. This amount includes £114,229 for volunteer teachers and assistants' time and £134,769 for market value rent

5. Donations and Grants *(continued)*

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Donations			
Donations	73,430	-	**73,430**
Gift Aid	13,933	-	**13,933**
Donated facilities and services +	149,227	-	**149,227**
Grants			
The Aurum Charitable Trust	35,000	-	**35,000**
Barclays Bank UK Covid-19 Community Relief Funding	-	100,000	**100,000**
Buildings Connections Fund	-	20,727	**20,727**
Changing Lives (from Newcastle City Council)	-	17,160	**17,160**
Crisis UK ^	-	60,000	**60,000**
Community Foundation for Tyne & Wear and Northumberland *	1,000	16,479	**17,479**
ESOL for Integration Fund	-	175,674	**175,674**
Henry Smith Charity	-	22,950	**22,950**
Jill Franklin Trust	-	3,000	**3,000**
Leslie Aldridge Trust		96,100	**96,100**
Lloyds Bank Foundation for England & Wales	-	39,838	**39,838**
NET DCMS Big Night In Match Fund ~	-	29,100	**29,100**
Next Steps Accommodation Programme "	-	62,294	**62,294**
The North of Tyne Combined Authority	-	53,108	**53,108**
The Paul Hamlyn Foundation	-	60,000	**60,000**
Pea Green Boat Community First Fund	-	9,126	**9,126**
Refugee Action ¬	-	58,071	**58,071**
The Sir James Knott Trust	-	7,000	**7,000**
The Vardy Foundation	-	10,000	**10,000**
Virgin Money Foundation	-	9,750	**9,750**
	272,590	850,377	**1,122,967**

* Included in this total are grants from several funds administered by the Community Foundation for Tyne & Wear and Northumberland

~ Grant from the National Emergencies Trust and the Department of Digital, Culture, Media and Sport, administered by the Community Foundation for Tyne & Wear and Northumberland

" Grant from Newcastle City Council administered by Ministry of Housing, Communities and Local Government

^ Grant provided by Crisis UK with additional funding sourced from Comic Relief and the Department of Digital, Culture, Media and Sports

¬ Grants include Early Action Programme funding from the National Lottery Fund, and Respond and Adapt Programme funding sourced from a number of funders and administered by Refugee Action

+ Included in the above income is a total of £149,227 for donated facilities and services. This amount includes £36,667 for volunteer teachers and assistants' time and £112,560 for market value rent

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2022 £**
Action Language	35,000	–	**35,000**
Action Letting	174,804	249,337	**424,141**
Action Access	–	–	–
Digital Inclusion	50,000	–	**50,000**
Interaction	15,639	–	**15,639**
	275,443	249,337	**524,780**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Action Language	–	–	–
Action Letting	160,270	240,405	**400,675**
Action Access	166,807	–	**166,807**
Digital Inclusion	–	45,647	**45,647**
Interaction	–	–	–
	327,077	286,052	**613,129**

7. Costs of raising donations and grants

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2022 £**
Wages and salaries	83,001	–	**83,001**
Employer's NIC	7,620	–	**7,620**
Pension costs	3,105	–	**3,105**
Fundraising costs	3,453	–	**3,453**
	97,179	–	**97,179**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Wages and salaries	85,625	–	**85,625**
Employer's NIC	7,724	–	**7,724**
Pension costs	3,526	–	**3,526**
Fundraising costs	4,556	–	**4,556**
	101,430	–	**101,430**

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2022 £**
Action Language	234,054	279,042	**513,096**
Action Housing	63,516	24,377	**87,893**
Action Letting	310,060	341,529	**651,589**
Action Access	–	–	–
Interaction	35,902	55,787	**91,689**
Data Project	18,232	22,578	**40,810**
Digital Inclusion	38,344	4,062	**42,406**
COVID-response	–	30,644	**30,644**
Support costs	86,804	–	**86,804**
	786,912	758,019	**1,544,931**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Action Language	79,401	243,803	323,204
Action Housing	69,873	160,387	230,260
Action Letting	136,569	326,653	463,222
Action Access	–	134,553	134,533
Interaction	25,408	61,952	87,360
Data Project	–	–	–
Digital Inclusion	6,352	93,491	99,844
COVID-response	–	79,494	79,494
Support costs	29,238	29,238	58,476
	346,841	1,129,571	1,476,412

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	**Total funds 2022 £**	Total funds 2021 £
Action Language	513,096	18,469	**531,565**	332,792
Action Housing	87,893	5,184	**93,077**	238,698
Action Letting	651,589	33,445	**685,034**	479,716
Action Access	–	–	–	134,553
Interaction	91,689	5,544	**97,233**	90,429
Data Project	40,810	2,815	**43,625**	–
Digital Inclusion	42,406	5,914	**48,320**	100,611
COVID-response	30,644	–	**30,644**	79,494
Donations	–	–	–	5,200
Governance costs	–	15,433	**15,433**	14,919
	1,458,127	86,804	**1,544,931**	1,476,412

Included in the above expenditure is a total of £248,998 (2021: £149,227) for donated facilities and services. This amount includes £114,229 (2021: £36,667) for volunteer teachers and assistants' time and £134,769 (2021: £112,560) for market value rent.

10. Analysis of support costs

	Action Language	Action Housing	Action Letting	Action Access	Inter-action	Data Project	Digital Inclusion	**Total 2022**	Total 2021
	£	£	£	£	£	£	£	**£**	£
Premises	3,574	1,003	6,134	–	1,073	545	1,146	**13,475**	6,000
General office	5,071	1,423	8,703	–	1,522	773	1,626	**19,120**	7,288
Governance costs	3,435	964	5,895	–	1,031	524	1,101	**12,950**	14,919
Conferences & training	3,073	863	5,274	–	923	468	985	**11,585**	5,441
Legal & professional fees	4,202	1,179	7,212	–	1,262	641	1,347	**15,843**	12,062
Travel	90	25	155	–	27	14	29	**340**	161
Marketing & Fundraising	2,698	757	4,631	–	810	411	865	**10,174**	9,760
Bank charges	363	102	623	–	109	55	116	**1,369**	1,050
Misc expenses	53	15	90	–	16	8	17	**199**	45
Loan interest	–	–	1,750	–	–	–	–	**1,750**	1,750
	22,560	6,332	40,467	–	6,773	3,439	7,233	**86,804**	58,476

11. Auditors remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	**2,310**	2,100

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	**700,780**	655,149
Social security costs	**59,931**	53,902
Employer contributions to pension plans	**47,115**	47,484
	807,826	756,535

The average head count of employees during the year was 30 (2021: 29).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees. £Nil (2021: £210) was paid to trustees to cover travel expenses.

Remuneration costs relating to Key Management Personnel:

	2022	2021
	£	£
Chief Executive Officer	**47,495**	54,307
Senior Leadership Team	**118,395**	116,313

The above amount includes gross salary with non-contributory pension contribution of 6%.
No furlough income was recognised in the financial year.

14. Tangible fixed assets

	Land & Buildings	**Equipment**	**Total**
Cost			
As at 1 April 2021	227,000	10,471	237,471
Additions	110,000	6,000	116,000
As at 31 March 2022	**337,000**	**16,471**	**353,471**
Depreciation			
As at 1 April 2021	-	10,471	10,471
Charged in the year	-	750	750
As at 31 March 2022	**-**	**11,221**	**11,221**
Carrying amount			
As at 31 March 2022	**337,000**	**5,250**	**342,250**
As at 31 March 2021	**227,000**	**-**	**227,000**

15. Debtors

	2022	2021
	£	£
Trade debtors	**46,391**	31,697
Other debtors	**32,785**	85,455
	79,176	117,152

16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Loans	**5,000**	15,000
Trade creditors	**1,202**	-
Social security and other taxes	**16,270**	16,315
Other creditors	**12,122**	32,866
Accruals and deferred income	**48,145**	46,657
	82,739	110,838

17. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Loans	**78,604**	81,854

18. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £47,115 (2021: £47,484).

19. Analysis of charitable funds

Unrestricted funds

	At 1 April 2021	Income	Expenditure	Transfers	**At 31 March 2022**
	£	£	£	£	**£**
General funds	604,933	642,778	(884,091)	63,650	**427,270**

Restricted funds	At 1 April 2021	Income	Expenditure	Transfers	**At 31 March 2022**
	£	£	£	£	**£**
Action Language	165,322	242,223	(279,042)	(9,336)	**119,167**
Action Housing	20,760	73,646	(24,377)	(70,029)	–
Action Letting	80,900	295,278	(341,529)	(19,138)	**15,511**
Action Access	–	–	–	–	–
Interaction	15,187	78,767	(55,787)	(5,147)	**33,020**
Data Project	–	40,000	(22,578)	40,000	**57,422**
Digital Inclusion	18,858	–	(4,062)	–	**14,796**
COVID-response	30,645	–	(30,644)	–	–
	331,671	729,914	(758,019)	(63,650)	**239,916**

19. Analysis of charitable funds (continued)

Comparatives:

Unrestricted funds

	At 1 April 2020	Income	Expenditure	Transfers	**At 31 March 2021**
	£	£	£	£	**£**
General funds	349,180	607,924	(448,271)	96,100	**604,933**

Restricted funds

	At 1 April 2020	Income	Expenditure	Transfers	**At 31 March 2021**
	£	£	£	£	**£**
Action Language	164,141	244,983	(243,802)	–	**165,322**
Action Housing	8,524	278,723	(170,387)	(96,100)	**20,760**
Action Letting	90,907	331,646	(341,653)	–	**80,900**
Action Access	134,553	–	(134,553)	–	**-**
Interaction	22,788	58,551	(66,152)	–	**15,187**
Data Project	–	–	–	–	**–**
Digital Inclusion	–	112,387	(93,529)	–	**18,858**
COVID-response	–	110,139	(79,494)	–	**30,645**
	420,913	1,136,429	(1,129,571)	(96,100)	**331,671**

20. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	**Total Funds 2022**	Total Funds 2021
	£	£	**£**	£
Tangible fixed assets	342,250	–	**342,250**	227,000
Current assets	246,363	239,916	**486,279**	902,296
Creditors less than 1 year	(82,739)	–	**(82,739)**	(110,838)
Creditors greater than 1 year	(78,604)	–	**(78,604)**	(81,854)
Net assets	427,270	239,916	**667,186**	936,604

21. Related parties

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2022	2021	**2022**	2021
	£	£	**£**	£
City Church Newcastle	**49,360**	46,714	–	–
	49,360	46,714	–	–

Rent payable to City Church Newcastle of £49,360 (2021: £46,714) has been included in expenditure on charitable activities. D Lyall is a Trustee of Action Foundation and a pastor at City Church Newcastle.

ACTION FOUNDATION

England & Wales - Charity number 1132051

Accounts

COMPANY REGISTRATION NUMBER: 6946097
CHARITY REGISTRATION NUMBER: 1132051

Action Foundation

Company Limited by Guarantee

Financial Statements

31 March 2021

STEPHENSON COATES AUDIT LIMITED
Chartered accountant & statutory auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Action Foundation

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2021

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Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details

Registered charity name	Action Foundation
Charity registration number	1132051
Company registration number	6946097
Principal office and registered office	The CastleGate Melbourne Street Newcastle upon Tyne NE1 2JQ

The trustees

W A Coulson	
R L Evans	(Resigned 25 May 2020)
J P Powell	(Resigned 23 April 2020)
A C Smith	(Resigned 20 January 2021)
M F Hall	
D Lyall	
M Mesgarnezhad	
G Okai	(Appointed 16 July 2020)

Company secretary	J L Prior (Resigned 28 June 2021) D McAuley (Appointed 28 June 2021)
Auditor	Stephenson Coates Audit Limited Chartered accountant & statutory auditor West 2, Asama Court Newcastle Business Park Newcastle upon Tyne NE4 7YD
Bankers	Co-operative Bank plc PO Box 250 Skelmersdale WN8 6WT Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB

Structure, governance and management

Governing document

Action Foundation is a company limited by guarantee, governed by its Memorandum and Articles of Association. The charitable company was incorporated on 27th June 2009 with registration number 6946097. It has been registered as a charity with the Charity Commission, number 1132051 since 9 October 2009. There are currently 5 members, each of whom agree to contribute £1 in the event of the charitable company winding up.

Appointment and retirement of directors

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

Organisation

The charitable company is organised so that the directors meet regularly to review its affairs and set objectives. There is a full-time Chief Executive supported by a management team to manage day to day activities. There is a close relationship with City Church Newcastle who founded the charity and provide ongoing support with office space and facilities at their building, CastleGate as well as having a requirement to have at least one City Church elder as a Trustee of Action Foundation.

Risk management

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

Objectives and activities

The charitable company's objects are:

1. The prevention and/or relief of poverty by the provision of advice and assistance to the public including to refugees, asylum seekers, migrant workers and their dependents particularly by the provision of education and training with a view to facilitating job creation and work opportunities for such persons and by the provision of housing and accommodation for persons in need of such provision and the improvement of housing and living conditions for such persons;

2. The advancement of education (including mental, physical, social and health education) by the provision of schooling, training and advisory services;

3. The advancement of environmental protection or improvement particularly by educating the public in the conservation, protection and improvement of the physical and natural environment, and by the promotion of waste reduction, recycling and by addressing the causes of climate change;

4. The relief of those in need by reason of their youth, age, ill health, disability, financial hardship or other disadvantage, particularly by supporting or assisting persons suffering or recovering from substance abuse, eating disorders, prostitution or persons in similar situations who are in need of charitable support; and

5. The promotion of human rights particularly by the support of those suffering from human rights abuses and/or issues of injustice perpetrated by individuals, groups or governments on the grounds of race, religion, colour, sex, sexual orientation, disability, political views/activities, ethnicity or medical or other condition.

The main activities undertaken in relation to these objects are:

Accommodation Services

- Action Housing - provides free accommodation and support to destitute migrants with no recourse to public funds to try and resolve their immigration status and plan for their future;
- Action Hosting - recruits, trains, and matches volunteer 'hosts' with a spare bedroom with destitute asylum seekers to live with them for a short period of time. This project has not operated during the Covid 19 pandemic;
- Action Letting - manages property and lets them to homeless refugees with support to maintain their tenancy and move onto independent living;
- Action Access - was an 'alternative to detention' pilot commissioned by the Home Office in partnership with UNHCR (United Nations High Commission for Refugees). The project managed female asylum seekers in the community in Tyneside between January 2019 and March 2021.

Action Language - provides free English language classes to migrants that cannot reasonably access mainstream ESOL provision and more intensive English classes for those individuals and organisations that can afford to pay for it, to contribute to the costs of running our free classes. This project has also started working with partners to look at more strategic ways to work together to improve access to ESOL in Tyneside.

InterAction - is a social and welfare support project that runs drop-in's for migrants in Newcastle. The project started in May 2019 with the aim of providing a social space to overcome social isolation and connect migrants to support services that they may need in a more accessible way.

Digital Inclusion -provides refugees and asylum seekers with the knowledge, confidence, equipment and data to access digital services.

Objectives and activities (*continued*)

Covid 19 Crisis Support – emergency support for clients unable to access normal services (listed above) during lockdown 1 (March – July 2020).

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

Achievements and performance

This year has been both testing and rewarding for Action Foundation. The arrival of the COVID-19 pandemic brought a whole new set of challenges to our beneficiaries in addition to those they were already facing. Many of our clients do not have much social interaction other than meeting people at Action Foundation, therefore having to isolate themselves from this vital connection has been very hard. In March 2020 we launched a 'Covid 19 Crisis Support' response in partnership with a number of other local charities and agencies to ensure that clients were able to access the support they needed as we all got used to working remotely. We also adapted our services to be able to continue supporting our beneficiaries through the various stages of lockdown initially remotely but as restrictions lifted we have modified our support to be able to meet clients face to face in a socially distanced and safe way. Lockdown restrictions have resulted in many organisations offering remote/digital services, leaving many of our digitally excluded beneficiaries unable to access key support. We wanted to do something to help so, after raising the money required we launched our brand-new Digital Inclusion project in October. For a summary of each of our project's activities and outcomes see overleaf.

In June we were honoured to receive the Queen's Award for Voluntary Service, the highest award a voluntary group can receive! The Lord Lieutenant of Tyne and Wear, Mrs Susan Winfield, formally presented our CEO, Julian Prior, with the award, as well as speaking at our annual Christmas 'Zoom' celebration event. This was a great way to thank our volunteers after a difficult year where we've relied upon their generosity and hard work more than ever! She commented *"Action Foundation gives hope to vulnerable people, guiding them to a better life. It is a life changing charity offering a real sense of involvement".*

This year has brought about some significant changes to Action Foundation's leadership. In January 2021, our founder and CEO, Julian Prior, announced that he would be stepping down from his role at the helm of the charity in the summer of 2021 in order to focus on influencing asylum policy and supporting other charities through consultancy work. We are enormously grateful for Julian's leadership and are excited to see how he will use this experience in the future. In July 2021, Duncan McAuley will be transitioning from his role as Head of Client Services to become our new Chief Executive. Julian commented on Duncan's appointment *"Leading Action Foundation has been a huge privilege and honour. Having seen Duncan's leadership in action firsthand, I'm confident that he's the right person for this next phase of Action Foundation's development and I wish him every success as he takes over."*

In September 2020, we welcomed David Lyall as our new Chair of Trustees, taking over from Adrian Smith after 11 years as Chair. David has been a trustee since February 2019, although has been closely associated with Action Foundation for many years and brings a wealth of relevant experience and skills to the role. Sadly, Adrian died peacefully in June 2021 after a short battle with cancer. We are deeply grateful for Adrian's leadership and support over the years since Action Foundation started and will greatly miss his generous friendship and kindness that has been extended to many involved with the charity over the years.

Objectives and activities (*continued*)

Accommodation Services

Across all of our accommodation projects we have supported 128 people between April 2020 and March 2021. 57% (74 people) that we have housed had no recourse to public funds. This is much higher than last year (45 people in 2019/20) as we expanded our capacity in Action Housing, started a new pilot project working in partnership with Newcastle City Council housing EEA nationals who were destitute and continued our Action Access (Alternative to Detention) pilot in partnership with UNHCR that was commissioned by the Home Office. Unfortunately, we had to temporarily close our hosting project due to Covid, but were able to provide alternative housing to everyone that was hosted.

Due to the Governments 'Everyone In' programme that housed all rough sleepers during the pandemic, as well as halting evictions for people in dispersed accommodation, the demand for our Action Letting project temporarily reduced. However, as restrictions are lifted later this year, we are expecting the number of people needing accommodation when they get a decision on their asylum claim to significantly increase again. In the meantime, we received some 'Next Steps' funding from MHCLG (via Newcastle City Council) and Crisis to pilot a housing project working with any migrant that is homeless who has no recourse to public funds (NRPF). The outcomes have been very encouraging with 85% moving on in a planned way, highlighting the need for access to good quality legal advice alongside accommodation and support work.

Our Action Access pilot closed at the end of March 2021 as planned at the end of the contract with some very positive outcomes for the women supported. Home Office will consider their future investment in alternatives to detention after reviewing the independent evaluation, commissioned by UNHCR that will be published in the summer of 2021.

In January we purchased our second property thanks to a generous donation from The Lesley Aldridge Trust and we are looking to purchase additional properties in the future.

Action Language

Since June we have been running our English classes remotely through live video lessons on Zoom, video resources posted online and printed worksheets sent out directly to learners. This has been a huge success, with 850+ Zoom lessons being delivered from June to April. From September to April, we enrolled 697 students onto our classes. We had 90 volunteer teachers/ teaching assistants who delivered lessons to students from 70+ nationalities.

"The class has been a positive chance for me. The class atmosphere is very energetic and vibrant. The class is full of different people with different cultures, beliefs, backgrounds. I learnt more from the class." – Action Language Learner

Over the last year, we have also developed strong partnerships between our Language School and key stakeholders. We have worked with North of Tyne Combined Authority who have funded and supported our ESOL coordination work as part of their Adult Education Budget. As well as this, we have worked in close partnership with Newcastle University's N.E.S.T. (North East Solidarity and Teaching) and JET (Jobs Education Training) on a new Action Language project funded by the ESOL For Integration Fund.

InterAction

The project has adapted to deliver support to beneficiaries remotely between March and July 2020 as part of our Covid emergency response. In July 2020 we reopened the doors to the drop-in to recommence supporting clients face to face making the necessary adaptations to ensure that our drop-ins could run in a safe and socially distanced way. We are very grateful to City Church for the increased use of their large hall to enable our drop in to continue functioning due to the amount of space we can use to keep everyone safe.

Objectives and activities (*continued*)

Between April 2020 and March 2021, 355 refugees, asylum seekers and other migrants attended our twice-weekly drop-in and 183 of those registered as regular attendees. We couldn't run our InterAction project without the support of our 48 volunteers – 88% of whom have lived experiences of seeking asylum.

"It was really hard arriving in Newcastle and not knowing anyone, and then trying to understand all the rules about Covid. The drop-in is really helpful because there are so many people who need that support and don't know what they need to do." – Drop-In Attendee

Digital Inclusion
In October we launched our new Digital Inclusion project and have already begun to see the positive impact of this service on our beneficiaries. With the help of 6 volunteers, we provided 176 tablets and delivered over 350 hours of digital training to equip refugees and asylum seekers with the knowledge, confidence, and IT equipment to access digital services. Prior to enrolment in this project, 140 of these beneficiaries had *no* access to a laptop or tablet.

COVID-19 Crisis Support
In March 2020 we launched our COVID-19 Crisis Support response, supporting refugees and asylum seekers through the first few months of the pandemic. We raised over £11,000 in a few weeks and were able to redeploy staff from other projects into this emergency response. Between March and the end of July 2020 we supported 401 beneficiaries with practical support including food and essentials, mobile data to keep them connected and general welfare advice to 274 people as well as delivering key health messages to over 1,000 people every week via messaging services. In addition to this we have been providing outreach support to asylum seekers who have been temporarily housed in hotel accommodation. From August onwards funds raised to support our clients, as well as our organisation, adapt to the pandemic were channelled through our existing services/projects.

Financial review
Despite the uncertainty of the impact of Covid on funding at the beginning of the year we have been able to secure new grants totalling £1,194,590. Some of these are multi-year grants and are therefore not shown in these accounts. Much of this funding was one-off short-term grants in response to the pandemic and so we are working hard to secure longer term funds for existing projects and are continuing to diversify our income further. We launched a legacy giving campaign earlier in the year and are exploring some exciting funding opportunities locally, regionally, and nationally.

Our community fundraising was also successful with appeals for our Covid emergency response in April, and our InterAction project was the focus of our Winter Welcome appeal. Our supporters needed to get creative in order to raise money within social distancing guidelines and over the summer we had activities ranging from garden parties, sponsored cycles and Zoom pub quizzes. In September a team of nine runners took on the Great North Run Solo challenge – completing 40 runs between June and September! Our community fundraising generated £33,723 of unrestricted funding with £26,605 being donated overall from other regular and one-off donations.

Overall our income increased by 3% on the previous year. Our expenditure increased by 13% as we have invested in additional staff capacity at both senior management (Head of Client Services) and at an operational level due to expanding existing or starting new services. However, we still generated a positive surplus of £166,511 and were able to increase our free reserves to £474,787.

We are very grateful to everyone who contributes to Action Foundation financially, large or small, and a list of Trusts and Foundations that have supported us over the last two years is on pages 18 and 19.

Plans for future periods

The smooth transition in senior leadership of the charity will be a significant focus over the remaining part of 2021, although making an internal appointment for the CEO post will help this greatly. Strengthening the Board in number and diversity of skills and experience is also something that the Trustees are working on over the coming months. Over the next year the Senior Management Team and Board will be conducting a strategic review and planning the direction of the charity over the next 3-5 years as we look to consolidate the growth (and change) experienced over the last few years, build on the strength of existing work and look at future opportunities.

The new 'Nationality and Borders Bill' and the post pandemic implications for asylum seeker destitution is likely to increase demand for our accommodation services and so we are looking at how we can respond to this need. Improving our internal capacity to offer OISC qualified legal advice to clients is one element of this response and will be facilitated by our partnership with the North East Law Centre who recently won a large grant to strengthen the availability of legal advice in the North East through partners, including Action Foundation. We are exploring whether we can play a significant role in the new Refugee Transition Outcomes Funded work that is likely to be secured by the North East Strategic Migration Partnership to help new refugees integrate. Having successfully delivered the Action Access pilot over the last two years we are looking forward to hearing the outcome of the Home Office's decision on future investment into Alternatives to Detention as we would be keen to build on the learning of this pilot in the future. We are concerned about the new Immigration Removal Centre being opened in the Autumn in County Durham at the Hassockfield site and exploring whether there will be an opportunity to provide welfare support to detainees being held there.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 19 August 2021 and signed on behalf of the board of trustees by:

W A Coulson
Trustee

D P McAuley
Charity Secretary

Action Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Action Foundation

Year ended 31 March 2021

Opinion

We have audited the financial statements of Action Foundation (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 March 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 directors' 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 12 months from when the financial statements are authorised for issue.

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 charity 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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.

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

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Key Management Personnel. The most significant identified that directly affect the financial statements include financial reporting legislation (including related companies' legislation), the Charities Act 2011 and UK taxation legislation. The company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Ofsted, OISC, Health and Safety, Employment Law and Data Protection regulations, recognising the nature of the company's activities.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquiries of Trustees and Key Management Personnel as to where they consider there to be susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override, including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Oswald

John Oswald BA FCA
Stephenson Coates Audit Limited
Chartered accountants

West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD
19 August 2021

Action Foundation

Company Limited by Guarantee

Statement of Financial Activities
(including income and expenditure account)

31 March 2021

	Note	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Total funds £
Income and endowments					
Donations and grants	5	272,590	850,377	**1,122,967**	820,109
Charitable activities	6	327,077	286,052	**613,129**	860,643
Other trading activities		8,257	-	**8,257**	11,465
Total income		607,924	1,136,429	**1,744,353**	1,692,217
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	7	101,430	-	**101,430**	106,819
Expenditure on charitable activities	8,9	346,841	1,129,571	**1,476,412**	1,285,337
Total expenditure		448,271	1,129,571	**1,577,842**	1,392,156
Net income / (expenditure)		159,653	6,858	**166,511**	300,061
Transfers between funds		96,100	(96,100)	-	-
Net movement in funds		255,753	(89,242)	**166,511**	300,061
Reconciliation of funds					
Total funds brought forward		349,180	420,913	**770,093**	470,032
Total funds carried forward		604,933	331,671	**936,604**	770,093

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Statement of Financial Position

31 March 2021

		2021		2020
		£	£	£
Fixed assets				
Tangible fixed assets	14		227,000	125,000
Current assets				
Debtors	15	117,152		167,542
Cash at bank and in hand		785,144		626,327
		902,296		793,869
Creditors: amounts falling due within one year	16	110,838		53,672
Net current assets			791,458	740,197
Total assets less current liabilities			1,018,458	865,197
Creditors: amounts falling due after more than one year	17		81,854	95,104
Net assets			936,604	770,093
Funds of the charity				
Restricted funds			331,671	420,913
Unrestricted funds			604,933	349,180
Total charity funds	19		936,604	770,093

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

These financial statements were approved by the board of trustees and authorised for issue on 19 August 2021, and are signed on behalf of the board by:

W. A. Coulson

W A Coulson
Trustee

The notes on pages 15 to 24 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income	**166,511**	300,061
Adjustments for:		
Interest payable and similar charges	**1,750**	1,750
Accrued (income)/expenses	**3,250**	(974)
Changes in:		
Trade and other debtors	**50,390**	(91,495)
Trade and other creditors	**43,916**	28,697
Cash generated from operations	**265,817**	238,039
Net cash from operating activities	**265,817**	238,039
Cash flows from investing activities		
Payments for the acquisition of Property	**(102,000)**	-
Net cash used in investing activities	**(102,000)**	-
Cash flows from financing activities		
Repayments of borrowings	**(5,000)**	(5,000)
Net cash used in financing activities	**(5,000)**	(5,000)
Net increase in cash and cash equivalents	**158,817**	233,039
Cash and cash equivalents at beginning of year	626,327	393,288
Cash and cash equivalents at end of year	**785,144**	626,327

The notes on pages 15 to 24 form part of these financial statements.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The CastleGate, Melbourne Street, Newcastle upon Tyne, NE1 2JQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

Income generated by the charitable company is accounted for on an accruals basis. Voluntary income is accounted for as received by the company. Donated facilities and services are measured at the value it would cost on the open market.

3. Accounting policies *(continued)*

Resources expended

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

Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.

Tangible assets

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

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

Land and buildings - Not depreciated

In view of the planned maintenance programme in place at the property, the trustees consider that any depreciation of the freehold property be immaterial.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

The charity initially recognises and measures concessionary loans at the amounts received. The carrying amount is adjusted in subsequent years to reflect repayments and any accrued interest.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

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

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

5. Donations and Grants

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Donations			
Donations	73,430	-	**73,430**
Gift Aid	13,933	-	**13,933**
Donated facilities and services +	149,227	-	**149,227**
Grants			
The Aurum Charitable Trust	35,000	-	**35,000**
Barclays Bank UK Covid-19 Community Relief Funding	-	100,000	**100,000**
Buildings Connections Fund	-	20,727	**20,727**
Changing Lives (from Newcastle City Council)	-	17,160	**17,160**
Crisis UK^	-	60,000	**60,000**
Community Foundation for Tyne & Wear and Northumberland*	1,000	16,479	**17,479**
ESOL for Integration Fund+	-	175,674	**175,674**
Henry Smith Charity	-	22,950	**22,950**
Jill Franklin Trust	-	3,000	**3,000**
Leslie Aldridge Trust		96,100	**96,100**
Lloyds Bank Foundation for England & Wales	-	39,838	**39,838**
NET DCMS Big Night In Match Fund~	-	29,100	**29,100**
Next Steps Accommodation Programme+	-	62,294	**62,294**
The North of Tyne Combined Authority	-	53,108	**53,108**
The Paul Hamlyn Foundation	-	60,000	**60,000**
Pea Green Boat Community First Fund *	-	9,126	**9,126**
Refugee Action ¬	-	58,071	**58,071**
The Sir James Knott Trust	-	7,000	**7,000**
The Vardy Foundation	-	10,000	**10,000**
Virgin Money Foundation	-	9,750	**9,750**
	272,590	850,377	**1,122,967**

* Included in this total are grants from several funds administered by the Community Foundation for Tyne & Wear and Northumberland

~ Grant from the National Emergencies Trust and the Department of Digital, Culture, Media and Sport, administered by the Community Foundation for Tyne & Wear and Northumberland

+ Grant from Newcastle City Council administered by Ministry of Housing, Communities and Local Government

^ Grant provided by Crisis UK with additional funding sourced from Comic Relief and the Department of Digital, Culture, Media and Sports

¬ Grants include Early Action Programme funding from the National Lottery Fund, and Respond and Adapt Programme funding sourced from a number of funders and administered by Refugee Action

5. Donations and Grants *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	34,755	52,770	**87,525**
Gift Aid	11,305	–	**11,305**
Donated facilities and services +	297,617	–	**297,617**
Grants			
AB Charitable Trust	–	20,000	**20,000**
Buildings Connections Fund ¬	–	41,040	**41,040**
Changing Lives (from Newcastle City Council)	–	17,155	**17,155**
Controlling Migration Fund ^	–	135,497	**135,497**
Grigor McClelland Fund *	1,400	28,600	**30,000**
Henry Smith Charity	–	45,200	**45,200**
Joyce Trust	–	5,000	**5,000**
Lloyds Bank Foundation for England & Wales	–	28,106	**28,106**
National Lottery Community Fund	–	21,149	**21,149**
Newcastle Fund	–	15,803	**15,803**
Newcastle University	–	4,053	**4,053**
Pea Green Boat Community First Fund *	–	9,090	**9,090**
The Rayne Foundation	–	5,000	**5,000**
Refugee Action (Early Action Programme) ~	–	39,104	**39,104**
Shadow Fund	–	465	**465**
The Sir James Knott Trust	–	7,000	**7,000**
	345,077	475,032	**820,109**

* Grants administered through the Community Foundation serving Tyne and Wear and Northumberland.

^ Grants administered by the Ministry for Housing, Communities and Local Government.

~ Grants from the National Lottery Community Fund.

¬ Grants administered by the Department for Digital, Culture, Media and Sport.

+ Included in the above income is a total of £297,617 for donated facilities and services. This amount includes £178,685 for volunteer teachers and assistants' time and £118,932 for market value rent.

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Action Language	–	–	–
Action Letting	160,270	240,405	**400,675**
Action Access	166,807	–	**166,807**
Digital Inclusion	–	45,647	**45,647**
	327,077	286,052	**613,129**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Action Language	24,540	–	24,540
Action Letting	250,821	285,796	536,617
Action Access	–	299,486	299,486
Digital Inclusion	–	–	–
	275,361	585,282	860,643

7. Costs of raising donations and grants

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Wages and salaries	85,625	–	**85,625**
Employer's NIC	7,724	–	**7,724**
Pension costs	3,526	–	**3,526**
Fundraising costs	4,556	–	**4,556**
	101,430	–	**101,430**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Wages and salaries	85,558	–	85,558
Employer's NIC	7,407	–	7,407
Pension costs	4,030	–	4,030
Fundraising costs	9,824	–	9,824
	106,819	–	106,819

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Action Language	79,401	243,803	**323,204**
Action Housing	69,873	160,387	**230,260**
Action Letting	136,569	326,653	**463,222**
Action Access	–	134,553	**134,533**
Interaction	25,408	61,952	**87,360**
Digital Inclusion	6,352	93,491	**99,844**
COVID-response	–	79,494	**79,494**
Support costs	29,238	29,238	**58,476**
	346,841	1,129,571	**1,476,412**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Action Language	191,735	161,310	353,045
Action Housing	136,395	44,387	180,782
Action Letting	53,033	369,535	422,568
Action Access	–	193,429	193,429
Interaction	16,742	55,218	71,960
Digital Inclusion	–	–	–
COVID-response	–	–	–
Support costs	27,882	29,895	57,777
	431,563	853,774	1,285,337

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	**Total funds 2021 £**	Total funds 2020 £
Action Language	323,640	9,152	**332,792**	370,348
Action Housing	230,645	8,053	**238,698**	187,811
Action Letting	462,225	17,491	**479,716**	441,621
Action Access	134,553	–	**134,553**	202,080
Interaction	87,500	2,929	**90,429**	75,745
Digital Inclusion	99,879	732	**100,611**	–
COVID-response	79,494	–	**79,494**	–
Donations	–	5,200	**5,200**	5,776
Governance costs	–	14,919	**14,919**	1,956
	1,417,936	58,476	**1,476,412**	1,285,337

Included in the above expenditure is a total of £149,227 (2020: £297,617) for donated facilities and services. This amount includes £36,667 (2020: £178,685) for volunteer teachers and assistants time and £112,560 (2020: £118,932) for market value rent.

10. Analysis of support costs

	Action Language	Action Housing	Action Letting	Action Access	Inter-action	Digital Inclusion	COVID-response	**Total 2021**	Total 2020
	£	£	£	£	£	£	£	**£**	£
Premises	1,500	1,320	2,580	–	480	120	–	**6,000**	4,843
General office	1,822	1,603	3,134	–	583	146	–	**7,288**	12,994
Governance costs*	3,730	3,282	6,415	–	1,194	298	–	**14,919**	1,956
Conferences & training	1,360	1,197	2,340	–	435	109	–	**5,441**	9,695
Legal & professional fees	3,016	2,654	5,187	–	965	241	–	**12,062**	9,588
Travel	40	35	69	–	13	3	–	**161**	475
Marketing & Fundraising	2,440	2,147	4,197	–	781	195	–	**9,760**	13,630
Bank charges	262	231	451	–	84	21	–	**1,050**	539
Misc expenses	11	10	19	–	4	1	–	**45**	2,307
Loan interest	–	–	1,750	–	–	–	–	**1,750**	1,750
	14,181	12,480	26,142	–	4,538	1,135	–	**58,476**	57,777

*Recruitment costs for the new CEO have been included in here

11. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	**1,986**	1,986

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	**655,149**	527,236
Social security costs	**53,902**	43,240
Employer contributions to pension plans	**47,484**	40,234
	756,535	610,710

The average head count of employees during the year was 29 (2020: 24).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

13. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees. £210 (2020: £277) was paid to trustees to cover travel expenses.

Remuneration costs relating to Key Management Personnel:

	2021	2020
	£	£
Chief Executive Officer	**54,307**	46,497
Senior Leadership Team	**116,313**	68,597

The above amount includes gross salary with non-contributory pension contribution of 6%.
No furlough income was recognised in the financial year.

14. Tangible fixed assets

	Land and buildings	Equipment	Total
	£	£	£
Cost			
At beginning of year	125,000	10,471	**135,471**
Additions	102,000	-	**102,000**
At end of year	227,000	10,471	**237,471**
Depreciation			
At 1 April 2020 and 31 March 2021	–	10,471	**10,471**
Carrying amount			
At 31 March 2021	227,000	–	**227,000**
At 31 March 2020	125,000	–	125,000

15. Debtors

	2021	2020
	£	£
Trade debtors	**31,697**	149,197
Other debtors	**85,455**	18,345
	117,152	167,542

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Loans	**15,000**	5,000
Social security and other taxes	**16,315**	35,247
Other creditors	**32,866**	13,425
Accruals and deferred income	**46,657**	-
	110,838	53,672

17. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Loans	**81,854**	95,104

18. Pensions and other post-retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £47,484 (2020: £40,234).

19. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
General funds	349,180	607,924	(448,271)	96,100	**604,933**

Restricted funds	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Action Language	164,141	244,983	(243,802)	–	**165,322**
Action Housing	8,524	278,723	(170,387)	(96,100)	**20,760**
Action Letting	90,907	331,646	(341,653)	–	**80,900**
Action Access	134,553	–	(134,553)	–	**-**
Interaction	22,788	58,551	(66,152)	–	**15,187**
Digital Inclusion	–	112,387	(93,529)	–	**18,858**
COVID-response	–	110,139	(79,494)	–	**30,645**
	420,913	1,136,429	(1,129,571)	(96,100)	**331,671**

20. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	**Total Funds 2021**	Total Funds 2020
	£	£	£	£
Tangible fixed assets	227,000	–	**227,000**	125,000
Current assets	570,625	331,671	**902,296**	793,869
Creditors less than 1 year	(110,838)	–	**(110,838)**	(53,672)
Creditors greater than 1 year	(81,854)	–	**(81,854)**	(95,104)
Net assets	604,933	331,671	**936,604**	770,093

21. Related parties

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2021	2020	**2021**	2020
	£	£	£	£
City Church Newcastle	**46,714**	35,660	–	–
	46,714	35,660	–	–

Rent payable to City Church Newcastle of £46,714 (2020: £35,660) has been included in expenditure on charitable activities. D Lyall is a Trustee of Action Foundation and a pastor at City Church Newcastle.