

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

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Action Foundation *(continued)*

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Action Foundation *(continued)*

Year ended 31 March 2021

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
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

| | | Unrestricted funds £ | 2021 Restricted funds £ | Total funds £ | 2020 Total funds £ |
|---|------|----------------------------|----------------------------------|------------------|--------------------------|
| | Note | | | | |
| 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 | | <u>607,924</u> | <u>1,136,429</u> | <u>1,744,353</u> | <u>1,692,217</u> |
| 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 | | <u>448,271</u> | <u>1,129,571</u> | <u>1,577,842</u> | <u>1,392,156</u> |
| Net income / (expenditure) | | <u>159,653</u> | <u>6,858</u> | <u>166,511</u> | <u>300,061</u> |
| Transfers between funds | | 96,100 | (96,100) | - | - |
| Net movement in funds | | <u>255,753</u> | <u>(89,242)</u> | <u>166,511</u> | <u>300,061</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 349,180 | 420,913 | 770,093 | 470,032 |
| Total funds carried forward | | <u>604,933</u> | <u>331,671</u> | <u>936,604</u> | <u>770,093</u> |

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 |
| | | <u>902,296</u> | <u>793,869</u> |
| Creditors: amounts falling due within one year | 16 | <u>110,838</u> | <u>53,672</u> |
| Net current assets | | <u>791,458</u> | <u>740,197</u> |
| Total assets less current liabilities | | <u>1,018,458</u> | <u>865,197</u> |
| Creditors: amounts falling due after more than one year | 17 | <u>81,854</u> | <u>95,104</u> |
| Net assets | | <u><u>936,604</u></u> | <u><u>770,093</u></u> |
| Funds of the charity | | | |
| Restricted funds | | 331,671 | 420,913 |
| Unrestricted funds | | 604,933 | 349,180 |
| Total charity funds | 19 | <u><u>936,604</u></u> | <u><u>770,093</u></u> |

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
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 |
| <i>Adjustments for:</i> | | |
| Interest payable and similar charges | 1,750 | 1,750 |
| Accrued (income)/expenses | 3,250 | (974) |
| <i>Changes in:</i> | | |
| 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.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

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.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

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 |
| | <u>272,590</u> | <u>850,377</u> | <u>1,122,967</u> |

* 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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

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 |
| | <u>345,077</u> | <u>475,032</u> | <u>820,109</u> |

* 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.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

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 |
| | <u>327,077</u> | <u>286,052</u> | <u>613,129</u> |
| | 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 | — | — | — |
| | <u>275,361</u> | <u>585,282</u> | <u>860,643</u> |

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 |
| | <u>101,430</u> | <u>—</u> | <u>101,430</u> |
| | 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 |
| | <u>106,819</u> | <u>—</u> | <u>106,819</u> |

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

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 |
| | <u>346,841</u> | <u>1,129,571</u> | <u>1,476,412</u> |
| | 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 |
| | <u>431,563</u> | <u>853,774</u> | <u>1,285,337</u> |

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 |
| | <u>1,417,936</u> | <u>58,476</u> | <u>1,476,412</u> | <u>1,285,337</u> |

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.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

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 |
| | <u>14,181</u> | <u>12,480</u> | <u>26,142</u> | <u>—</u> | <u>4,538</u> | <u>1,135</u> | <u>—</u> | <u>58,476</u> | <u>57,777</u> |

*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 | <u>1,986</u> | <u>1,986</u> |

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 |
| | <u>756,535</u> | <u>610,710</u> |

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).

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

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 £ |
|-----------------------------------|----------------------------|----------------|----------------|
| <i>Cost</i> | | | |
| At beginning of year | 125,000 | 10,471 | 135,471 |
| Additions | <u>102,000</u> | <u>-</u> | <u>102,000</u> |
| At end of year | <u>227,000</u> | <u>10,471</u> | <u>237,471</u> |
| <i>Depreciation</i> | | | |
| At 1 April 2020 and 31 March 2021 | <u>-</u> | <u>10,471</u> | <u>10,471</u> |
| <i>Carrying amount</i> | | | |
| At 31 March 2021 | <u>227,000</u> | <u>-</u> | <u>227,000</u> |
| At 31 March 2020 | <u>125,000</u> | <u>-</u> | <u>125,000</u> |

15. Debtors

| | 2021 £ | 2020 £ |
|---------------|----------------|----------------|
| Trade debtors | 31,697 | 149,197 |
| Other debtors | <u>85,455</u> | <u>18,345</u> |
| | <u>117,152</u> | <u>167,542</u> |

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 | <u>46,657</u> | <u>-</u> |
| | <u>110,838</u> | <u>53,672</u> |

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

| | 2021 £ | 2020 £ |
|-------|---------------|---------------|
| Loans | <u>81,854</u> | <u>95,104</u> |

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2021

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 2021 | 2020 | Balance owed by/(owed to) 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.