

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

Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2022

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.

Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2022

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.

Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2022

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.

Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2022

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

Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2022

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 make 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, Vodafone, Good things Foundation and many others.

Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2022

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.

Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) (continued)

Year ended 31 March 2022

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.

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2022

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 2022

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

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
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		<u>642,778</u>	<u>729,914</u>	<u>1,372,692</u>	<u>1,744,353</u>
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		<u>884,091</u>	<u>758,019</u>	<u>1,642,110</u>	<u>1,577,842</u>
Net (expenditure) / income		<u>(241,313)</u>	<u>(28,105)</u>	<u>(269,418)</u>	<u>166,511</u>
Transfers between funds		63,650	(63,650)	-	-
Net movement in funds		<u>(177,663)</u>	<u>(91,755)</u>	<u>(269,418)</u>	<u>166,511</u>
Reconciliation of funds					
Total funds brought forward		604,993	331,671	936,604	770,093
Total funds carried forward		<u>427,270</u>	<u>239,916</u>	<u>667,186</u>	<u>936,604</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 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
		<u>486,279</u>	<u>902,296</u>
Creditors: amounts falling due within one year	16	<u>82,739</u>	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	<u>78,604</u>	81,854
Net assets		<u>667,186</u>	<u>936,604</u>
Funds of the charity			
Restricted funds		239,916	331,671
Unrestricted funds		427,270	604,933
Total charity funds	19	<u>667,186</u>	<u>936,604</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 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
<i>Adjustments for:</i>		
Interest payable and similar charges	3,120	1,750
Depreciation	750	-
Accrued (income) / expenses	(4,120)	3,250
<i>Changes in:</i>		
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	<u>(263,041)</u>	<u>265,817</u>
Cash flows from investing activities		
Payments for the acquisition of Property	(110,000)	(102,000)
Net cash used in investing activities	<u>(110,000)</u>	<u>(102,000)</u>
Cash flows from financing activities		
Repayments of borrowings	(5,000)	(5,000)
Net cash used in financing activities	<u>(5,000)</u>	<u>(5,000)</u>
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	<u>407,103</u>	<u>785,144</u>

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.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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 2022

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 2022

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
	<u>358,281</u>	<u>480,577</u>	<u>838,858</u>

↯ 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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

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
	<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

+ 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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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
	<u>275,443</u>	<u>249,337</u>	<u>524,780</u>
	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	—	—	—
	<u>327,077</u>	<u>286,052</u>	<u>613,129</u>

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
	<u>97,179</u>	<u>—</u>	<u>97,179</u>
	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>

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

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
	<u>786,912</u>	<u>758,019</u>	<u>1,544,931</u>

	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
	<u>346,841</u>	<u>1,129,571</u>	<u>1,476,412</u>

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
	<u>1,458,127</u>	<u>86,804</u>	<u>1,544,931</u>	<u>1,476,412</u>

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.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

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	3,435	964	5,895	—	1,031	524	1,101	12,950	14,919
costs									
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
	<u>22,560</u>	<u>6,332</u>	<u>40,467</u>	<u>—</u>	<u>6,773</u>	<u>3,439</u>	<u>7,233</u>	<u>86,804</u>	<u>58,476</u>

11. Auditors remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>2,310</u>	<u>2,100</u>

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
	<u>807,826</u>	<u>756,535</u>

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).

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

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
<i>Cost</i>			
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
<i>Depreciation</i>			
As at 1 April 2021	-	10,471	10,471
Charged in the year	-	750	750
As at 31 March 2022	-	11,221	11,221
<i>Carrying amount</i>			
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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

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
	<u>82,739</u>	<u>110,838</u>

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

	2022	2021
	£	£
Loans	<u>78,604</u>	<u>81,854</u>

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	<u>427,270</u>

Restricted funds

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2022

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 2022	2021	Balance owed by/(owed to) 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.

