

COMPANY REGISTRATION NUMBER: 6946097
CHARITY REGISTRATION NUMBER: 1132051

Action Foundation
Company Limited by Guarantee
Financial Statements
31 March 2024



STEPHENSON COATES AUDIT LIMITED

Chartered accountant & statutory auditor

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

Action Foundation
Company Limited by Guarantee
Financial Statements
Year ended 31 March 2024

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Action Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report)

Year ended 31 March 2024

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

Reference and administrative details

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

The trustees

W A Coulson
M F Hall (resigned 13 October 2023)
D Lyall
G S Mandell
R Naeb
G Okai (resigned 23 May 2024)
H Young (appointed 11 January 2024)
S Hamilton (appointed 7 March 2024)

Company secretary & Chief Executive

D McAuley

Auditor

Stephenson Coates Audit Limited
Chartered accountants and statutory auditor
West 2, Asama Court
Newcastle Business Park
Newcastle upon Tyne
NE4 7YD

Bankers

Co-operative Bank plc
PO Box 250
Skelmersdale
WN8 6WT

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

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

Year ended 31 March 2024

Structure, governance and management

Governing document

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

Appointment and retirement of directors

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

Organisation

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

Risk management

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

Decision making arrangements

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

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

Induction and training of Trustees

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

Arrangements for setting pay and remuneration

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

Objectives and activities

The charitable company's objects are:

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

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

Year ended 31 March 2024

Objectives and activities *(continued)*

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

The main activities undertaken in relation to these objects are:

Accommodation Services

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

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

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

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

Achievements and performance

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

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

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

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

Year ended 31 March 2024

Achievements and performance *(continued)*

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

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

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

"I was so happy when I found out I can stay in the UK but when I was told I had to move out, I felt like I am neglected."

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

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

Young Lives

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

InterAction

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

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

Action Foundation

Company Limited by Guarantee

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

Year ended 31 March 2024

Achievements and performance (continued)

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

Language and Learning

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

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

We also delivered women's only provision in partnership with the West End Women's and Girls Centre. This provision, specifically designed for women provided an appropriate space and childcare to encourage participation in learning. 26 women participated in 18 classes in 2023, one learner said: "It's very important for me, and it's useful and helps enable me to make some friends".

We are looking forward to achieving success in our new employability and digital skills support services in the coming year.

Accommodation Services

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

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

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

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

Financial review

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

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

Year ended 31 March 2024

Financial review *(continued)*

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

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

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

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

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

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

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

Reserves policy

Free reserves

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

Reserves tied up in fixed assets

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

Restricted funds

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

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

Year ended 31 March 2024

Plans for future periods

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

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

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

Trustees' responsibilities statement

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

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

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

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

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

Small company provisions

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

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



W A Coulson
Trustee



D P McAuley
Charity Secretary

Action Foundation

Company Limited by Guarantee

Independent Auditor's Report to the Members of Action Foundation

Year ended 31 March 2024

Opinion

We have audited the financial statements of Action Foundation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Action Foundation

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

Year ended 31 March 2024

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 2024

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

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

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



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

30 September 2024

Action Foundation

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2024

			2024		2023
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and grants	5	390,172	352,612	742,784	644,601
Charitable activities	6	349,479	400,337	749,816	612,277
Other trading activities		10,890	-	10,890	14,820
Other income	7	4,195	-	4,195	52,694
Total income		<u>754,736</u>	<u>752,949</u>	<u>1,507,685</u>	<u>1,324,392</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations	8	101,594	-	101,594	101,649
Expenditure on charitable activities	9,10	568,319	816,053	1,384,372	1,378,267
Total expenditure		<u>669,913</u>	<u>816,053</u>	<u>1,485,966</u>	<u>1,479,916</u>
Net income / (expenditure)		<u>84,823</u>	<u>(63,104)</u>	<u>21,719</u>	<u>(155,524)</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>84,823</u>	<u>(63,104)</u>	<u>21,719</u>	<u>(155,524)</u>
Reconciliation of funds					
Total funds brought forward		408,974	102,688	511,662	667,186
Total funds carried forward		<u>493,797</u>	<u>39,584</u>	<u>533,381</u>	<u>511,662</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 14 to 25 form part of these financial statements.

Action Foundation
Company Limited by Guarantee
Statement of Financial Position

31 March 2024

		2024		2023
		£	£	£
Fixed assets				
Tangible fixed assets	15		339,434	340,842
Current assets				
Debtors	16	43,460		54,272
Cash at bank and in hand		<u>343,367</u>		<u>261,091</u>
		386,827		315,363
Creditors: amounts falling due within one year	17	<u>110,773</u>		<u>64,189</u>
Net current assets			276,054	251,174
Total assets less current liabilities			615,488	592,016
Creditors: amounts falling due after more than one year	18		<u>82,104</u>	<u>80,354</u>
Net assets			<u>533,381</u>	<u>511,662</u>
Funds of the charity				
Restricted funds			<u>39,584</u>	<u>102,688</u>
Unrestricted funds			<u>493,797</u>	<u>408,974</u>
Total charity funds	20		<u>533,381</u>	<u>511,662</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 30 September 2024, and are signed on behalf of the board by:



W A Coulson
Trustee

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

Action Foundation

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2024

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

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

1. General information

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

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

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

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

Action Foundation meets the definition of a public benefit entity under FRS 102.

Going concern

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

Judgements and key sources of estimation uncertainty

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

Fund accounting

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

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

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

Income

All income is derived from services and activities carried out in the UK. All income is recognised when the Charity has entitlement to the funds and any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Voluntary income is accounted for as received by the company.

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

3. Accounting policies (continued)

Income (continued)

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

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

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

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

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

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

Tangible assets

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

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

Land and buildings - Not depreciated

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

Impairment of fixed assets

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

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

Taxation

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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 2024

5. Donations, legacies and Grants

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

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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

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

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

6. Charitable activities

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

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

7. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Newcastle City Council	–	–	–
Gateshead City Council	–	–	–
Other	4,195	–	4,195
	<u>4,195</u>	<u>–</u>	<u>4,195</u>

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

8. Costs of raising donations and grants

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Wages and salaries	86,474	—	86,474
Employer's NIC	7,938	—	7,938
Pension costs	3,236	—	3,236
Fundraising costs	3,946	—	3,946
	<u>101,594</u>	<u>—</u>	<u>101,594</u>

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

9. Expenditure on charitable activities by fund type

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

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

10. Expenditure on charitable activities by activity type

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

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

11. Analysis of support costs

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

12. Auditor's remuneration

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

13. Staff costs

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

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

The average head count of employees during the year was 24 (2023: 27).

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

14. Trustee remuneration and expenses

M Hall was a trustee of the organisation until October 2023, when he was brought onto the Senior Leadership Team. Total remuneration to M Hall in the year was £20,481 (2023: £Nil).

No other trustees received remuneration or other benefits from employment with the charity. £Nil (2023: £Nil) was paid to trustees to cover travel expenses.

Remuneration costs relating to Key Management Personnel:

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

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

15. Tangible fixed assets

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

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

16. Debtors

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

17. Creditors: amounts falling due within one year

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

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

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

	2024	2023
	£	£
Loans	<u>82,104</u>	<u>80,354</u>

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

19. Pensions and other post-retirement benefits

Defined contribution plans

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

20. Analysis of charitable funds

Unrestricted funds

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

Restricted funds

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

Comparatives:

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

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

Action Foundation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

21. Analysis of net assets between funds

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

22. Related parties

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

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

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