

The Ashley Foundation

(A company limited by guarantee)

Charity registration number: 1063208

Company registration number: 3366712

Annual Report and Financial Statements
for the Year Ended 31 May 2013

The Ashley Foundation
Contents

Reference and Administrative Details	1
Trustees' Report	2 to 6
Independent auditors' report	7 to 8
Statement of financial activities	9
Balance Sheet	10
Notes to the financial statements	11 to 23

**The Ashley Foundation
Reference and Administrative Details**

Charity name	The Ashley Foundation
Charity registration number	1063208
Company registration number	3366712
Principal office	81 Abingdon Street Blackpool Lancashire FY1 1PP
Registered office	81 Abingdon Street Blackpool Lancashire FY1 1PP
Trustees	Mr P Bamber (Chairman) Mr R Alleway Mr N Bramhall Mr D Kam Mr B Wood
Chief executive officer	Mr L Dribben
Secretary	Mr L Dribben
Solicitor	Blackhurst Budd LLP 22 Edward Street Blackpool Lancashire FY1 1BA
Bankers	Yorkshire Bank 2/4 Abingdon Street Blackpool Lancashire FY1 1DR
Auditor	Becketts Beckett House Sovereign Court Wyrefields Poulton le Fylde Lancashire FY6 8JX

The Ashley Foundation Trustees' Report

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 May 2013.

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

The trustees

The trustees who served the charity during the period were as follows:

Mr P Bamber

Mr R Alleway

Mr N Bramhall

Mr D Kam

Mr B Wood

Structure, governance and management

The charity was formed in May 1997, incorporated under the Companies Act 1985 number 3366712 and is exempt under section 30 of the Act. The company is limited by guarantee and is governed by its memorandum and articles of association.

The board of Trustees have discretion to appoint new trustees and the charity is constantly seeking new appointments. New trustees are guided through their responsibilities by the Chief Executive Officer who is constantly on hand to assist with any issues arising in their first year in office. It is the policy of the charity that trustees, both new and existing attend as many trustee meetings as possible. Continued non attendance results in the relevant trustee being requested to resign his position.

Governance, management and financial control are administered from the charity's main offices. All major decisions are made by the Trustees and The Chief Executive Officer delegates and supervises roles and duties to other staff members.

Objectives and activities

The principal objective of the charity throughout the year was the relief of poverty by the provision of accommodation to persons in need.

In achieving this objective the charity is committed to treating individuals with dignity and respect and is determined to offer individuals the opportunity and support necessary to encourage and enable personal growth and self development.

The charity also provides support to clients to assist them with the wider issues of homelessness.

All significant activities provided by the charity are outlined in the Chairman's statement (see below) Recognition of the help given by volunteers is also detailed in that statement.

The trustees are aware of the guidance issued by Charity Commission as to their responsibilities on public benefit and consider that they have complied with the duty imposed on them in Section 4 of the Charities Act 2006.

Achievements and performance

The charities performance and achievements are outlined in the Chairman's statement.

Financial Review

A reserves policy has been adopted which aims to provide financial stability for the charity. It is hoped to maintain unrestricted funds at a level of at least three months operating expenditure.

The Ashley Foundation Trustees' Report

The charity achieved a surplus of £345,187 (2012 : £182,166) in the year ended 31st May 2013. The increased resources have arisen as a result of increases in housing benefit receivable in respect of each of its hostels as detailed in the financial statements. The increased level of income has enabled the charity to carry out considerable improvements at the hostels to maintain the high standard of accommodation provided to hostel residents.

The charity had net assets of £955,726 (2012 : £610,539) as at 31st May 2013 including cash balances of £256,129 (2012 : £127,406).

Full details of the charity's financial activities for the year ended 31st May 2013 are disclosed in the financial statements.

The charity received several grants and donations in the year for specific purposes and these are detailed in the notes to the financial statements.

A trading subsidiary was established during the year. Homeless Action CIC is a wholly owned subsidiary of the company. The company operates as a charity shop and the financial results are disclosed in the financial statements.

Plans for future periods

The charity continues to carry out its main charitable activity in the future and has no plans to increase or curtail the level of activity.

The trustees have considered the major risks which they consider the charity is potentially exposed to and are satisfied that the systems that they have established will mitigate any loss arising from these risks.

Chairman's Statement

Introduction

On behalf of the Trustees, I once again put pen to paper and reflect on the past year. The voluntary sector is facing severe challenges and many projects have closed due to funding or legislative issues.

However, our balance sheet shows improvement and I am determined to continue to grow the financial security of The Ashley Foundation. It is not luck but hard work and the expertise of our staff that enable us to cope with the endless policy changes of national and local government. As ever, our main objective is the provision of support and accommodation to single homeless persons which furthers our charitable purpose for public benefit. What we do, providing accommodation and support to homeless persons, should be relatively simple. An arriving client needs a bed and food in a decent building. Add some tender loving care and we help clients to face and deal with whatever issues caused their homelessness. Allow a little time and maybe we can successfully move them on into independent accommodation. However, it seems that every politician and council officer thinks they know better! More on this subject below. Often I am asked, who are our clients, what kind of people come into our hostels. Our clients have an array of issues including drug and/or alcohol problems, glue sniffing, self-harming, domestic violence, prison release, mental health, family breakdown, male and female rape victims, sex offenders, arsonists, etc. etc. Sometimes, it's as simple as just being without a roof over their head. Whatever their background, our job is to help.

The Ashley Foundation Trustees' Report

Local Picture

Following the Government's Comprehensive Spending Review and a reduction in Revenue Support Grant, councils have been forced to make multi-million pound year-on-year savings. As a consequence, our Blackpool hostels have suffered further reduction in contract values. Work is on-going within Blackpool Council to develop a Housing related Support Strategy and we welcome a coordinated approach. They have implemented a Single Point of Access for all supported housing. This means that anyone who needs to move into a Blackpool hostel has to be assessed and referred by the local authority. Therefore, we have lost control of who can access our hostel beds! Also, they have now introduced a three-year local connection policy for anyone wanting to access supported housing. This has caused some anomalies. For example, we had a chaotic resident in one of our hostels who moved out to try living again with her family. It didn't work out so, within days, she came back to us. We had to tell her we weren't allowed to take her back and she had to go to the local authority. She did. They decided she wasn't in need of supported accommodation and wouldn't refer her back to us. So, she ended up homeless and we had an empty bedroom. It is too early to assess the impact such policies may have on us but we are very concerned about the effects they will have on vulnerable potential residents. Homeless people are often transient and struggle to maintain a connection to any particular area. These new policies have not been introduced in Blackburn, only Blackpool. On a positive note, Blackpool has been earmarked for a significant injection of funding from the Big Lottery's 'Fulfilling Lives: Supporting People with Complex Needs' Programme. A national organisation, Addaction, is leading on the bid which comprises a multi-agency partnership approach. If successful, Blackpool should see an injection of several million pounds during each of the next five to eight years. The project will support people with complex needs (homelessness, offending, mental health and substance misuse). A decision will be made in December 2013 - we have expressed an interest in being a delivery partner and wish Addaction every success. In Blackburn, the local authority is insisting that even though we provide full board (catering), all hostels must provide kitchen facilities for resident's use. It risks the safety of staff, residents and the building. Another day, another problem!

The focus of our work

We work closely with key agencies in order to ensure we offer clients the best possible service. This has been reflected in the fact that many of our clients made positive moves into independent living. We continue to play a major role in the 'Homeless' sector by our participation in joint meetings, consultation events and briefings with other providers and agencies.

It has once again been a busy year in terms of occupancy levels at all our hostels and I show the figures for this past year along with the previous year in brackets. In Blackpool, the numbers were; Elm House 145 (156), Oak House 96 (125), Holly House 67 (81). In Blackburn, numbers were; Union House 99 (75), Islington House 183 (101) and Canterbury House 84 (123). It is important to note that the reduction in Blackpool numbers year-on-year is not due to falling demand. Many of our residents have multiple and/or complex issues and need to spend longer in hostel accommodation before moving on. In Blackburn, increased numbers in Islington House were due to extra capacity following building work.

Benefit and Welfare Reforms

The challenges which I previously mentioned in my introduction include various changes to the benefits and welfare system. Many people within the sector thought that Exempt Accommodation would be abolished by the Welfare Reform Act; however, the very opposite has happened. The DWP decided to administer the housing component of welfare benefit entitlements for people in Exempt Accommodation outside of Universal Credit, which means that higher levels of housing revenue continue to be payable to providers of Exempt Accommodation because they provide additional housing management services. This arrangement is set to continue for some time yet and it is very important that eligible providers, such as ourselves, take steps to ensure that our revenue is optimised.

The Ashley Foundation Trustees' Report

Direct Payments

The Department of Work and Pensions (DWP) has piloted a scheme paying all Universal Credit entitlements including the housing component (it is a single benefit) direct to the tenant. The intention is to train claimants to budget on a monthly income as they would if they were in paid employment. However, the DWP is considering making payments to landlords instead on a "payment exceptions" basis which means, that where claimants fulfil certain criteria around 'vulnerability', the rent will be paid to the landlord as it is now. People who live in supported or sheltered housing, such as our hostels, would qualify for a "payment exception" under these arrangements. However, it is still to be decided by the DWP what is their definition of 'vulnerability' and we await further clarification.

Benefit Sanctions

From October 2012, new sanctions on benefits were rolled out by the DWP whereby people who do not comply with the terms of their receipt of benefit will have their benefit docked for up to three years. Claimants will be sanctioned for various 'offences' such as; not applying for the jobs suggested by JobCentre staff; turning down offers of work (even if the work is entirely inappropriate); refusing to do unpaid work (regardless of the conditions of that work) and missing or turning up late for appointments. One of our residents was sanctioned for 4 weeks for arriving 5 minutes late for his appointment! Sanctions have impacted on our clients greatly as it means they have a fixed period during which they receive no income. Accordingly, they are unable to pay us their 'resident's contribution' which is currently set at £28 per week. Arrears are building up and we are having to suffer the loss.

However, the impact is felt more acutely when a sanctioned resident is unable to move on from hostel to independent accommodation as they would have to go without essentials such as heating, food and clothing. It will cause severe 'bottle-necking' in our hostels and will have a negative impact on our clients and the work we are trying to achieve. My main concern is that sanctioned claimants may turn to crime. Imagine having to go week after week without even one penny in your pocket.

Funding

Our principal funding sources are Housing Benefit and contract income. Despite the difficult economic climate, we were successful with a number of grant applications. We had three large awards and a number of smaller grants. We were awarded funding from the Empty Homes Community Grant Fund for up to 28 units. We received a grant from Clothworkers Foundation towards the renovation of Willow Lodge. Comic Relief gave us a grant to employ a Mental Health Empowerment Officer. The West Lancashire Freemasons gave us money towards our van purchase. We received food donations from the Thornton and Cleveleys Masonic lodge. We received grants from the Duchy of Lancaster Benevolent Fund and from Santander Foundation to purchase resettlement packs for residents moving on from our hostels. We had donations from the John Laing Charitable Trust, The Saturnian Masonic Lodge, Nationwide Building Society and CTI Group Charity Committee. We are sincerely grateful to them all.

Property Portfolio

Details of our properties are as shown in our accounts. Our main income-producing properties continue to be our hostels. The lease on one of our Blackpool hostels has less than 5 years to run and we will need to make a decision soon as to what part, if any, it will play in our future operations. We have acquired some additional properties to utilise as move-on flats. It is our intention to increase our move-on properties to about 40/50 units, thus adding to resettlement prospects for our hostel residents and strengthening our income stream.

The Ashley Foundation Trustees' Report

Staffing and Volunteers

We currently employ 31 full-time and 2 part-time staff. Due to cuts, we had to make 1 compulsory redundancy which was our Community Development Officer. One staff member, our Volunteer Co-ordinator (Penny Lake) had been with us for a number of years and opted to take redundancy and we wish her every success as she moves on. One of our duty supervisors, John Dickinson, retired after many years of loyal service. Despite the loss of the Volunteer Coordinator position, we still have a number of volunteers who work tirelessly with us. Over the last year we have employed four of our volunteers in full time paid positions, in recognition of their expertise and to ensure that we continue to add social value to our activities. Staff have achieved a remarkable amount over the last year whilst having to adjust to cuts in funding. We continue to invest in training and development of our staff and volunteers and we've maintained our commitment to management development. We believe that our continuing commitment to the professional development of all staff ensures we can continue to meet our objectives and this has been reflected in again achieving the Investors in People award. In addition to one-off specific training events, a number of staff have undertaken NVQs in Health and Social Care and in Management. 2 staff achieved CIH Level 3 in Housing Practice. Several volunteers have also successfully completed a Community Volunteering Qualification course.

Website & Media

We continue to increase our online visibility following the re-launch of our website in 2010. We have attempted to increase our reach and grow our network of support through social media activities such as our own Facebook page. If anyone reading this can help with our website and Facebook, please contact us!

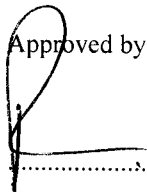
Subsidiary Undertakings - Homeless Action

Our wholly owned trading subsidiary, Homeless Action CIC, (HA) carries out non-charitable trading activities for us, primarily running a shop selling donated goods. We offer shop and warehouse work to our residents and volunteers. Stock from the shop is often used to equip move-on flats for hostel residents. We intend to open further shops. In time to come, we are hoping to use HA as a training provider.

Finally.....

It is our staff who deserve recognition for the work we do. To spend day after day dealing with our residents is not the easiest of jobs. We are fortunate that staff are not only efficient but really care about the work they do. I thank my fellow trustees for their time and effort and I express gratitude to our volunteers, grantors, members and friends.

Approved by the Board on 9 October 2013 and signed on its behalf by:



.....

Mr P Bamber (Chairman)
Trustee

Independent Auditors' Report to the Members of The Ashley Foundation

We have audited the financial statements of The Ashley Foundation for the year ended 31 May 2013, set out on pages 12 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made to the charitable company's members, as a body, in accordance with Section 144 of the Charities Act 2011. Our work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the regulations made under section 154 of the Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

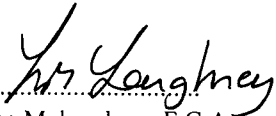
- give a true and fair view of the state of the charitable company's affairs as at 31 May 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

**Independent Auditors' Report to the Members of
The Ashley Foundation**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 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
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



.....
Lorraine McLoughney F.C.A.
Senior Statutory Auditor

for and on behalf of:
Becketts, Statutory Auditor

Beckett House
Sovereign Court
Wyrefields
Poulton Le Fylde
Lancashire
FY6 8JX

9 October 2013

The Ashley Foundation
Consolidated Statement of Financial Activities (including Income and Expenditure Account)
for the Year Ended 31 May 2013

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	116,652	79,500	196,152	65,491
Activities for generating funds:					
Commercial trading operations	22	24,356	-	24,356	-
Incoming resources from charitable activities					
	4	1,459,826	-	1,459,826	1,343,199
Total incoming resources		<u>1,600,834</u>	<u>79,500</u>	<u>1,680,334</u>	<u>1,408,690</u>
Resources expended					
Costs of generating funds:					
Commercial trading operations		67,199	-	67,199	-
Charitable activities	5	1,188,039	108,339	1,296,378	1,214,436
Governance costs	5	14,413	-	14,413	12,088
Total resources expended		<u>1,269,651</u>	<u>108,339</u>	<u>1,377,990</u>	<u>1,226,524</u>
Net income before transfers		331,183	(28,839)	302,344	182,166
Transfers					
Gross transfers between funds		<u>36,951</u>	<u>(36,951)</u>	<u>-</u>	<u>-</u>
Net movement between funds		368,134	(65,790)	302,344	182,166
Reconciliation of funds					
Total funds brought forward		<u>539,889</u>	<u>70,650</u>	<u>610,539</u>	<u>428,373</u>
Total funds carried forward		<u><u>908,023</u></u>	<u><u>4,860</u></u>	<u><u>912,883</u></u>	<u><u>610,539</u></u>

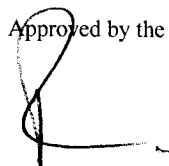
All incoming resources and resources expended derive from continuing activities.

The charity has no recognised gains or losses for the year other than the results above.

The Ashley Foundation (Registration number:3366712)
Consolidated Balance Sheet as at 31 May 2013

	2013	2012	2013	2012
Note	£	£	£	£
Fixed assets				
Tangible assets	10	1,149,376	1,004,998	1,147,249
Investments	11	-	-	1
		<u>1,149,376</u>	<u>1,004,998</u>	<u>1,147,250</u>
Current assets				
Stocks and work in progress	12	1,850	1,850	1,850
Debtors	13	89,074	202,837	138,692
Cash at bank and in hand		262,766	127,406	256,129
		<u>353,690</u>	<u>332,093</u>	<u>396,671</u>
Creditors: Amounts falling due within one year				
	14	<u>(104,830)</u>	<u>(198,427)</u>	<u>(102,842)</u>
Net current assets		<u>248,860</u>	<u>133,666</u>	<u>293,829</u>
Total assets less current liabilities		1,398,236	1,138,664	1,441,079
Creditors: Amounts falling due after more than one year				
	15	<u>(485,353)</u>	<u>(528,125)</u>	<u>(485,353)</u>
Net assets		<u>912,883</u>	<u>610,539</u>	<u>955,726</u>
The funds of the charity:				
Restricted funds in surplus				
	19	4,860	70,649	4,860
Unrestricted funds				
Unrestricted income funds	19	908,023	539,890	950,866
Total charity funds		<u>912,883</u>	<u>610,539</u>	<u>955,726</u>

Approved by the board on 9th October 2013 and signed on its behalf by:



Mr P Bamber (Chairman)
Trustee

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

1 Accounting policies

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, applicable accounting standards and the Charities Act 2011.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Homeless Action CIC on a line by line basis. A separate Statement of Financial Activities, and income and expenditure account, for the charity itself are not presented because the charity has taken advantage of the exemptions afforded by paragraph 397 of the SORP.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Designated funds are unrestricted funds set aside at the discretion of the trustees for specific purposes.

Further details of each fund are disclosed in note 20.

Incoming resources

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

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Fixed assets

Individual fixed assets costing £1000 or more are initially recorded at cost.

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

Depreciation

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

Freehold land and buildings	no provision made
Motor vehicles	100% straight line basis

Investments

Fixed asset investments are included at market value at the balance sheet date.

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

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

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Change in accounting policy

The charity has licence agreements in place with several other similar organisations. Historically, income from these agreements has been shown within incoming resources and relevant payments shown within resources expended. The trustees consider that it is more appropriate to show this net income within incoming resources.

This adjustment in presentation has not affected the results of the prior period however the comparative figures for 2012 have been restated accordingly.

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Donations and legacies				
Appeals and donations	9,852	9,500	19,352	3,121
Grants				
UK Government grants	106,800	-	106,800	-
Grants - other agencies	-	70,000	70,000	62,370
	106,800	70,000	176,800	62,370
	116,652	79,500	196,152	65,491

Restricted donations comprise £5,000 from Duchy of Lancaster Benevolent Fund and £4,500 from Santander Foundation for assistance with the costs and purchases for Resettlement Support Packs for residents as they move into independent accommodation. These funds were deemed to be fully expended on the specified items prior to 31st May 2013.

The grant from UK Government was from the Department for Communities and Local Government in relation to the Empty Homes Community Grant scheme which is designed to bring empty homes back into use as affordable housing. The charity has been awarded £336,000 over a funding period to 31st March 2015. As there are a number of conditions attached to the receipt of the grant, no amounts have been provided for as contingent assets and the amount above is the amount receivable in the period to 31st May 2013. The donor has not specified that these funds be classified as a restricted fund however the trustees have chosen to treat the asset purchases from these funds as designated within unrestricted funds.

A grant of £65,000 was received from The Clothworkers Foundation towards the cost of renovating "move on" accommodation units. These funds are to be used on the renovation of a property purchased in August 2011 ("Willow Lodge"). The donor has requested that these funds be shown as restricted. These funds were fully expended by 31st May 2013.

A further £5,000 was received from West Lancashire Freemasons' Charity for the purchase of a commercial vehicle. The vehicle is predominantly used by the charity's subsidiary who made a contribution to the acquisition cost.

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

3 Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Homeless Action CIC which operates a charity shop.

The summary financial performance of the charity alone is as follows:

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources	1,576,478	79,500	1,655,978	1,408,690
Expenditure on charitable activities	(1,188,039)	(108,339)	(1,296,378)	(1,214,436)
Governance costs	(14,413)	-	(14,413)	(12,088)
Net incoming resources	374,026	(28,839)	345,187	182,166
Gross transfers between funds	36,951	(36,951)	-	-
Total funds brought forward	539,889	70,650	610,539	428,373
Total funds brought forward	950,866	4,860	955,726	610,539

4 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Charitable activities				
Housing benefit & supporting people income	1,386,769	-	1,386,769	1,277,180
Residents contributions	73,057	-	73,057	66,019
	1,459,826	-	1,459,826	1,343,199

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

5 Total resources expended

	Charitable activities	Governance	Total 2013	Total 2012
	£	£	£	£
Direct costs				
Wages and salaries	699,930	-	699,930	621,891
Staff NIC (Employers)	54,207	-	54,207	52,905
Rent	36,648	-	36,648	33,011
Rates	19,183	-	19,183	15,104
Light, heat and power	46,562	-	46,562	30,055
Insurance	13,421	-	13,421	11,435
Repairs and maintenance	182,352	-	182,352	256,553
Computer software and maintenance	19,770	-	19,770	9,762
Telephone and fax	6,740	-	6,740	6,076
Television costs	707	-	707	1,372
Printing, postage and stationery	8,996	-	8,996	13,362
Food, provisions and paper	85,729	-	85,729	84,382
Sundry expenses	34,201	13	34,214	26,441
Laundry and cleaning	8,501	-	8,501	8,275
Motor expenses	13,636	-	13,636	8,991
Accountancy fees	-	3,889	3,889	5,818
Auditor's remuneration	-	3,800	3,800	3,600
Legal and professional fees	31,208	-	31,208	18,471
Trustee's expenses	-	6,711	6,711	2,656
Bank charges	825	-	825	1,960
Loan interest	18,133	-	18,133	10,861
Depreciation of motor vehicles	15,629	-	15,629	3,543
	<u>1,296,378</u>	<u>14,413</u>	<u>1,310,791</u>	<u>1,226,524</u>

6 Trustees' remuneration and expenses

One trustee was paid £5,347 (2012 : £2,673) in relation to their employment with the charity under authority given by the Articles of Association.

Expenses totalling £6,711 (2012 : £2,656) were paid to three (2012 : 2) trustees in the year to 31st May 2013 in respect of travelling, subsistence and communication costs.

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

7 Net income

Net income is stated after charging:

	2013		2012	
	£	£	£	£
Hire of other assets - operating leases		36,648		33,011
The audit of the charity's annual accounts	3,800		3,600	
		3,800		3,600
Depreciation of owned assets		15,629		3,543

The auditors received additional remuneration of £2,969 (2012 : £5,187) in respect of the preparation of the financial statements, payroll services, reporting on grant usage and other accountancy related matters.

8 Employees' remuneration

The average number of persons employed by the charity(including trustees) during the year, analysed by category, was as follows:

	2013		2012	
	No.		No.	
Charitable activities	28		30	
Trading	1		-	
Governance	4		4	
	33		34	

The aggregate payroll costs of these persons were as follows:

	2013		2012	
	£		£	
Wages and salaries	699,930		621,891	
Social security	54,207		52,905	
	754,137		674,796	

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

9 Taxation

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

10 Tangible fixed assets

Group

	Freehold interest in land and buildings (including heritage assets)	Plant and machinery including motor vehicles	Total
	£	£	£
Cost			
As at 1st June 2012	994,369	30,647	1,025,016
Additions	152,880	30,486	183,366
Disposals	-	(11,752)	(11,752)
As at 31st May 2013	<u>1,147,249</u>	<u>49,381</u>	<u>1,196,630</u>
Depreciation			
As at 1st June 2012	-	20,018	20,018
Eliminated on disposals	-	(11,752)	(11,752)
Disposals	-	38,988	38,988
As at 31st May 2013	<u>-</u>	<u>47,254</u>	<u>47,254</u>
Net book value			
As at 31st May 2013	<u>1,147,249</u>	<u>2,127</u>	<u>1,149,376</u>
As at 1st June 2012	<u>994,369</u>	<u>10,629</u>	<u>1,004,998</u>

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

10 Tangible fixed assets (continued)

Charity

	Freehold interest in land and buildings (including heritage assets)	Plant and machinery including motor vehicles	Total
	£	£	£
Cost			
As at 1st June 2012	994,369	30,647	1,025,016
Additions	152,880	5,000	157,880
Disposals	-	(11,752)	(11,752)
As at 31st May 2013	<u>1,147,249</u>	<u>23,895</u>	<u>1,171,144</u>
Depreciation			
As at 1st June 2012	-	20,018	20,018
Eliminated on disposals	-	(11,752)	(11,752)
Disposals	-	15,629	15,629
As at 31st May 2013	<u>-</u>	<u>23,895</u>	<u>23,895</u>
Net book value			
As at 31st May 2013	<u>1,147,249</u>	<u>-</u>	<u>1,147,249</u>
As at 1st June 2012	<u>994,369</u>	<u>10,629</u>	<u>1,004,998</u>

11 Investments

The charity holds 1 ordinary share of £1 (representing the whole of the issued share capital) in its wholly owned subsidiary company, Homeless Action CIC which is incorporated in England and Wales.

12 Stocks and work in progress

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Stocks - food	1,735	1,735	1,735	1,735
Stocks - cleaning products etc.	115	115	115	115
	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>	<u>1,850</u>

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

13 Debtors

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Housing benefit receivable	71,809	190,796	71,809	190,796
Amounts due from subsidiary and associated undertakings	-	-	52,437	-
Other debtors	5,192	3,153	2,373	3,153
Prepayments and accrued income	12,073	8,888	12,073	8,888
	<u>89,074</u>	<u>202,837</u>	<u>138,692</u>	<u>202,837</u>

The loan to the charity's wholly owned subsidiary, Homeless Action CIC, is interest free and has no fixed date for repayment. The loan is unsecured.

14 Creditors: Amounts falling due within one year

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	41,781	39,212	41,781	39,212
Amounts due to suppliers	12,218	13,785	11,979	13,785
Taxation and social security	15,964	13,065	15,600	13,065
Accruals and deferred income	34,867	132,365	33,482	132,365
	<u>104,830</u>	<u>198,427</u>	<u>102,842</u>	<u>198,427</u>

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

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	41,781	39,212	41,781	39,212

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

15 Creditors: Amounts falling due after one year

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	485,353	528,125	485,353	528,125

Creditors amounts falling due after one year includes the following liabilities, on which security has been given by the charity:

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	485,353	528,125	485,353	528,125

The bank loans are secured by a first legal charge over 81 Abingdon Street, 254 Hornby Road, 9/11 Knowle Avenue, 45 Bairstow Street, 20 Pleasant Street and 1 Wolverton Avenue all of which are situated in Blackpool, Lancashire.

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

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

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
After more than five years by instalments	485,353	528,125	485,353	528,125

16 Member's liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

17 Operating lease commitments

As at 31 May 2013 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Within two to five years - Land and Buildings	30,648	30,648	30,648	30,648

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

18 Related parties

Controlling entity

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

Related party transactions

The charity has a licence agreement with Union House Accommodation Services Limited to utilise Union House in Blackburn, Lancashire as hostel accommodation for single homeless persons. Mr Paul Bamber, chairman of trustees, is a director of Union House Accommodation Services Limited.

In the year ended 31st May 2013, The Ashley Foundation received income of £56,126 (2012 : £54,236) in respect of this agreement.

In addition, the charity leases a property owned partly by Mr Paul Bamber. The lease commenced in February 2013 and in the year ended 31st May 2013 the charity paid Mr Bamber the sum of £6,000 (2012 : nil).

19 Analysis of funds

	As 1st June 2012	Incoming resources	Resources expended	Transfers	As 31st May 2013
	£	£	£	£	£
Designated fund					
Property fund	-	-	-	152,881	152,881
General funds					
Unrestricted income fund	539,889	1,600,834	(1,269,651)	(115,930)	755,142
Restricted funds					
Employment fund	62,978	-	(26,027)	(36,951)	-
Mini Bus fund	2,812	-	(2,812)	-	-
Project SUMO fund	4,860	-	-	-	4,860
Clothworkers foundation grant	-	65,000	(65,000)	-	-
Santander Foundation West Lancashire	-	4,500	(4,500)	-	-
Freemason's Charity Duchy of Lancaster	-	5,000	(5,000)	-	-
Benevolent Fund	-	5,000	(5,000)	-	-
	70,650	79,500	(108,339)	(36,951)	4,860
	610,539	1,680,334	(1,377,990)	-	912,883

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

The property fund represents the net book cost of the properties purchased using funds for the Empty Homes Community Grant scheme. Whilst the donor has not specified that these funds are to be treated as restricted, the trustees feel it is prudent to show all expenditure on this scheme as a separate designated fund.

The employment fund (established in 2006) provides for the salaries of specialist staff employed by the charity. The application of funds to 31st May 2013 represented the salary and employers national insurance due to that date payable in respect of appropriate employees. The individuals engaged as a result of receiving these grants have now left the employ of the charity and as such the balance of any funds have been transferred to unrestricted funds on the basis that that the possibility of repayment is so remote that separate provision is not warranted.

The mini bus fund comprises an initial donation from the Garfield Weston Foundation in 2006. A new mini bus was purchased in August 2010. Resources expended on the fund represent an annual write down in accordance with the depreciation policy on the asset to which the fund relates. The trustees consider that the vehicle has negligible value and have fully depreciated the asset in 2013. As such the balance on this fund has been transferred to unrestricted funds.

The SUMO fund was established by an initial grant from The Dribben Family Charity Fund. The aim of the project is to improve the future work prospects of hostel residents. The project is on-going.

As explained in note 2, the funds from West Lancashire Freemasons Charity were a contribution to the purchase of a commercial vehicle used by the charity's subsidiary. The trustees consider therefore that the asset is part owned and have therefore written the net book cost down to nil in the year of purchase. The restricted fund associated with this income has therefore been treated as fully expended.

Other incoming funds received in the year are explained at note 2 to these financial statements.

20 Transfers

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

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

21 Net group assets by fund

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Tangible assets	1,149,376	-	1,149,376	1,004,998
Current assets	348,830	4,860	353,690	332,093
Creditors: Amounts falling due within one year	(104,830)	-	(104,830)	(198,427)
Creditors: Amounts falling due after one year	(485,353)	-	(485,353)	(528,125)
Net assets	908,023	4,860	912,883	610,539

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2013

22 Incoming resources from activities for generating funds

The wholly owned trading subsidiary Homeless Action CIC is incorporated in England and Wales and will pay all future profits to the charity by gift aid. Homeless Action CIC operates a charity shop on behalf of the charity and commenced trading on 20th August 2012. The charity owns the entire share capital of the company.

The summary financial performance of the subsidiary alone is as follows:

	20th August 2012 to 31st May 2013
	£
Turnover	24,356
Administrative expenses	(67,199)
Operating loss	<u>(42,843)</u>

The assets and liabilities of the subsidiary were:

Fixed assets	2,127
Current assets	9,455
Current liabilities	<u>(54,424)</u>
	<u>(42,842)</u>
Aggregate share capital and reserves	<u>(42,842)</u>