

Company registration number: 3366712
Charity registration number: 1063208

The Ashley Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 May 2014

The Ashley Foundation

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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 Mrs L McLoughney (appointed 4 December 2013)
Chief executive officer	Mr L Dribben
Secretary	Mr L Dribben
Solicitor	Blackhurst Budd LLP 22 Edward Street Blackpool Lancashire FY1 1BA
Bankers	Lloyds TSB 25-27 Birley Street Blackpool FY1 1EG

The Ashley Foundation
Reference and Administrative Details

Auditor

Beckett Rawcliffe Limited
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 2014.

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

Mrs L McLoughney

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.

The Ashley Foundation

Trustees' Report

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 charity had a deficit of £58,830 (2013 : £345,187 surplus) in the year ended 31st May 2014. The charity carried out considerable improvements and renovations to its hostels and move-on accommodation.

The charity had net assets of £896,897 (2013 : £955,726) as at 31st May 2014 including cash balances of £49,421 (2013 : £256,129).

Full details of the charity's financial activities for the year ended 31st May 2014 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.

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

Looking back over the years (17 to be exact), it never fails to amaze me and make me extremely proud, how we have grown to become what we are today. Many faces have changed but with each change we have evolved and continue to do so. The sector is facing severe challenges and many projects have closed due to funding or legislative issues. However, we have invested heavily in our core area of providing accommodation by expanding our capacity and upgrading existing premises. The annual accounts show this position with an increase in our assets and very substantial expenditure on repairs and improvements. Although the trustees can set strategies and aspirations for the organisation, the implementation is down to the hard work and dedication of our staff and the excellent leadership of the management team.

Our main objective remains the provision of support and accommodation to single homeless persons' to further our charitable purpose for public benefit. This all sound so simple but believe me, the hurdles that are put in our way by national and local politicians and others who believe they know better, is amazing. Demand for our services has not lessened over the years but local restriction on eligibility continues to mean we can't always help everyone in need of our help. Our client group 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. although sometimes, it's as simple as just being without a roof over their head. I cannot express how much it frustrates me not to be able to help some of these people just because local politicians want to manipulate the issue.

The Ashley Foundation

Trustees' Report

Local Picture

I mentioned last year, the many changes affecting our sector and the driver behind it all is the need for national and local government to save costs. As a consequence, our support costs were cut by 15% in this financial year and as a result of the councils' changes to the way in which clients access our service, voids have risen. Add to this the pressure of having to face the process of tendering for our own service during the year and it has not been easy. The change in the way our clients access our service has meant that for the first time in our history, The Ashley Foundation is no longer "direct access" across its hostels in Blackpool. I feel this takes us away from our roots within the homeless sector, when we could help anyone and everyone, but I'll put this down to progress.

On a more positive note; I reported last year that Blackpool had been earmarked for a significant injection of funding from the Big Lottery's 'Fulfilling Lives: Supporting People with Complex Needs' Programme. The bid was led by a national organisation, Addaction, comprising a multi-agency partnership approach, which included The Ashley Foundation as a delivery partner. The bid was successful and Blackpool has been allocated £10m. The programme will run over a seven-year period and will address many of the issues affecting our client group. We look forward to being part of this exciting new initiative.

Our hostels in Blackburn have come under substantial pressure over the last twelve months. Last year I reported that even though the hostels were full-board accommodation the Blackburn with Darwen Borough Council (BwDBC) were insisting, through the housing standards department, that all hostels in the Borough provide areas within the hostel where residents could "brew-up" at a time convenient to them. Well I can report that despite our representations that this would result in fewer bedrooms to accommodate the homeless of Blackburn and potentially cause safety and behavioural issues, we failed to change their minds and all 3 of our Blackburn hostels are now well on the way to providing this new facility. Blackburn Council has also questioned the "exempt accommodation" status of our hostels in Blackburn. This had serious financial consequences as it resulted in an immediate 50% reduction in income and the situation still remains unresolved as we move into another financial year. However, negotiations and representations are now well advanced and I hope that by Christmas 2014 we will have a satisfactory resolution, if common sense prevails.

We made the decision to withdraw our support from the Anchorage project in Tameside Manchester, and our partners, under pressure from local residents, abandoned the project earmarked to start in the Calder Valley area. I believe that both decisions were right under the circumstances. We will continue to look for other opportunities.

The focus of our work

We continue to work closely with key agencies in order to ensure we offer clients the best possible service. This is reflected in the fact that many of our clients made positive moves into independent living within the last year. 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 both in Blackpool and Blackburn.

Our occupancy figures for this past year (with the previous year in brackets) are;- In Blackpool, Elm House 151(145), Oak House 98 (96), Holly House 70 (67). In Blackburn, Union House 105 (99), Islington House 186 (183) and Canterbury House 74(84). To show those figures another way; we accommodated 319 people in Blackpool and 365 in Blackburn making a total of 684 during the year!

The Ashley Foundation

Trustees' Report

Benefit and Welfare Reforms

The challenges mentioned in my introduction and in last years report have not gone away. Universal Credits are still a massive issue, particularly to our client group. However, we have now been reassured that our clients will remain within the Housing Benefit Regulations for the purpose of housing payments and these payments will be made direct to us. The picture is not so clear when it comes to our move-on accommodation, and we must plan and prepare so as to minimise any foreseeable issues. As I mentioned earlier, "exempt accommodation" status has already been questioned in the BwDBC area and although the same arguments would not apply to our Blackpool hostels, I would not be surprised if this category of accommodation was next on the Government "hit-list". If this were to be the case, this would undoubtedly be our biggest challenge to date.

On this very point, Blackpool Council are resisting to determine "exempt accommodation" status to our newer move-on flats notwithstanding the fact that our original move-on accommodation is given this status! Watch this space.

Direct Payments

As mentioned above, we can, at least for a while, relax in the knowledge that we will continue to receive direct payments for service users accommodated within our hostels. The situation will almost certainly not be the same for our move-on flats. For direct payment to occur in this area of our service, we would have to prove that the service user had 'vulnerability' issues and at the moment the strict definition of vulnerability is not known and will probably be on a person-by-person assessment. This important issue has not yet gone away!

Benefit Sanctions

Sanctions on benefits were rolled out by the DWP last year, which means that clients who do not comply with the terms of their "benefit agreement" would have their benefit stopped for a week, or up to three years depending on persistency of their actions. This has had the knock-on effect that if our clients are sanctioned they cannot afford to pay us their top-up payments (for food and other ineligible costs not covered by housing benefit) whilst on the sanction. We have chosen to feed and keep residents for free (not demand top-up payments) whilst sanctioned. This situation will be strictly monitored and assessed for any abuse by residents. The impact of sanctions is felt more acutely when a resident is unable to move on from hostel into independent accommodation as they would have to go without essentials such as heating, food and clothing, due to lack of money. 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 but my main worry is that sanctioned claimants may turn to crime.

Reflecting the changes in the benefit system and the way in which most claimants have to claim, we have now installed wi-fi in all 3 hostels in Blackpool and hope the Blackburn hostels will follow suit shortly. This is not a folly but a necessary tool to enable residents to make on-line claims for an array of benefits as well as the "bidding" process for move-on accommodation within the social housing sector.

Funding

Our principal funding sources during the year were Housing Benefit and contract income. We received further funding from the Empty Homes Community Grant Fund. That funding ends in December 2014. Comic Relief gave us a grant to employ a Mental Health Empowerment Officer and the post commenced in September last year. We continue to attract local donations, Making a Difference locally gave us £800, Sacred Heart RC Church gave £2,000, The Payback Time Trust gave £500. We also received smaller donations from The Saturnian Lodge and the Blackpool ladies choir and others totalling £540. We are sincerely grateful to them all.

The Ashley Foundation

Trustees' Report

Property Portfolio

Our properties are shown in our accounts as “tangible assets”. 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 renegotiate terms with the landlord or source an alternative property if we are to continue to provide this service. We continue to acquire additional properties to utilise as move-on flats. We are now well on our way to meeting our goal of 40/50 units as mentioned in my last report.

The resettlement prospects for our hostel residents have greatly increased because of this policy and it is encouraging for our residents to know that their first step to living independently is not necessarily taken alone. We employ a Dispersed Housing Officer whose role it is to assist tenants in making their tenancy succeed and to eventually move them on again, into the big wide world, confident that they have acquired the skills to do so.

Selective Licensing

Selective licensing was introduced in the southern area of Blackpool known as South Beach in March 2012 and this year saw the introduction of another scheme covering a large part of north-central area of Blackpool between the Promenade, Devonshire Road, Talbot Road and Warbreck Hill Road. Our hostels are unaffected as mandatory licensing already covers them but many of our move-on flats will be affected in years to come. In my opinion, selective licensing is a fee generating exercise for the local authority. However, because we maintain high property and management standards, we should be less affected than most landlords.

Over the last accounting period we have made substantial investment in our housing stock. Maple Lodge, comprising 3 self-contained units, has been fully refurbished as have the 6 units at Hawthorne Lodge. One of our new acquisitions, 176/178 Watson Road, has now been completed and refurbished to provide 2 units. Acorn Lodge, a 6 unit property, is still undergoing renovation and it is hoped that this will be utilised shortly. We acquired the freehold interest in the Cocker Street Warehouse previously leased by us.

Staffing and Volunteers

We employ 28 full-time and 3 part-time staff. Over the year we welcomed 7 new members of staff. On the other side of the coin, we lost 5. We welcome all new members of the team and wish a prosperous future to those who left.

Volunteers play an important role within the organisation and are involved at all levels. The trustees recognise their contribution and thank them for their time and dedication.

We continue to recognise the importance and value of investing in our staff and volunteers so we have maintained our commitment to training and professional development. We are an ‘Investors in People’ employer. During the last twelve months, some staff have achieved level 3 and 4 from the Chartered Institute of Housing, NVQ level 3 in Management, NVQ level 3 in Business Administration, NVQ level 2 and 3 In Health and Social Care and in Food Hygiene. Others have been trained in Portable Appliance Testing, First Aid, Suicide Intervention, Conflict Resolution, Risk Assessment and Drug Awareness.

Website & Media

We’re not very good at social networking! It’s fair to say, they’ve been on the “back-burner” during the year. We are currently in the process of re-designing the web site and re-launching our newsletter. We let it slide as time and resources needed to be directed elsewhere.

The Ashley Foundation

Trustees' Report

Subsidiary Undertakings - Homeless Action

Our wholly owned trading subsidiary, Homeless Action CIC, (aka HA) carries out non-charitable trading activities for us, primarily selling donated goods. During the year, we opened another shop on Talbot Road in Blackpool. Together with our warehouse facility, we are able to offer shop and warehouse work-related experience to our residents and volunteers and stock from the shop is often used to equip move-on flats for hostel residents. We intend to develop this subsidiary further in the years to come but it is very much a work in progress at the moment.

The Future

I mentioned earlier that this year has seen us prepare to tender for "lots" in the newly restructured Supporting People budget. In our area of expertise, we had the opportunity to tender (accommodation with support) for 4 lots; (1) 24x beds for 16-24 year-olds; (2) 34x beds for over 24 year-olds; (3) 4x emergency beds for 16-24 year-olds and (4) 4x emergency beds for over 24 year-olds. Although this process was not completed within the financial year of this report, I would like to share with you all that we were successful in our bids for lots 1 to 3. I mention this now as it has secured the future of our support function for a further 2 years, possibly 3 or 4 if the council opt to extend. Responsibility for putting our bids together fell on our very able management team headed by Amber Sylvester. I congratulate them. Amber has now left us pastures/pastors (!) new in The Salvation Army. We wish her every success.


Trustees

This year, we have welcomed Dave Kam and Lorraine McLoughney to the board. Dave has been a member of our organisation since its inception and is a former volunteer. Dave's working knowledge of TAF will be invaluable and equips him to play an active role. Lorraine, a Chartered Accountant, brings professional expertise to the table and (dare I say it?) that female touch. Lorraine's business and finance background will be an invaluable asset to us.

Finally.....

Organisations are judged on many things; profit, turnover, size, etc. At The Ashley Foundation, we are judged by our client's experience of the services we provide, therefore the biggest thanks goes to our dedicated staff who, year on year, deliver an excellent service to a very diverse client group. Your hard work is greatly appreciated by all Trustees and we pledge to keep investing in your future, professionalism and abilities to the fullest extent the organisation can provide. Finally, I thank my fellow trustees for their time and effort and I express our fullest gratitude to our grantors, members and friends.

Approved by the Board on 24 November 2014 and signed on its behalf by:



.....

Mr P Bamber (Chairman)
Trustee

The Ashley Foundation

Trustees' Responsibilities in relation to the Financial Statements

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 2014, set out on pages 12 to 26. 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 solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 9, 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.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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
- 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.

.....
Brian Blackburn F.C.C.A.
Senior Statutory Auditor

for and on behalf of:
Beckett Rawcliffe Limited, Statutory Auditor

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

24 November 2014

The Ashley Foundation

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31 May 2014

	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013	
Note	£	£	£	£	
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	138,463	(4,860)	133,603	196,152
Investment income	3	316	-	316	-
Incoming resources from charitable activities	4	1,431,226	-	1,431,226	1,459,826
Total incoming resources		<u>1,570,005</u>	<u>(4,860)</u>	<u>1,565,145</u>	<u>1,655,978</u>
Resources expended					
Charitable activities	5	1,608,963	-	1,608,963	1,296,377
Governance costs	5	15,012	-	15,012	14,413
Total resources expended		<u>1,623,975</u>	<u>-</u>	<u>1,623,975</u>	<u>1,310,790</u>
Net (expenditure)/income before transfers		(53,970)	(4,860)	(58,830)	345,188
Transfers					
Gross transfers between funds		-	-	-	-
Net movements in funds		(53,970)	(4,860)	(58,830)	345,188
Reconciliation of funds					
Total funds brought forward		<u>950,867</u>	<u>4,860</u>	<u>955,727</u>	<u>610,538</u>
Total funds carried forward		<u>896,897</u>	<u>-</u>	<u>896,897</u>	<u>955,726</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.

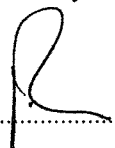
The notes on pages 14 to 26 form an integral part of these financial statements.

The Ashley Foundation (Registration number: 3366712)

Balance Sheet as at 31 May 2014

		2014		2013	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		1,472,476		1,147,250
Investments	11		<u>1</u>		<u>1</u>
			1,472,477		1,147,251
Current assets					
Stocks and work in progress	12	3,000		1,850	
Debtors	13	173,673		138,692	
Cash at bank and in hand		<u>49,421</u>		<u>256,129</u>	
		226,094		396,671	
Creditors: Amounts falling due within one year	14	<u>(79,404)</u>		<u>(102,842)</u>	
Net current assets			<u>146,690</u>		<u>293,829</u>
Total assets less current liabilities			1,619,167		1,441,080
Creditors: Amounts falling due after more than one year	15		<u>(722,270)</u>		<u>(485,354)</u>
Net assets			<u>896,897</u>		<u>955,726</u>
The funds of the charity:					
Restricted funds in surplus			-		4,861
Unrestricted funds					
Unrestricted income funds			<u>896,897</u>		<u>950,865</u>
Total charity funds			<u>896,897</u>		<u>955,726</u>

Approved by the Board on 24 November 2014 and signed on its behalf by:



.....

Mr P Bamber (Chairman)
Trustee

The notes on pages 14 to 26 form an integral part of these financial statements.

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

1 Accounting policies

Basis of preparation

The 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 Companies Act 2006.

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 19.

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.

Investment income is recognised on a receivable basis.

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.

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

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... *continued*

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.

Licence agreements

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.

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Donations and legacies				
Appeals and donations	41,263	(4,860)	36,403	19,352
Grants				
UK Government grants	97,200	-	97,200	106,800
Grants - other agencies	-	-	-	70,000
	97,200	-	97,200	176,800
	138,463	(4,860)	133,603	196,152

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... *continued*

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 December 2014. 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 2014. 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.

3 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Income from listed investments	316	-	316	-

4 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Charitable activities				
Housing benefit & supporting people income	1,370,070	-	1,370,070	1,386,769
Residents contributions	61,156	-	61,156	73,057
	1,431,226	-	1,431,226	1,459,826

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

5 Total resources expended

	Charitable activities	Governance	Total 2014	Total 2013
	£	£	£	£
Direct costs				
Wages and salaries	697,829	-	697,829	699,930
Staff NIC (Employers)	57,705	-	57,705	54,207
Rent	48,648	-	48,648	36,648
Rates	23,305	-	23,305	19,183
Light, heat and power	44,639	-	44,639	46,562
Insurance	17,509	-	17,509	13,421
Repairs and maintenance	451,299	-	451,299	182,352
Computer software and maintenance costs	26,112	-	26,112	19,770
Telephone and fax	6,285	-	6,285	6,740
Television costs	1,167	-	1,167	707
Printing, postage and stationery	7,448	-	7,448	8,996
Food, provisions and paper	106,767	-	106,767	85,729
Sundry expenses	37,939	13	37,952	34,213
Laundry and cleaning	8,547	-	8,547	8,501
Motor expenses	8,129	-	8,129	13,636
Accountancy fees	-	5,588	5,588	3,889
The audit of the charity's annual accounts	-	3,840	3,840	3,800
Legal and professional fees	17,419	-	17,419	31,208
Trustee's expenses	-	5,571	5,571	6,711
Bank charges	1,795	-	1,795	825
Loan interest	21,318	-	21,318	18,134
Depreciation of motor vehicles	25,103	-	25,103	15,628
	<u>1,608,963</u>	<u>15,012</u>	<u>1,623,975</u>	<u>1,310,790</u>

6 Trustees' remuneration and expenses

One trustee was paid £5,847 (2013 : £5,347) in relation to their employment with the charity under authority given by the Articles of Association.

Expenses totalling £5,571 (2013 : £6,711) were paid to two (2013 : 3) trustees in the year to 31st May 2014 in respect of travelling, subsistence and communication costs.

The Ashley Foundation
Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

7 Net (expenditure)/income

Net (expenditure)/income is stated after charging:

	2014		2013	
	£	£	£	£
Hire of other assets - operating leases		48,648		36,648
The audit of the charity's annual accounts	3,840		3,800	
		3,840		3,800
Depreciation of owned assets		25,103		15,628

The auditors received additional remuneration of £5,588 (2013 : £3,889) 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:

	2014 No.	2013 No.
Charitable activities	28	28
Governance	4	4
	32	32

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	697,829	699,930
Social security	57,705	54,207
	755,534	754,137

9 Taxation

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

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

10 Tangible fixed assets

	Freehold interest in land and buildings (including heritage assets) £	Plant and machinery including motor vehicles £	Total £
Cost			
As at 1 June 2013	1,147,250	23,895	1,171,145
Additions	325,226	25,103	350,329
As at 31 May 2014	<u>1,472,476</u>	<u>48,998</u>	<u>1,521,474</u>
Depreciation			
As at 1 June 2013	-	23,895	23,895
Charge for the year	-	25,103	25,103
As at 31 May 2014	<u>-</u>	<u>48,998</u>	<u>48,998</u>
Net book value			
As at 31 May 2014	<u>1,472,476</u>	<u>-</u>	<u>1,472,476</u>
As at 31 May 2013	<u>1,147,250</u>	<u>-</u>	<u>1,147,250</u>

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... *continued*

11 Investments held as fixed assets

	Investments in group and associated undertakings £
Market value	
As at 1 June 2013 and 31 May 2014	1
Net book value	
As at 31 May 2014	1
As at 31 May 2013	1

All investment assets were held in the UK.

The charity holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
Homeless Action CIC	England and Wales	charity shop and other commercial activities	Ordinary shares	100

	Capital & reserves £	Profit/(loss) for the period £
Subsidiary undertakings		
Homeless Action CIC	(77,645)	(35,103)

The loss for the period comprised turnover of £29,045 and administration and other expenditure of £64,146.

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... *continued*

12 Stocks and work in progress

	2014	2013
	£	£
Stocks - food	2,500	1,735
Stocks - cleaning & paper consumables	500	115
	<u>3,000</u>	<u>1,850</u>

13 Debtors

	2014	2013
	£	£
Housing benefit receivable	63,521	71,809
Amounts from subsidiary and associated undertakings	82,774	52,436
Other debtors	523	2,373
Prepayments and accrued income	26,855	12,074
	<u>173,673</u>	<u>138,692</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 currently unsecured.

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

14 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	21,008	41,781
Amounts due to suppliers	12,372	11,978
Taxation and social security	16,427	15,601
Accruals and deferred income	29,597	33,482
	<u>79,404</u>	<u>102,842</u>

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

	2014	2013
	£	£
Bank loans	<u>27,796</u>	<u>41,781</u>

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.

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

15 Creditors: Amounts falling due after more than one year

	2014	2013
	£	£
Bank loans and overdrafts	<u>722,270</u>	<u>485,354</u>

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

	2014	2013
	£	£
Bank loans	<u>708,497</u>	<u>485,353</u>

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, 1 Wolverton Avenue 176/178 Watson Road, 10 Knowle Avenue and Back Cocker Street 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 the creditors are the following amounts due after more than five years:

	2014	2013
	£	£
After more than five years by instalments	<u>627,325</u>	<u>313,606</u>

16 Members' 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 2014 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and Buildings	
	2014	2013
	£	£
Within two and five years	30,648	30,648
Over five years	<u>18,000</u>	<u>-</u>
	<u>48,648</u>	<u>30,648</u>

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... *continued*

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 2014, The Ashley Foundation received income of £57,056 (2013 : £56,126) 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 2014 the charity paid Mr Bamber the sum of £18,000 (2013 : £6,000).

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

19 Analysis of funds

	At 1 June 2013	Incoming resources	Resources expended	Transfers	At 31 May 2014
	£	£	£	£	£
Designated funds					
Property fund	<u>152,881</u>	-	-	<u>115,146</u>	<u>268,027</u>
General Funds					
Unrestricted	<u>797,986</u>	<u>1,570,005</u>	<u>(1,623,975)</u>	<u>(115,146)</u>	<u>628,870</u>
Project SUMO fund	<u>4,860</u>	<u>(4,860)</u>	-	-	-
	<u><u>955,727</u></u>	<u><u>1,565,145</u></u>	<u><u>(1,623,975)</u></u>	<u><u>-</u></u>	<u><u>896,897</u></u>

The property fund represents the net book cost of the properties purchased as part of 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.

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.

The Ashley Foundation

Notes to the Financial Statements for the Year Ended 31 May 2014

..... continued

21 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£	£
Tangible assets	1,472,476	-	1,472,476	1,147,250
Investments	1	-	1	1
Current assets	225,833	4,860	226,094	396,671
Creditors: Amounts falling due within one year	(84,003)	-	(79,404)	(102,842)
Creditors: Amounts falling due after more than one year	(722,270)	-	(722,270)	(485,354)
Net assets	<u>892,037</u>	<u>4,860</u>	<u>896,897</u>	<u>955,726</u>