

**THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

**Company Number: 3366712
Registered Charity Number: 1063208**

**THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

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**THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered 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 (resigned 29.6.16) Mr R Alleway Mr N Bramhall Mr D Kam Mr A Dribben Ms W Swift
Secretary:	Mr L Dribben – CEO
Solicitors:	Blackhurst Budd LLP 22 Edward Street Blackpool Lancashire FY1 1BA
Bankers:	Lloyds Bank 25-27 Birley Street Blackpool FY1 1EG
Auditor:	John Potter & Harrison Chartered Accountants and Statutory Auditor 112/114 Whitegate Drive Blackpool Lancashire FY3 9XH

**THE ASHLEY FOUNDATION
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**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MAY 2017**

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the Charity and its subsidiary for the year ending 31 May 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: 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 (FRS102) (effective 1 January 2015).

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

Trustees

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

Mr P Bamber (resigned 29.6.16)
Mr R Alleway
Mr N Bramhall
Mr D Kam
Mr A Dribben
Ms W Swift

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 occasionally seeks new appointments. Trustees are guided through their responsibilities by the Chief Executive Officer who is available to assist with any issues arising. 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.

Related parties

All remuneration and transactions with Trustees are detailed in notes 7 and 19. Homeless Action CIC was incorporated on 25 April 2012 as a trading company, the share capital of the company is owned entirely by The Ashley Foundation.

**THE ASHLEY FOUNDATION
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**TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MAY 2017**

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 and providing support to clients to assist them with the wider issues of homelessness.

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

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 charity's 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 charity had a consolidated profit of £397,764 (2016: £14,343 loss) in the year ended 31 May 2017.

The charity had group net assets of £1,289,095 (2016: £891,331) as at 31 May 2017 including cash balances of £419,721 (2016: £40,818).

Full details of the charity's financial activities for the year ended 31 May 2017 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 intends to increase the services it provides.

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.

**THE ASHLEY FOUNDATION
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**TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MAY 2017**

Chairman's statement

Introduction

Another year, another report. I have seen some impressive annual reports from other organisations and I sometimes wish we had more to report but the reality is that we progress steadily with no major dramas. For 20 years, we have provided support and accommodation to otherwise homeless persons and whilst we are needed, may we continue to do so.

The provision of accommodation is a straightforward task; the provision of support is more complex. In recent years, we have observed increased client support 'needs'. Years ago, many of our clients would be 'using' us between jobs and until they got themselves 'sorted out'. Nowadays, many have complex issues and quite frankly, have no work ethic. We work with other agencies to provide job training, education, etc. but better joined-up working between agencies would help.

Current laws rightly ensure that very vulnerable people – such as care leavers, under-18s, those with children, and men and women fleeing domestic violence – are prioritised for support. The law does not preclude support being given to people outside these categories but in practice there is simply not enough money left in the system for local authorities to go much beyond their legal duties which means that some vulnerable groups are not guaranteed support.

We appointed a new Support Manager, Denise Boehme. Denise has been with us for 13 years. Since her appointment, she has recruited new Support Officers in Blackpool and further developed the support department in Blackburn. Denise supervises all Blackpool and Blackburn support staff and conducts resident meetings.

Financial Summary

Our bank balance improved following receipt of substantial arrears owed to us by local councils. We hope to increase staff wages and acquire more move-on flats. Our Blackpool hostels have not had a rent increase for over 7 years. We try to discuss with council officers but they don't even reply!

Hostel Occupancy

The occupancy figures for our Blackpool hostels for our financial year 1st June 2016 to 31st May 2017 were as follows (last year's figures in brackets):

- Elm House: 198 (110) Oak House: 87 (103) Holly House: 41 (60)

The occupancy figures for our Blackburn hostels for our financial year 1st June 2016 to 31st May 2017 were as follows (last year's figures in brackets):

- Union House 118 (109) Islington House 157 (156) Canterbury House 75 (85)

**THE ASHLEY FOUNDATION
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**TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MAY 2017**

Property Portfolio

Last year, I reported that we bought a derelict former bedsit building intending to refurb it to our standards. However, we decided to dispose of it. So, we still have 62 hostel bedrooms across 3 buildings and 40 move-on flats across 8 buildings. We are in the process of acquiring further flats.

Contracts

Due to the ending of Supporting People funding, we will no longer be contracting with Blackpool council. Hostel access will be available to all agencies and direct access so we anticipate our already high occupancy numbers will rise even further. We have no contracts with Blackburn council.

Grant Funding

During the year, we were awarded grants totalling £38,472. As is our custom, we only publish the names of those grantors who request to be named. Full details are available to interested parties.

Blackburn

Since we won the tribunal hearing about our Blackburn rents, we have been able to implement substantial improvements to our support service. Staff numbers have increased and we feel we are well on the way to providing a first class service to our clients.

Homeless Action CIC

Homeless Action (a Community Interest Company (CIC) wholly owned by TAF) provides opportunities for our residents and day-release prisoners to get work experience in our charity shop. There are no paid staff, everyone is a volunteer. A local landlord offered us a shop for a limited period so we have been operating 2 shops for a while. Having 2 shops meant more opportunities for volunteers. HA continues to supply clothing and furniture to our residents.

**THE ASHLEY FOUNDATION
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**TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MAY 2017**

The Future

Although we know that interest rates will rise and our borrowing costs will increase, we are comforted by our bank balance so we have no immediate worries. Demand for bed space is increasing and we will consider further property opportunities as they arise.

We are investigating the possibility of becoming a Registered Provider/Registered Social Landlord or doing a sale/leaseback arrangement with an existing RP/RSL. A small number of local authorities have indicated they would welcome our service in their area. Depending on current (housing benefit rate) negotiations with Blackpool and Blackburn councils, we hope to increase staffing levels. Our ambition is to be the best provider of homeless accommodation bar none!

I am aware of possible succession issues. I have been a trustee (and now chairman) for 14 years and am not in the best of health so it may well be that a new chairman is required in due course. Also, our CEO will be 65 in September 2017 and whilst he has not indicated any intention to vacate his office car parking space, it is something we need to consider.

Finally

I've said it before and I'll say it again. Any organisation is dependent on the quality of its staff. We have great staff! We have great volunteers. We also have a committed trustee board (my colleagues). Our CEO manages everything so the trustees can sleep soundly at night.

I thank everyone who plays a part in making us what we are today.

Approved by the board on 23 October 2017 and signed on its behalf by:

R L ALLEWAY

.....
Mr R L Alleway (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 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 assume 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 the group 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 auditors 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.

**THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE ASHLEY FOUNDATION
FOR THE YEAR ENDED 31 MAY 2017**

We have audited the financial statements of The Ashley Foundation for the year ended 31 May 2017 which comprise the group statement of financial activities, the group and parent company balance sheets, cash flow statement and the related notes. The financial framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The financial reporting standard applicable in the UK and the Republic of Ireland".

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 audit 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.

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 significance 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.

**THE ASHLEY FOUNDATION
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**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF THE ASHLEY FOUNDATION
FOR THE YEAR ENDED 31 MAY 2017**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 May 2017 and of the group 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.

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 by the parent company, 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 parent company 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; 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' exemption in preparing the trustees' report and take advantage of the small companies' exception from the requirement to prepare a strategic report.

**Jacqueline Hyde (Senior Statutory Auditor)
for and on behalf of John Potter & Harrison
Chartered Accountants
and Statutory Auditor
112/114 Whitegate Drive
Blackpool
Lancashire
FY3 9XH**

Date: 24 October 2017

THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including consolidated Income and Expenditure Account)
FOR THE YEAR ENDED 31 MAY 2017

	Notes	Restricted Funds £	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income:					
Donations and legacies	2	38,472	5,855	44,327	113,059
Income from charitable activities:					
Operation of accommodation and support	3	-	1,702,416	1,702,416	1,450,136
Income from other trading activities:					
Commercial trading operation	4	-	41,169	41,169	32,100
Investment income – bank interest	5	-	586	586	-
Rental income		-	1,905	1,905	-
Total incoming resources		<u>38,472</u>	<u>1,751,931</u>	<u>1,790,403</u>	<u>1,595,295</u>
Expenditure:					
Cost of raising funds:					
Commercial trading operation	4	-	(28,925)	(28,925)	(36,174)
Expenditure on charitable activities:					
Operation of accommodation and support	6	(38,472)	(1,325,242)	(1,363,714)	(1,573,464)
Total resources expended		<u>(38,472)</u>	<u>(1,354,167)</u>	<u>(1,392,639)</u>	<u>(1,609,638)</u>
Net incoming resources before transfers		-	397,764	397,764	(14,343)
Transfer between funds		-	-	-	-
Net incoming resources for the year		-	397,764	397,764	(14,343)
Total funds brought forward		-	891,331	891,331	905,674
Total funds carried forward		-	<u>1,289,095</u>	<u>1,289,095</u>	<u>891,331</u>

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All the above amounts relate to continuing activities.

The notes on pages 13 to 23 form part of these financial statements

THE ASHLEY FOUNDATION
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CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2017

	Notes	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Fixed assets					
Tangible assets	11	1,846,717	1,897,543	1,846,717	1,897,543
Investments	12	-	-	1	1
Total fixed assets		<u>1,846,717</u>	<u>1,897,543</u>	<u>1,846,718</u>	<u>1,897,544</u>
Current assets					
Stock and work in progress	13	3,000	3,000	3,000	3,000
Debtors	14	224,402	180,877	314,381	270,394
Cash at bank and in hand		419,721	40,818	407,883	34,115
Total current assets		<u>647,123</u>	<u>224,695</u>	<u>725,264</u>	<u>307,509</u>
Creditors: amounts falling due within one year	15	(89,949)	(75,392)	(89,049)	(72,922)
Net current assets		<u>557,174</u>	<u>149,303</u>	<u>636,215</u>	<u>234,587</u>
Total assets less current liabilities		2,403,891	2,046,846	2,482,933	2,132,131
Creditors: amounts falling due after More than one year	16	(1,114,796)	(1,155,515)	(1,114,796)	(1,155,515)
Net assets		<u>1,289,095</u>	<u>891,331</u>	<u>1,368,137</u>	<u>976,616</u>
The funds of the charity:					
Restricted income funds		-	-	-	-
Unrestricted income funds		1,289,095	891,331	1,368,137	976,616
		<u>1,289,095</u>	<u>891,331</u>	<u>1,368,137</u>	<u>976,616</u>

The trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the board of trustees on 23 October 2017 and are signed on their behalf by:

R L ALLEWAY

.....Chairman

R L Alleway

The notes on pages 13 to 24 form part of these financial statements.

THE ASHLEY FOUNDATION
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STATEMENT OF CASH FLOWS
AS AT 31 MAY 2017

	Notes	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Cash used in operating activities	23	368,649	(96,903)	363,514	(97,634)
Cash flow from investing activities					
Interest income		586	-	586	-
Sale/purchase of tangible fixed assets		48,532	(334,016)	48,532	(334,016)
		<u>49,118</u>	<u>(334,016)</u>	<u>49,118</u>	<u>(334,016)</u>
Cash flow from finance activities					
Increase in borrowings		-	304,500	-	304,500
Repayment of borrowing		(38,864)	(30,805)	(38,864)	(30,805)
Cash used in financing activities		<u>(38,864)</u>	<u>273,695</u>	<u>(38,864)</u>	<u>273,695</u>
Increase/decrease in cash and cash equivalents in the year		<u>378,903</u>	<u>(157,224)</u>	<u>373,768</u>	<u>(157,955)</u>
Cash and cash equivalent at the beginning of the year		<u>40,818</u>	<u>198,042</u>	<u>34,115</u>	<u>192,070</u>
Total cash and cash equivalents at the end of the year		<u><u>419,721</u></u>	<u><u>40,818</u></u>	<u><u>407,883</u></u>	<u><u>34,115</u></u>

**THE ASHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Ashley Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant Accounting Policy note.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether applying the accounting policies required by FRS102 and the charities SORP FRS102, the re-statement of comparative items was required. The charity transitioned to FRS102 on 1 June 2015 no transitional adjustments were required.

(c) 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 has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

(d) Fund accounting policies

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

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

Further details are disclosed in note 20.

(e) Income recognition policies

Income from 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.

Investment income is recognised on a receivable basis.

THE ASHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017

1. Accounting policies (continued)

(f) Expenditure

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.

Support 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.

(g) Fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

Depreciation is provided on all 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
Plant and machinery	100% straight line basis

(h) 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.

(i) 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.

(j) Operating leases

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

**THE ASHLEY FOUNDATION
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**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017**

1. Accounting policies (continued)

(k) 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.

(l) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid after taking any discount due.

(m) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments.

(n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party at the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount due.

2. Donations and legacies

	Restricted Funds	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Donations and legacies				
Appeals and donations	-	5,855	5,855	500
Grants	38,472	-	38,472	112,559
	<u>38,472</u>	<u>5,855</u>	<u>44,327</u>	<u>113,059</u>

THE ASHLEY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017

3. Incoming resources from charitable activities

	Restricted Funds	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Charitable activities				
Housing benefit and supporting people income	-	1,653,849	1,653,849	1,402,178
Residents' contributions	-	48,567	48,567	47,958
	<u>-</u>	<u>1,702,416</u>	<u>1,702,416</u>	<u>1,450,136</u>
	<u><u>-</u></u>	<u><u>1,702,416</u></u>	<u><u>1,702,416</u></u>	<u><u>1,450,136</u></u>

4. Income earned from commercial trading activities

The wholly owned trading subsidiary Homeless Action CIC operates a number of charity shops providing clothing and furniture to those in need to raise funds for the Ashley Foundation.

The summary financial results of the subsidiary alone is:

	2017	2016
	£	£
Shop takings	41,169	32,100
Cost of sales and administration costs	(28,925)	(36,174)
Rent to parent company	(6,000)	-
Operating profit/(loss)	<u>6,244</u>	<u>(4,074)</u>
	<u><u>6,244</u></u>	<u><u>(4,074)</u></u>

The assets and liabilities of the subsidiary company were:-

Current assets	17,111	8,742
Creditors: amounts falling due within one year	(96,152)	(94,026)
	<u>(79,041)</u>	<u>(85,284)</u>
	<u><u>(79,041)</u></u>	<u><u>(85,284)</u></u>
Aggregate share capital and reserves	<u>(79,041)</u>	<u>(85,284)</u>
	<u><u>(79,041)</u></u>	<u><u>(85,284)</u></u>

THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017

5. Investment income

	Restricted Funds	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Bank interest	-	586	586	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6. Expenditure on charitable activities

	Restricted Funds	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Wages and salaries	35,472	709,728	745,200	725,477
Staff NIC (Employers)	-	59,673	59,673	61,929
Recruitment costs	-	4,024	4,024	-
Staff pension costs (Employers)	-	3,004	3,004	-
Rent	-	18,000	18,000	40,285
Rates	-	21,649	21,649	22,379
Light, heat and power	-	36,024	36,024	36,362
Insurance	-	20,770	20,770	20,929
Repairs and maintenance	3,000	201,328	204,328	399,375
Computer software and maintenance costs	-	23,460	23,460	31,243
Telephone and fax	-	6,061	6,061	5,674
Television costs	-	582	582	742
Printing, postage and stationery	-	4,806	4,806	6,593
Food and provisions	-	73,862	73,862	87,532
Sundry expenses	-	44,764	44,764	37,411
Laundry and cleaning	-	8,002	8,002	6,223
Motor expenses	-	8,846	8,846	10,422
Accountancy fees	-	-	-	2,416
Audit of the charity's annual accounts	-	4,800	4,800	4,200
Legal and professional fees	-	27,826	27,826	29,992
Trustee's expenses	-	5,898	5,898	5,358
AGM expenses	-	1,337	1,337	1,346
Bank charges	-	126	126	4,872
Loan interest	-	38,378	38,378	32,704
Loss on disposal of tangible fixed assets	-	2,294	2,294	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>38,472</u>	<u>1,325,242</u>	<u>1,363,714</u>	<u>1,573,464</u>

**THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017**

7. Trustees' remuneration and expenses

One trustee was paid £Nil (2016: £3,628) in relation to their employment with the charity under authority given by the Articles of Association.

Expenses totalling £5,898 (2016: £5,358) was paid to one (2016: 2) trustee in the year to 31 May 2017 in respect of travelling, subsistence and communication costs.

8. Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2017	2016
	£	£
Operating leases	18,000	40,285
Auditors' remuneration	4,800	4,200
Bank interest payable	38,378	32,704
	38,378	32,704

9. Analysis of staff costs and remuneration of key management personnel

	2017	2016
	£	£
Wages and salaries	745,200	725,477
Social security	59,673	61,929
	804,873	787,406

The average number of employees during the year was 31 (2016: 32) with all employees time involved in providing either support to the governance of the charity or support services to charitable activities. The charity considers its key management personnel comprise the trustees and the chief executive officer. The total employment benefits including employer pension contributions of the key management personnel was £95,834 (2016: £95,834). No employees had employee benefits in excess of £60,000 (2016: none).

10. Corporation tax

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

THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017

11. Tangible fixed assets

	Freehold interest in land and buildings £	Short leasehold £	Fixtures, fittings and equipment £	Plant and machinery including motor vehicles £	Total £
Cost					
As at 1 June 2016	1,897,543	21,232	12,308	48,998	1,980,081
Additions	-	-	-	-	-
Disposals	(50,826)	-	-	-	(50,826)
	<u>1,846,717</u>	<u>21,232</u>	<u>12,308</u>	<u>48,998</u>	<u>1,929,255</u>
Depreciation					
As at 1 June 2016 and 31 May 2017	-	21,232	12,308	48,998	82,538
	<u>-</u>	<u>21,232</u>	<u>12,308</u>	<u>48,998</u>	<u>82,538</u>
Net book value					
As at 31 May 2017	1,846,717	-	-	-	1,846,717
	<u>1,846,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,846,717</u>
As at 31 May 2016	1,897,543	-	-	-	1,897,543
	<u>1,897,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,897,543</u>

12. Investments held as fixed assets

The charity holds 1 ordinary share of £1 in its wholly owned trading subsidiary company Homeless Action CIC which is incorporated in the United Kingdom. The activities and results of this company is summarised in note 4.

13. Stocks and work in progress

	2017 £	2016 £
Stocks – food	2,500	2,500
Stocks – cleaning and paper consumables	500	500
	<u>3,000</u>	<u>3,000</u>

14. Debtors

	2017 £	2016 £
Housing benefit receivable	207,704	55,584
Other debtors	773	113,093
Prepayments and accrued income	15,925	12,200
	<u>224,402</u>	<u>180,877</u>

**THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017**

15. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	40,096	38,241
Amounts due to suppliers	6,314	3,441
Taxation and social security	19,179	18,290
Other creditors	1,697	-
Accruals and deferred income	22,663	15,420
	<u>89,949</u>	<u>75,392</u>
	<u>89,949</u>	<u>75,392</u>

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

	2017	2016
	£	£
Bank loans	40,096	38,241
	<u>40,096</u>	<u>38,241</u>
	<u>40,096</u>	<u>38,241</u>

The bank loans are secured by a first legal charge over 81-83 Abingdon Street, 254 Hornby Road, 9 Knowle Avenue, 39 and 45 Bairstow Street, 20 Pleasant Street, 1 Wolverton Avenue, 176/178 Watson Road, 10 Knowle Avenue, Back Cocker Street, 23 Cocker Street and 22/24 Derby Road, all of which are situated in Blackpool.

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

16. Creditors: Amounts falling due after more than one year

	2017	2016
	£	£
Bank loans	1,114,796	1,155,515
	<u>1,114,796</u>	<u>1,155,515</u>
	<u>1,114,796</u>	<u>1,155,515</u>

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

	2017	2016
	£	£
Bank loans	1,114,796	1,155,515
	<u>1,114,796</u>	<u>1,155,515</u>
	<u>1,114,796</u>	<u>1,155,515</u>

The bank loans are secured by a first legal charge over 81-83 Abingdon Street, 254 Hornby Road, 9 Knowle Avenue, 39 and 45 Bairstow Street, 20 Pleasant Street, 1 Wolverton Avenue, 176/178 Watson Road, 10 Knowle Avenue, Back Cocker Street, 23 Cocker Street and 22/24 Derby Road, all of which are situated in Blackpool.

**THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017**

16. Creditors: Amounts falling due after more than one year (continued)

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:

	2017	2016
	£	£
After more than five years by instalments	944,911	994,948
	<u>944,911</u>	<u>994,948</u>

17. 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.

18. Operating lease commitments

As at 31 May 2017 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and Buildings	
	2017	2016
	£	£
Within two and five years	18,000	14,360
Over five years	-	-
	<u>18,000</u>	<u>14,360</u>
	<u>18,000</u>	<u>14,360</u>

19. 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, former chairman of the trustees, is a director of Union House Accommodation Services Limited.

In the year ended 31 May 2017, The Ashley Foundation received income of £151,212 (2016: £17,684) in respect of this agreement.

**THE ASHLEY FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017**

19. Related parties (continued)

Related party transactions (continued)

In addition, the charity leases a property owned partly by Mr Paul Bamber. The lease commenced in February 2013 and in the year ended 31 May 2017 the charity paid Mr Bamber the sum of £18,000 (2016: £18,000).

It should be noted that Mr Paul Bamber resigned as both Chairman and trustee on 29 June 2016. As such, he will no longer be a related party from that date.

Mr Ashley Dribben, trustee, is the son of Mr Lee Dribben (CEO).

20. Analysis of charitable funds

(a) Analysis of movement in unrestricted funds

	At 1 June 2016 £	Incoming resources £	Resources expended £	At 31 May 2017 £
General funds including designated funds	891,331	1,751,931	(1,354,167)	1,289,095

(b) Analysis of movements in restricted funds

	At 1 June 2016 £	Incoming resources £	Resources expended £	At 31 May 2017 £
Grants	-	38,472	(38,472)	-

21. 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
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MAY 2017

22. Net assets by fund

	Unrestricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£
Tangible assets	1,846,717	1,846,717	1,897,543
Current assets	647,123	647,123	224,695
Creditors: Amounts falling due within one year	(89,949)	(89,949)	(75,392)
Creditors: Amounts falling due after more than one year	(1,114,796)	(1,114,796)	(1,155,515)
Net assets	<u>1,289,095</u>	<u>1,289,095</u>	<u>891,331</u>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Net movement in funds	397,764	(14,343)	391,520	(10,269)
Add back loss on disposal of tangible fixed assets	2,294	-	2,294	-
Deduct interest income shown in investing activities	(586)	-	(586)	-
Decrease/(increase) in stock	-	-	-	-
Decrease/(increase) in debtors	(43,525)	(67,797)	(43,987)	(71,516)
(Decrease)/increase in creditors	12,702	(14,763)	14,273	(15,849)
Net cash used in operating activities	<u>368,649</u>	<u>(96,903)</u>	<u>363,514</u>	<u>(97,634)</u>