

The Act Network
(a company limited by guarantee)

Report and unaudited
financial statements

30 September 2010
Registered number 7035314
Charity number 1134509

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Report and unaudited financial statements

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Legal and administrative information

Trustees: DR Kruger (Chairman) - appointed 13 November 2009
PJ Hughes - appointed 13 November 2009
PG Nash - appointed 22 March 2010
M O'Neill - appointed 13 November 2009
A Smith - appointed 18 January 2010
N Wei - appointed 30 September 2009 and resigned 30 June 2010

Chief Executive: C Mould

Registered Office: 75 Westminster Bridge Road, London SE1 7HS

Accountants: Baxters Chartered Accountants

Bankers: HSBC Bank plc

Solicitors: Barlow Robbins

Trustees' report

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the externally examined financial statements for the year ended 30 September 2010. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee and was set up in 2009. This is the first report. It is governed by a memorandum and articles of association. Its objects are to promote the flow of resources (funds, volunteers and support) towards the most strategic, effective and scalable social action ministries tackling exclusion in major UK cities (starting in London) in order to bring social transformation.

Structure, governance and management

Trustees are responsible for the overall governance of the charity, including the specific responsibilities as set out by the Charities Commission. This includes the duty to ensure that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.

While the trustees seek to manage and mitigate the risks associated in these activities, they recognize that this charity is a start up and therefore are willing to take more risks in terms of its running and finances than an equivalent more established charity would.

Objectives and activities

Objects

The Charity's objects are to advance the Christian Gospel for the benefit of the public by demonstrating Christ's love and teaching in cities and other communities where there is spiritual and material need through:

- the training, encouragement and support of existing ministries and volunteers
- the promotion of collaboration between churches of all denominations in their community
- the encouragement of practical expressions of the Christian life through the local church, to achieve social transformation

Activities

The Charity will pursue three interrelated objectives harnessing national, city-wide and borough level partners within a joined up geographical (mapped) strategy:

- The facilitation of offers for strategic ministries to help them expand into Boroughs where the needs are greatest
- the provision of the necessary skills to help such ministries scale up organisationally to prepare them for funding and growth
- the encouragement of volunteers to act locally where the needs are greatest to support ministries and local partners working with them

Achievements and performance

Foodbank for London Campaign - In partnership with Premier Christian Media and Cause 4, the Act Network ran a campaign to promote the foodbank network to London churches and to raise funds for growth of the network to all London Boroughs by 2012. Over £119,500 has been raised to date, the network has grown from 4 London foodbanks in 2009 to 23 in 2011 with a further 8 committed to opening.

Mission Year Launched 2010 - 2010 focused on people in their 20's coming into London with promotion through universities, student churches and large central London churches.

Participants have supported a wide range of ministries and training has been provided centrally and by the Catalyst Trust. 25 people are living in 7 houses serving 10 churches of different denominations across London. Over 75% of current participants have committed to remaining in their church and neighbourhood beyond the end of the year.

Trustees' report (cont'd)

Greenpastures Campaign 2010 - Through Premier Radio's Love London, the Act Network ran a campaign to promote the work of Greenpastures, a Christian charity providing housing for the poor and homeless. Interest from over 90 churches was followed by a one-day conference. Further follow-up was undertaken by a Mission Year participant who volunteered time.

Act Skills - Through a number of events in the House of Lords and elsewhere, the Act Network has begun to match people with specific skills to ministries and churches where they are most needed.

Partnerships - Through Mission Year, the Act Network supports partnership between local churches and effective ministries as well as partnerships within local church networks (Shoreditch Group, PECAN).

Volunteers

The charity is grateful for the unstinting efforts of Mission Year participants who are involved in serving their local communities and the charities through which they are tackling issues of social exclusion in their neighbourhoods. Other volunteers have contributed to the work of several charities through providing their business skills; the Act Network is grateful for their time and encouraged by the evident difference they have made.

Financial review

During its first year the charity raised funds of £129,259 and had a total income of £137,767. During the same period the charity incurred expenses of £147,969. Some of these costs were for the set-up of the charity and the deficit was covered by a loan from a supporter. This loan has now been paid and the charity is currently debt free.

Trustees wish to acknowledge the support of the Panahpur Charitable Trust and the Sequoia Trust who both provided significant financial support to the charity in 2009/10.

In the first year the charity launched a pilot version of Mission Year to test the concepts and the business model. Early learning about its potential and its popularity amongst churches working in the most deprived areas of London led trustees to revise the approach to financing by introducing additional charges and changing the charging structure for future Mission Year programmes from 2011. This reduces the charity's need to raise income from donors as Mission Year scales up.

The charity will seek to build reserves through fee income and fundraising in excess of current expenditure. This will allow the charity to proceed sustainably without making excessive further demands on its funders.

Plans for future periods

The Act Network plans to expand its reach through Mission Year from 2011 by increasing the number of participants, numbers of churches involved and working in a greater number of London Boroughs.

New campaigns include the support of The Lighthouse Group in launching its Early Intervention programme through churches across London. Act Network aims to raise match-funding for 20+ new bases as well as funding for a London Development worker to start in early 2012 at latest.

In June 2011, The Act Network engaged an external fundraiser to ensure the financial model is not solely dependent on fees raised from local churches. The support of individual donors and grant-making organizations continues to be key to the growth of Act Network.

Trustees' report (cont'd)

Responsibilities of the Trustees

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 as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charity and small company accounting provisions

This report and financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (issued March 2005), taking advantage of the small companies exemption of Section 415A of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Trustees on 16 June 2011 and signed on its behalf by



DR Kruger
Director and trustee

Statement of financial activities (including income and expenditure account)

for the period ended 30 September 2010

		Unrestricted funds	Total funds
	<i>Note</i>		2010 £
Incoming resources			
Incoming resources from generated funds:			
Voluntary income			
Donations	2	129,259	129,259
Incoming resources from charitable activities:			
Mission year project income		8,508	8,508
Total incoming resources		137,767	137,767
Resources expended			
Costs of generating funds:			
Charitable activities		14,554	14,554
Staff costs		52,846	52,846
Consultancy fees		54,843	54,843
Professional fees		8,724	8,724
Other expenditure		17,002	17,002
Total resources expended		147,969	147,969
Net resources expended		(10,202)	(10,202)
Deficit of funds carried forward		(10,202)	(10,202)

The company had no recognised gains and losses other than those shown on the face of the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

Balance sheet

Company number 7035314

at 30 September 2010

	Note	£	2010 £
Current assets			
Debtors	5	4,600	
Cash at bank and in hand		15,560	
		<hr/>	
		20,160	
Creditors: amounts falling due within one year	6	30,362	
		<hr/>	
Net current liabilities			(10,202)
			<hr/>
Net liabilities			(10,202)
			<hr/>
Unrestricted funds			
General funds	7		(10,202)
			<hr/>
Total funds	8		(10,202)
			<hr/>

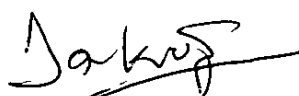
For the period ending 30 September 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 ("The Act") relating to small companies

Director's responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Trustees on 16 June 2011 and were signed on their behalf by



DR Kruger
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

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 (issued March 2005) together with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named at the front of this report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets that must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the statement of financial activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Notes (continued)

1 Accounting policies (continued)

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance lease are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written-off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

2 Donations

	Unrestricted	2010
	£	Total £
Charitable foundations	129,259	129,259
	<u> </u>	<u> </u>

3 Net incoming resources for the year

	2010 £
<i>This is stated after charging:</i>	
Trustees' remuneration	-
	<u> </u>

4 Taxation

As a charity, the company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

Notes (continued)

5 Debtors

	2010
	£
Prepayments and other accrued income	4,600
	<u>4,600</u>

6 Creditors: amounts falling due within one year

	2010
	£
Funding loan	14,907
Taxation and Social Security	656
Other creditors	1,836
Accruals and deferred income	12,963
	<u>30,362</u>

7 Analysis of net assets between funds

	General funds	Total funds
	2010	2010
	£	£
Current assets	20,160	20,160
Current liabilities	(30,362)	(30,362)
	<u>(10,202)</u>	<u>(10,202)</u>
Net deficiency at 30 September 2010	(10,202)	(10,202)

8 Movements in funds

	General funds	Total funds
	2010	2010
	£	£
As at 1 October 2009	-	-
Incoming resources	137,767	137,767
Outgoing resources	(147,969)	(147,969)
	<u>(10,202)</u>	<u>(10,202)</u>
Net deficiency at 30 September 2010	(10,202)	(10,202)

9 Related party transactions

No trustee had any personal interest in any contract or transaction entered into by the charity during the period

Independent Examiner's report to the Trustees of The Act Network (a company limited by guarantee)

I report on the accounts of the company for the period ended 30 September 2010 that are set out on pages 1 to 8

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 43(7)(b) of the Act, as amended), and
- state whether particular matters have come to my attention

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

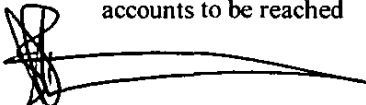
In connection with my examination, no matter has come to my attention

1 which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met, or

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



David Baxter FCA
Baxters Chartered Accountants
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Norfolk NR20 3AB

16 June 2011