



ACTION 21 (2010)

(Company limited by guarantee and not having a share capital)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

DRAFT

ACTION 21 (2010)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

	Page
Report of the Directors and Trustees	1 to 4
Report of the Independent Examiner	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 11

DRAFT

ACTION 21 (2010)**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018**

The Trustees present their report and the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Reference and administration information

Charity name:	Action 21 (2010)
Also known as:	Action 21
Charity registration number:	1136450
Company registration number:	07185413
Registered office and Operational address:	Re-Useful Centre Unit 3 Milverton House Court Street Leamington Spa Warwickshire CV31 2BB

Directors/Trustees

The following served as Directors/Trustees during the period that this report covers

John Armstrong	Chair
Margaret Begg	
Peter Blackledge	
Ann Bryan	Appointed 14 November 2017
Mike Cronin	Appointed 16 January 2018
Martin Lythell	
Chris Pollock	
Belinda Pyke	Appointed 16 January 2018
Geoff Randall	Resigned 16 January 2018
Mathilde Robert	Resigned 21 March 2018
Roger Twiney	

Company Secretary

Mike Cronin

The following were members of staff on 31 March 2018

Martin Smith	General Manager
Jane Gregg	Shop Manager
Ashley Hopkins	Shop Manager
Michael Wilson	Furniture Restoration Manager

Independent Examiner

Dafferns LLP, Chartered Accountants, One Eastwood, Harry Weston Road, Binley Business Park, Coventry, CV3 2UB.

Bankers

Unity Trust Bank plc. Nine Brindley Place, Birmingham. B1 2HB.

ACTION 21 (2010)

REPORT OF THE DIRECTORS AND TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

Activities and charitable objects

Action 21's vision is to reduce waste, promote reuse, increase knowledge and skills and support its local communities in living more sustainably. Its formal charitable aims are to promote the protection and preservation of the environment for the public benefit by the promotion of waste reduction, re-use, reclamation, recycling, the use of recycled products and the use of surplus for the benefit of the inhabitants of the District of Warwick and its environs. To also advance the education and skills of the public in subjects related to sustainability in areas related to energy, food and transport.

The charity runs the Re-Useful Centre which has operated from 3 adjacent, leased units in Court Street, Leamington Spa since January 2015. Action 21 also leases 2 nearby railway arches, which house bike and furniture restoration workshops. The Re-Useful Centre receives donations of goods that would otherwise go to waste (principally landfill) and enables the public to buy and re-use them. During the year under review the facility has saved over 150 tonnes of donated manufactured items from landfill.

In order to increase re-use, the charity undertakes refurbishment of bicycles and some items of furniture to ensure items are of an adequate standard for sale. Hundreds of donated bikes are refurbished and sold each year, thereby providing a means of affordable sustainable transport for the local community. The charity's Dr Bike service provides free 'bike MOTs' at public events, in order to further promote cycling as a form of sustainable transport.

Action 21 also tests electrical equipment for resale, allowing re-use of equipment that would otherwise be scrapped. Donated items which cannot be sold are broken down and sold for scrap, re-used, recycled or sold on to other companies for upcycling.

Action 21 intends to continue to run projects in the key theme areas of re-use, sustainable transport, education and food. The charity engages with a wide number of volunteers who deliver these activities. Some volunteers are drawn from vulnerable and disadvantaged groups who benefit from the vocational experience, training and social interaction.

Projects

In 2017/18 the charity continued to promote "skill share" activities intended to pass on traditional skills that support sustainable living. A regular monthly group called 'Craft Club' is run in partnership with Leamington Art Gallery and Museum.

Action 21 again had a stall at the annual Leamington Peace Festival. Activities included sewing for all ages led by the charity's staff and bicycle maintenance carried out by volunteer bicycle mechanics under the banner of "Dr Bike."

In April 2017, Action 21 promoted the inaugural Eco Fun Day involving a family friendly riverside walk and cycle ride and exhibitions highlighting the work of local environmental groups and sustainability charities. It is hoped this will become a regular event in the future.

Action 21 again supported a number of local organisations by donating items from the Re-Useful Centre - Operation Christmas Child (helping to fill shoe boxes for needy children in Romania and Ukraine), OWNBOOKS (a book recycling project to help young children without books at home), Leamington Winter Support (an organisation set up to provide food and shelter for the homeless and vulnerable in Leamington), Vision Aid Overseas (an organisation which recycles unwanted spectacles).

Dobson Lane Community Allotments continued to be administered by Action 21 during the year.. The allotments, developed by the charity in 2010, and now run by the Allotments Association, encourage organic growing methods, promote home-grown fruit and vegetables as healthy and sustainable alternatives to supermarket produce.

ACTION 21 (2010)**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018****Volunteers**

Volunteers are a vital resource for Action 21. As well as participating in the operation of the Re-Useful Centre, they provide valued support for the charity's projects as described above.

Around 60 regular volunteers support the operation of the Re-Useful Centre and Action 21's administrative, communications and marketing activities.

Marketing/Communications

Key aims of Action 21 are to maintain and expand public awareness of Action 21's projects and activities; to promote the Re-Useful Centre in order to increase donations and purchases; to promote volunteering opportunities in order to recruit new volunteers; and to publicise events in order to increase event attendance.

Action 21's website features volunteer profiles and a comprehensive events calendar. Action 21's Facebook page promotes the day-to-day activities at the Re-Useful Centre and forthcoming events.

Public benefit

The Trustees consider they have complied with their duty to have due regard to the guidance on public benefit, as published by the Charity Commission, in exercising their powers and duties.

Financial review of 2017/18 and future financial outlook

The financial statements show that a surplus of £11,325 was achieved for the year to 31 March 2018, increasing general reserves (unrestricted funds) to £116,352.

Income generated in the year has shown a slight increase on the previous year primarily due to additional grant income associated with activities such as the Eco Fun Day. Income from donated items to the Re-Useful Centre, however remains the primary source contributing over 90% of the annual income.

Expenditure in the year at £145,941 is a 13.5% increase on the previous year primarily due to increased staff costs associated with development of the furniture restoration activity and additional costs associated with undertaking the Eco Fun Day and other charitable events.

For some time the trustees have been concerned that existing space and location have restricted the level of income generation from the sale of donated goods. As a result the charity has recently agreed to lease additional retail space which, in the longer term, should provide an opportunity to increase both the volume and average sales value of donated items.

Whilst the existing Court Street leases still have three years to run, uncertainty over the future use of these sites due to potential nearby development activity continues to overshadow the operation and remains a significant risk to the charity's ability to continue to maintain a strong financial performance in medium to longer term.

However, it is not the Trustees' objective to maintain, (or even increase), general reserves at their present level and Action 21 continues to give consideration to how funds currently available might be best utilised to further the wider aims and objectives of the Charity.

Reserves policy

The Board of Trustees has adopted a policy that unrestricted funds should be held as reserves at a level that equates to a minimum of three months' unrestricted expenditure. This would enable the charity to continue to operate, in the event that unrestricted income ceased to be received or was significantly reduced, whilst consideration was given as to how to respond to the new circumstances. The unrestricted reserves at 31 March 2018 equated to more than nine months' unrestricted expenditure.

Members of the Board

Members of the Board are trustees for the purpose of charity law; trustees who served during the year covered by this report are set out on page 1.

**REPORT OF THE DIRECTORS AND TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018****Structure, governance and management**

Action 21 (2010) is a charitable company limited by guarantee and does not have a share capital. It was incorporated on 10 March 2010 and registered as a charity on 18 June 2010. Action 21 (2010) took over the assets and liabilities of its predecessor company, Action 21 (registered number 4150006), on 1 August 2010.

The governing document of Action 21 (2010) is its Memorandum and Articles of Association which were signed on 2 March 2010. The charity's Trustees are also Directors of the Company. One third of the Trustees retire by rotation at each Annual General Meeting. A retiring Trustee is eligible for re-election.

The Board normally meets bi-monthly and is responsible for the strategic direction and policies of the charity. The General Manager attends all Board meetings and is responsible for running the charity. Individual Board members take on additional roles to support the General Manager in relation to finance, human resources, recycling and fund raising.

Trustee appointment, induction and training

Individuals expressing an interest in becoming a Trustee meet the General Manager and/or Chair and are then invited to attend a Board meeting before deciding whether to formally apply. The Board decides at its next meeting whether to co-opt the applicant, pending ratification at the next Annual General Meeting. Newly co-opted Trustees are encouraged to visit the charity's premises to experience how the charity operates and to meet staff and volunteers. They are also given a copy of the last Annual Report and Financial Statements and copies of minutes of recent Board meetings.

Risk review

During the year the Board again reviewed the major risks to which it is exposed and identified systems or procedures to manage those risks. The Board considers that insurance cover and reserves are adequate to ensure the continued operation or orderly closure of the charity in the event of the occurrence of any unexpected incident

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 20 June 2018 and signed on its behalf by:

John Armstrong Chair/Director/Trustee

INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES OF ACTION 21 (2010)

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2018, which are set out on pages 6 to 11.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Martin Gibbs FCCA
For and on behalf of Dafferns LLP
Chartered Accountants,
One Eastwood
Harry Weston Road
Binley Business Park,
Coventry, CV3 2UB.

ACTION 21 (2010)

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING SUMMARY INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income from:					
Donations	4	429	-	429	413
Charitable activities	5	9,164	-	9,164	5,155
Other trading activities	6	147,561	-	147,561	150,371
Investments	7	112	-	112	52
Total		<u>157,266</u>	<u>-</u>	<u>157,266</u>	<u>155,991</u>
Expenditure on:					
Raising funds	8	142,924	-	142,924	128,270
Charitable activities	9	3,017	-	3,017	280
Total		<u>145,941</u>	<u>-</u>	<u>145,941</u>	<u>128,550</u>
Net income/(expenditure)		11,325	-	11,325	27,441
Reconciliation of funds					
Total funds brought forward		105,027	1,532	106,559	79,118
Total funds carried forward		<u>116,352</u>	<u>1,532</u>	<u>117,884</u>	<u>106,559</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

ACTION 21 (2010)

BALANCE SHEET AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
TANGIBLE FIXED ASSETS	10		1,475		2,950
CURRENT ASSETS					
Debtors	11	9,911		6,334	
Cash at bank and in hand	12	<u>112,810</u>		<u>103,179</u>	
		122,721		109,513	
CREDITORS					
Amounts falling due within one year	12	<u>(6,312)</u>		<u>(5,904)</u>	
NET CURRENT ASSETS			116,409		103,609
NET ASSETS			<u>117,884</u>		<u>106,559</u>
FUNDS					
Unrestricted funds			116,352		105,027
Restricted funds	14		<u>1,532</u>		<u>1,532</u>
			<u>117,884</u>		<u>106,559</u>

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors and trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of the accounts.

The financial statements were approved by the Trustees on 20 June 2018 and were signed on its behalf by:

John Armstrong, Chair/Director/Trustee

Mike Cronin, Honorary Treasurer/Director/Trustee

The notes on pages 8 to 11 form an integral part of these financial statements.

ACTION 21 (2010)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018****1. General information and basis of preparation**

Action 21 (2010) is a private company, limited by guarantee, registered in England and Wales. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to promote the protection and preservation of the environment for the public benefit by the promotion of waste reduction, re-use, reclamation, recycling, the use of recycled products and the use of surplus for the benefit of the inhabitants of the district of Warwick and its environs. To also advance the education and skills of the public in subjects related to sustainability in areas related to energy, food and transport.

The charity constitutes a public benefit entity as defined by FRS 102. 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 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006, and UK Generally Accepted Practice as it applies from 1st January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling (£) which is the functional currency of the charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. Accounting policies**Fund accounting**

Unrestricted funds are those available at the discretion of the Trustees in furtherance of the charitable aims of the Charity.

Restricted funds are those available solely for the specific purposes of the donors.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Grants are included in full when receivable.

Income from trading activities represents sales generated by re-use operations.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It includes attributable VAT which cannot be recovered.

Expenditure has been attributed to raising funds and charitable activities as appropriate.

Tangible fixed assets

Assets costing more than £500 are capitalised.

Depreciation is provided at an annual rate of 20% (25% for the van) on a straight line basis in order to write the value of each asset off over its estimated useful life.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

ACTION 21 (2010)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

Operating leases

Costs in respect of operating leases are charged in arriving at the operating surplus on a straight line basis over the lease term.

3. Net income			2018	2017
			£	£
Net income is stated after charging:				
Depreciation of tangible fixed assets			1,475	1,475
Operating lease costs			28,962	26,139
Trustees remuneration and other benefits			-	-
Reporting accountants' fees and other services			<u>1,890</u>	<u>1,890</u>
	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
4. Donations				
Donations	<u>429</u>	<u>-</u>	<u>429</u>	<u>413</u>
5. Charitable activities				
Grants received	<u>9,164</u>	<u>-</u>	<u>9,164</u>	<u>5,155</u>
6. Other trading activities				
Re-Useful Centre sales	<u>147,561</u>	<u>-</u>	<u>147,561</u>	<u>150,371</u>
7. Investments				
Interest	<u>112</u>	<u>-</u>	<u>112</u>	<u>52</u>
8. Raising funds				
Staff costs	73,065	-	73,065	60,331
Training, recruitment and DBS costs	1,117	-	1,117	-
Volunteers expenses	5,443	-	5,443	7,412
Electricity and water	6,497	-	6,497	6,640
Vehicle costs	4,548	-	4,548	3,141
Rent, rates and insurance	33,789	-	33,789	30,540
Telephone, office and marketing costs	1,628	-	1,628	1,149
Website, software and payroll costs	2,270	-	2,270	2,339
Reuse shop, bikes and other costs	8,617	-	8,617	9,321
Building maintenance and other premises costs	2,453	-	2,453	2,778
Protective clothing costs	-	-	-	1,029
Depreciation	1,475	-	1,475	1,475
Independent examination	1,890	-	1,890	1,890
Other professional costs	13	-	13	13
AGM costs	<u>119</u>	<u>-</u>	<u>119</u>	<u>212</u>
	<u>142,924</u>	<u>-</u>	<u>142,924</u>	<u>128,270</u>
9. Charitable activities				
Events costs	<u>3,017</u>	<u>-</u>	<u>3,017</u>	<u>280</u>

ACTION 21 (2010)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £			
10. Tangible fixed assets					
Cost					
At 1 April 2017 and at 31 March 2018	<u>6,441</u>	<u>6,441</u>			
Depreciation					
At 1 April 2017	3,491	2,016			
Charge for the year	<u>1,475</u>	<u>1,475</u>			
At 31 March 2018	<u>4,966</u>	<u>3,491</u>			
Net book value					
At 31 March 2018	<u>1,475</u>	<u>2,950</u>			
11. Debtors					
Trade debtors	2,226	3,180			
Prepayments and accrued income	5,530	2,124			
Railway Arches deposits	<u>2,155</u>	<u>1,030</u>			
	<u>9,911</u>	<u>6,334</u>			
12. Cash at bank and in hand					
Unity Trust Bank	108,747	100,621			
Cash in hand	3,473	1,976			
Other funds	590	582			
	<u>112,810</u>	<u>103,179</u>			
13. Creditors falling due within one year					
Trade creditors	1,427	541			
Social security and other taxes	1,989	1,879			
Accruals	<u>2,896</u>	<u>3,484</u>			
	<u>6,312</u>	<u>5,904</u>			
14. Restricted Funds	Funds Brought Forward	Income	Expenditure	Transfers	Funds Carried Forward
	£	£	£	£	£
Skills training	<u>1,532</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,532</u>
15. Analysis of net assets between funds		Unrestricted Funds	Restricted Funds	Total Funds	
		£	£	£	
Tangible fixed assets		1,475	-	1,475	
Net current assets		<u>114,877</u>	<u>1,532</u>	<u>116,409</u>	
Fund balances		<u>116,352</u>	<u>1,532</u>	<u>117,884</u>	
16. Staff costs					
Salaries		70,067	58,444		
Employer's national insurance costs		2,571	1,706		
Employer's pension contributions		<u>427</u>	<u>181</u>		
		<u>73,065</u>	<u>60,331</u>		

The average number of persons employed by the charity during the year was 4 (2017: 3)
No employee received emoluments of more than £60,000.

ACTION 21 (2010)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than one year	28,962	23,619
Later than one and not later than five years	<u>46,200</u>	<u>69,300</u>
	<u>75,162</u>	<u>92,919</u>

18. Purpose of restricted funds

This funding was granted by Warwick District Council in 2011/12 and Leamington Town Council in 2012/13 to develop and provide training opportunities in traditional skills.

19. Transactions with trustees

There have been no material transactions with trustees and no expenses have been paid.

20. Related party transactions

There were no material related party transactions during the period.