

**Charity registration number 103828**

**Company registration number NI613051 (Northern Ireland)**

**ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## LEGAL AND ADMINISTRATIVE INFORMATION

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|--------------------------|---|
| <b>Trustees</b>          | Mr W Hutchinson<br>Rev Dr G Mason<br>Mr T Harrison<br>Mr R McMurray   |
| <b>Charity number</b>    | 103828  |
| <b>Company number</b>    | NI613051  |
| <b>Registered office</b> | 178-180 Shankill Road<br>Belfast<br>Co. Antrim<br>United Kingdom<br>BT13 2BH  |
| <b>Auditor</b>           | AAB Group Accountants Limited<br>1 - 3 Arthur Street<br>Belfast<br>Co. Antrim<br>Northern Ireland<br>BT1 4GA                                      |
| <b>Bankers</b>           | Danske Bank<br>PO Box 183<br>Donegall Square West<br>BT1 6JS<br><br>Co-Operative Bank<br>Business Customer services<br>PO Box 250<br>Skelmersdale |

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# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

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# **ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2023***

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The trustees present their annual report and audited financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

#### **Objectives and activities**

The Belfast Agreement (1998) has necessitated engaging in post conflict transformation including; prisoner release and reintegration, decommissioning, police reform and economic investment. Within this broader context Action for Community Transformation (the ACT Initiative) emerged. Essentially, the ACT Initiative is a transformation process which supports former loyalist combatants on the road from conflict to peace. Since its inception in 2007, ACT Initiative has engaged hundreds of former combatants and is currently supporting 8 groups across Northern Ireland, with 1 central community hub in Belfast and 1 sub-office in North Ulster.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Achievements and performance**

In broad terms, there are a number of significant initiatives throughout this year which are strategic to the development of ACT Initiative and presented under three themes.

#### **Women in Peacebuilding**

With having a main objective of increasing the participation of women in peacebuilding, this reporting period has been significant in this respect with the women involved within ACT Initiative embracing the challenge. Crucial to this has been the individual development of our female coordinator who has been extremely motivational in recruiting other women to the programme and accepting the opportunities presented to her to improve her own capabilities. In doing so, she has demonstrated clear leadership skills and now designs our women's practice. Examples of what the group have been involved in this year include; A regional outreach programme to recruit other women, successful in Londonderry, Coleraine, Ballymena, Larne and Carrickfergus; a shared history project in Belfast, across the 'peace line' with women from the neighbouring community, Clonard; playing a vital role in organising two festivals for the Shankill community, summer and winter, attended by over 10,000 people; educational visits to south Armagh, Londonderry and Dublin; an after-school project with children and their carers, in collaboration with Stranmillis teacher training college; attendance at a variety of international exchanges/conferences, including Liverpool, Columbia, Boston and Washington.

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### Conflict Transformation

Repeatedly, it is reflected that this aspect of ACT's work often goes unrecorded because of its sensitive and confidential nature. Despite this, the work is underpinned by mitigating the potential risk to people and property. In doing so, most of our partnership working involves liaising with others to intervene when individuals/families are at risk. Whilst this type of work in communities usually requires a restorative approach, our well-established collaboration with Alternatives (a restorative justice project) makes it incumbent on groups such as ACT to help out, a responsibility which we are happy to accept. The additional main focus of our work in this period has been the development of our cultural model BCN, wherein we successfully engaged 16 communities in self-regulatory cultural expressions, relating to 11th July bonfires and the resurgence of our volunteer base with two successful training initiatives involving over 30 new participants.

### Leadership and Diversity

Evidence of the project strengthening leadership is in our coordinators and volunteers' ability to sustain groups and individuals, in engagement with others, on issues requiring community leadership. As our events and activities demonstrate, this is evident in engaging 'hard to reach' individuals, on issues such as, bonfires and cultural traditions, exploring non-violent approaches to conflict using the principles and practices of Restorative Justice, working on new interface engagements, communicating with political representatives from across the political spectrum, engaging consistently with the PSNI and encouraging and supporting women to engage in peace-building initiatives. In doing so, our staff and volunteers continue to demonstrate leadership in relation to our project proposal. For example, we have on-going cross-community Legacy projects being facilitated at our Visitor Centre and other venues, we continue with our road-safety and anti-drug campaign on a regional basis, and we continue to engage in meetings, when requested, with for example, the Northern Ireland Office, Foreign Commonwealth & Development Security Office and the Independent Reporting Commission.

### **Financial review**

The financial statements for the financial year show total income and endowments as £662,857, (2022: £399,112) total resources expended as £614,687, (2022: £406,496) with net income resources at £48,170, (2022: Deficit of £7,384). As a charity we are exempt for VAT purposes and most of our restricted finances come from four funding sources, namely the Joseph Rowntree Charitable Trust – JRCT, the International Fund for Ireland – IFI, The Big Lottery Dormant Accounts Fund and The Executive Office, 'Communities in Transition'. Additional restricted and unrestricted nominal fees are occasionally paid by organisations we apply to for programme costs or groups who avail of our services.

At 31 December 2023, the charity had total funds of £155,374 (2022: £107,204). Of these funds £127,457 was held for restricted purposes and not available for general purposes.

# **ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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### **Reserves Policy**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to one month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

The charity has free reserves of £22,530 (2022: £24,247) which represents 7 months of unrestricted expenditure on charitable activities.

### **Risk**

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Plans for Future Periods**

This year, 2023, completes our fifth and final year of programme funding from International Fund for Ireland – IFI, for our ACT 'Peace Impact Programme'. However, our BCN model is also funded via IFI and will be a significant feature of our practice for 2024. We continue with the development of our central office as a Community Hub/Visitors' Centre, with funds from The Big Lottery 'Dormant Fund' being utilised by a broad range of service users and groups, and our CIT ex-prisoner project. Finally, in 2024, we hope to purchase the building via a 'Neighbourhood Regeneration Fund' with the Belfast City Council, thus improving our sustainability.

### **Structure, governance and management**

ACT Initiative is a registered Northern Ireland Charity and a Limited Company by Guarantee. A Board of Directors and Advisors meet quarterly to oversee the governance and accountability of ACT Initiative. Directors are nominated and seconded each year at our AGM and Advisors are invited based on their expertise/ experience. In partnership with the project Director and a strategic review group, annual plans are developed to implement the aims and objectives of ACT Initiative in partnership and collaboration with all communities we have projects in. This is disseminated by our employed/volunteer organisers who coordinate community projects via our Area Action Groups. The organisers meet monthly to share practice and build cohesion. The project Director manages all aspects of practice.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr W Hutchinson

Rev Dr G Mason

Mr T Harrison

Mr R McMurray

Mr T Roberts

Mr T Winstone

Mrs T Pollock

(Resigned 20 April 2024)

(Resigned 24 April 2023)

(Resigned 28 February 2024)

# **ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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### **Statement of trustees' responsibilities**

The trustees, who are also the directors of Action for Community Transformation Initiative for the purpose of company law, are responsible for preparing the Trustees' 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 affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 charity will continue in operation.

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

### **Auditor**

In accordance with the company's articles, a resolution proposing that AAB Group Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to independent examiner**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the independent examination, but of which the independent examiner is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the independent examiner is aware of such information.

The trustees' report was approved by the Board of Trustees.



**Mr W Hutchinson**

Trustee

Dated: 30-10-24

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

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#### Opinion

We have audited the financial statements of Action for Community Transformation Initiative (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# **ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

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#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

# **ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

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#### **Auditor's responsibilities for the audit of the financial statements**

AAB Group Accountants Limited have been appointed as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:

- Enquiry of management, and the entity's solicitors around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other Matters:**

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act or under 65 of the Charities (Northern Ireland) Act 2008. Therefore the prior period financial statements were not subject to audit.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees Report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

# **ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

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#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



30 October 2024

.....  
Teresa Campbell (Senior Statutory Auditor)

**for and on behalf of AAB Group Accountants Limited**

**Chartered Accountants**

**Statutory Auditors**

**1 - 3 Arthur Street**

Belfast

Co. Antrim

Northern Ireland

BT1 4GA

AAB Group Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

|  |       | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Total<br>2023<br>£ | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ |
|--|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
|  | Notes |                                    |                                  |                    |                                    |                                  |                    |
| <b>Income from:</b>                      |       |                                    |                                  |                    |                                    |                                  |                    |
| Charitable activities                    | 3     | 40,543                             | 622,289                          | 662,832            | 27,570                             | 371,542                          | 399,112            |
| Investments                              | 4     | 25                                 | -                                | 25                 | -                                  | -                                | -                  |
| <b>Total income</b>                      |       | <u>40,568</u>                      | <u>622,289</u>                   | <u>662,857</u>     | <u>27,570</u>                      | <u>371,542</u>                   | <u>399,112</u>     |
| <b>Expenditure on:</b>                   |       |                                    |                                  |                    |                                    |                                  |                    |
| Charitable activities                    | 5     | 37,419                             | 577,268                          | 614,687            | 56,555                             | 349,941                          | 406,496            |
| <b>Total expenditure</b>                 |       | <u>37,419</u>                      | <u>577,268</u>                   | <u>614,687</u>     | <u>56,555</u>                      | <u>349,941</u>                   | <u>406,496</u>     |
| <b>Net income/(expenditure)</b>          |       | 3,149                              | 45,021                           | 48,170             | (28,985)                           | 21,601                           | (7,384)            |
| Transfers between funds                  |       | -                                  | -                                | -                  | 14,359                             | (14,359)                         | -                  |
| <b>Net movement in funds</b>             | 7     | 3,149                              | 45,021                           | 48,170             | (14,626)                           | 7,242                            | (7,384)            |
| <b>Reconciliation of funds:</b>          |       |                                    |                                  |                    |                                    |                                  |                    |
| Fund balances at 1 January 2023          |       | 24,768                             | 82,436                           | 107,204            | 39,394                             | 75,194                           | 114,588            |
| <b>Fund balances at 31 December 2023</b> |       | <u>27,917</u>                      | <u>127,457</u>                   | <u>155,374</u>     | <u>24,768</u>                      | <u>82,436</u>                    | <u>107,204</u>     |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## BALANCE SHEET

AS AT 31 DECEMBER 2023

|   |       | 2023    |         | 2022     |         |
|---|-------|---------|---------|----------|---------|
|   | Notes | £       | £       | £        | £       |
| <b>Fixed assets</b>                                   |       |         |         |          |         |
| Tangible assets                                       | 11    |         | 5,831   |          | 1,262   |
| <b>Current assets</b>                                 |       |         |         |          |         |
| Debtors   | 12    | 1,800   |         | 3,595    |         |
| Cash at bank and in hand                              |       | 156,393 |         | 165,023  |         |
|   |       | 158,193 |         | 168,618  |         |
| <b>Creditors: amounts falling due within one year</b> | 13    | (8,650) |         | (62,676) |         |
| <b>Net current assets</b>                             |       |         | 149,543 |          | 105,942 |
| <b>Total assets less current liabilities</b>          |       |         | 155,374 |          | 107,204 |
| <b>The funds of the charity</b>                       |       |         |         |          |         |
| Restricted income funds                               | 15    |         | 127,457 |          | 82,436  |
| Unrestricted funds                                    | 16    |         | 27,917  |          | 24,768  |
|   |       |         | 155,374 |          | 107,204 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023 although an audit has been carried out under section 65 of the Charities Act (Northern Ireland) 2008.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 30-10-24



Mr W Hutchinson  
Trustee

Company registration number NI613051 (Northern Ireland)

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

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|   |       | 2023              |                   | 2022              |                   |
|---|-------|-------------------|-------------------|-------------------|-------------------|
|   | Notes | £                 | £                 | £                 | £                 |
| <b>Cash flows from operating activities</b>                 |       |                   |                   |                   |                   |
| Cash (absorbed by)/generated from operations                |       |                   | (2,279)           |                   | 91,466            |
| <b>Investing activities</b>                                 |       |                   |                   |                   |                   |
| Purchase of tangible fixed assets                           |       | (6,376)           |                   | (674)             |                   |
| Investment income received                                  |       | 25                |                   | -                 |                   |
|   |       | <u>          </u> |                   | <u>          </u> |                   |
| <b>Net cash used in investing activities</b>                |       |                   | (6,351)           |                   | (674)             |
| <b>Net cash used in financing activities</b>                |       |                   | -                 |                   | -                 |
|   |       |                   | <u>          </u> |                   | <u>          </u> |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |       |                   | (8,630)           |                   | 90,792            |
| Cash and cash equivalents at beginning of year              |       |                   | 65,023            |                   | 74,231            |
|   |       |                   | <u>          </u> |                   | <u>          </u> |
| <b>Cash and cash equivalents at end of year</b>             |       |                   | <u>56,393</u>     |                   | <u>165,023</u>    |

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# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### 1 Accounting policies

#### Charity information

Action for Community Transformation Initiative is a private company limited by guarantee incorporated in Northern Ireland. The registered office is 178-180 Shankill Road, Belfast, Co. Antrim, BT13 2BH, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### 1 Accounting policies (Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                     |                   |
|---------------------|-------------------|
| Plant and equipment | 25% Straight Line |
|---------------------|-------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# **ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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### **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 3 Charitable activities

|                                   | Unrestricted<br>Income<br>2023<br>£ | Restricted<br>Income<br>2023<br>£ | Total<br>2023<br>£ | Unrestricted<br>Income<br>2022<br>£ | Restricted<br>Income<br>2022<br>£ | Total<br>2022<br>£ |
|-----------------------------------|-------------------------------------|-----------------------------------|--------------------|-------------------------------------|-----------------------------------|--------------------|
| Performance related grants        | -                                   | 622,289                           | 622,289            | 24,560                              | 371,542                           | 396,102            |
| Other income                      | 40,543                              | -                                 | 40,543             | 3,010                               | -                                 | 3,010              |
|                                   | <u>40,543</u>                       | <u>622,289</u>                    | <u>662,832</u>     | <u>27,570</u>                       | <u>371,542</u>                    | <u>399,112</u>     |
| Analysis by fund                  |                                     |                                   |                    |                                     |                                   |                    |
| Unrestricted funds                | 40,543                              | -                                 | 40,543             | 27,570                              | -                                 | 27,570             |
| Restricted funds                  | -                                   | 622,289                           | 622,289            | -                                   | 371,542                           | 371,542            |
|                                   | <u>40,543</u>                       | <u>622,289</u>                    | <u>662,832</u>     | <u>27,570</u>                       | <u>371,542</u>                    | <u>399,112</u>     |
| <b>Performance related grants</b> |                                     |                                   |                    |                                     |                                   |                    |
| Joseph Rowntree Charitable Trust  | -                                   | 73,741                            | 73,741             | -                                   | 56,631                            | 56,631             |
| International Fund for Ireland    | -                                   | 409,473                           | 409,473            | -                                   | 176,514                           | 176,514            |
| Social Enterprise                 | -                                   | 49,907                            | 49,907             | -                                   | 17,789                            | 17,789             |
| TEO                               | -                                   | 52,811                            | 52,811             | -                                   | 102,654                           | 102,654            |
| SCI                               | -                                   | 1,700                             | 1,700              | -                                   | 4,300                             | 4,300              |
| ANBC                              | -                                   | 12,584                            | 12,584             | -                                   | 7,676                             | 7,676              |
| NI Alternatives                   | -                                   | -                                 | -                  | 11,000                              | -                                 | 11,000             |
| Mid Ulster Council                | -                                   | -                                 | -                  | 8,100                               | -                                 | 8,100              |
| Belfast City Council              | -                                   | 7,000                             | 7,000              | -                                   | 5,978                             | 5,978              |
| Other                             | -                                   | 15,073                            | 15,073             | 5,460                               | -                                 | 5,460              |
|                                   | <u>-</u>                            | <u>622,289</u>                    | <u>622,289</u>     | <u>24,560</u>                       | <u>371,542</u>                    | <u>396,102</u>     |

**ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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**4 Income from investments**

|                     | <b>Unrestricted<br/>funds<br/>2023<br/>£</b> | <b>Unrestricted<br/>funds<br/>2022<br/>£</b> |
|---------------------|--|--|
| Interest receivable | 25   | -  |
|                     | <u>          </u>                            | <u>          </u>                            |

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 5 Charitable activities

|  | Unrestricted<br>Expenditure<br>2023<br>£ | Restricted<br>Expenditure<br>2023<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|--|--|--|--------------------|--------------------|
| Staff costs                                | -  | 392,422                                | 392,422            | 200,662            |
| Programme Costs                            | 7,869                                    | 138,621                                | 146,490            | 129,219            |
| Light & Heat                               | 2,075                                    | 2,061                                  | 4,136              | 6,512              |
| General                                    | 6,621                                    | -                                      | 6,621              | -                  |
| Bank Fees                                  | 57                                       | 32                                     | 89                 | 88                 |
| Training                                   | 35                                       | -                                      | 35                 | -                  |
| Travel                                     | 638                                      | 881                                    | 1,519              | -                  |
| Computer Expenses                          | 108                                      | -                                      | 108                | -                  |
| Printing, Posting & Stationary             | 448                                      | 184                                    | 632                | -                  |
| Entertainment                              | 420                                      | -                                      | 420                | -                  |
| Subscriptions                              | 262                                      | -                                      | 262                | -                  |
| Direct Expenses                            | 266                                      | -                                      | 266                | -                  |
| Subcontractor Costs                        | -  | 30,322                                 | 30,322             | 38,487             |
|  | <u>18,799</u>                            | <u>564,523</u>                         | <u>583,322</u>     | <u>374,968</u>     |
| Share of support costs (see note 6)        | 11,220                                   | 11,495                                 | 22,715             | 25,634             |
| Share of governance costs (see note 6)     | 7,400                                    | 1,250                                  | 8,650              | 5,894              |
|  | <u>37,419</u>                            | <u>577,268</u>                         | <u>614,687</u>     | <u>406,496</u>     |
| <b>Analysis by fund</b>                    |  |  |                    |                    |
| Unrestricted funds                         | 37,419                                   | -                                      | 37,419             | 56,555             |
| Restricted funds                           | -  | 577,268                                | 577,268            | 349,941            |
|  | <u>37,419</u>                            | <u>577,268</u>                         | <u>614,687</u>     | <u>406,496</u>     |
| <b>For the year ended 31 December 2022</b> |  |  |                    |                    |
| Unrestricted funds                         | 56,555                                   | -                                      | 56,555             | 56,555             |
| Restricted funds                           | -  | 349,941                                | 349,941            | 349,941            |
|  | <u>56,555</u>                            | <u>349,941</u>                         | <u>406,496</u>     | <u>406,496</u>     |

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 6 Support costs allocated to activities

|                                | Unrestricted<br>2023<br>£ | Total<br>2022<br>£ |
|--------------------------------|---------------------------|--------------------|
| Depreciation                   | 1,807                     | 920                |
| Rent & Rates                   | 16,974                    | 20,034             |
| Telephone                      | 817                       | 1,787              |
| Insurance                      | 1,867                     | 1,701              |
| Printing, Postage & Stationary | -                         | 805                |
| Donations                      | -                         | 220                |
| Advertising                    | 1,250                     | -                  |
| Repairs                        | -                         | 167                |
| Governance                     | 8,650                     | 5,894              |
|                                | <u>31,365</u>             | <u>31,528</u>      |

|                                   | 2023<br>£    | 2022<br>£    |
|-----------------------------------|--------------|--------------|
| <b>Governance costs comprise:</b> |              |              |
| Audit fees                        | 7,000        | -            |
| Legal and professional            | 250          | 4,188        |
| Accountancy                       | 1,400        | 1,706        |
|                                   | <u>8,650</u> | <u>5,894</u> |

### 7 Net movement in funds

|  | 2023<br>£    | 2022<br>£  |
|--|--------------|------------|
| The net movement in funds is stated after charging/(crediting):  |              |            |
| Fees payable for the audit of the charity's financial statements | 7,000        | -          |
| Depreciation of owned tangible fixed assets                      | 1,807        | 920        |
|  | <u>8,807</u> | <u>920</u> |

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2023*

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### 9 Employees

The average monthly number of employees during the year was:

| 2023<br>Number | 2022<br>Number |
|----------------|----------------|
| 12             | 7              |

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 Employees (Continued)

| Employment costs      | 2023           | 2022           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 276,135        | 138,361        |
| Social security costs | 101,209        | 49,264         |
| Other pension costs   | 15,078         | 13,037         |
|                       | <u>392,422</u> | <u>200,662</u> |

No employee received remuneration of more than £60,000 during the year (2022-NIL).

### 10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 11 Tangible fixed assets

|                                    | Plant and<br>equipment<br>£ |
|------------------------------------|-----------------------------|
| <b>Cost</b>                        |                             |
| At 1 January 2023                  | 7,152                       |
| Additions                          | 6,376                       |
| At 31 December 2023                | <u>13,528</u>               |
| <b>Depreciation and impairment</b> |                             |
| At 1 January 2023                  | 5,890                       |
| Depreciation charged in the year   | 1,807                       |
| At 31 December 2023                | <u>7,697</u>                |
| <b>Carrying amount</b>             |                             |
| At 31 December 2023                | <u>5,831</u>                |
| At 31 December 2022                | <u>1,262</u>                |

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

|   |              |                      |                      |
|---|--------------|----------------------|----------------------|
| <b>12 Debtors</b>   |              | <b>2023</b>          | <b>2022</b>          |
| <b>Amounts falling due within one year:</b>                         |              | <b>£</b>             | <b>£</b>             |
| Trade debtors   |              | 400                  | -                    |
| Other debtors   |              | 1,400                | 3,595                |
|   |              | <u>1,800</u>         | <u>3,595</u>         |
|   |              | <u><u>1,800</u></u>  | <u><u>3,595</u></u>  |
| <b>13 Creditors: amounts falling due within one year</b>            |              | <b>2023</b>          | <b>2022</b>          |
|   | <b>Notes</b> | <b>£</b>             | <b>£</b>             |
| Deferred Income   |              | -                    | 57,561               |
| Accruals  |              | 8,650                | 5,115                |
|   |              | <u>8,650</u>         | <u>62,676</u>        |
|   |              | <u><u>8,650</u></u>  | <u><u>62,676</u></u> |
| <b>14 Retirement benefit schemes</b>                                |              | <b>2023</b>          | <b>2022</b>          |
| <b>Defined contribution schemes</b>                                 |              | <b>£</b>             | <b>£</b>             |
| Charge to profit or loss in respect of defined contribution schemes |              | 15,078               | 13,037               |
|   |              | <u>15,078</u>        | <u>13,037</u>        |
|   |              | <u><u>15,078</u></u> | <u><u>13,037</u></u> |

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

|                                     | At 1 January<br>2023         | Incoming<br>resources         | Resources<br>expended         | Transfers              | At 31<br>December<br>2023          |
|-------------------------------------|------------------------------|-------------------------------|-------------------------------|------------------------|------------------------------------|
|                                     | £                            | £                             | £                             | £                      | £                                  |
|                                     | -                            | 19,907                        | -                             | -                      | 19,907                             |
| Joseph Rowntree Charitable<br>Trust | 2,796                        | 73,741                        | (53,377)                      | -                      | 23,160                             |
| International Fund for Ireland      | 67,860                       | 409,473                       | (391,895)                     | -                      | 85,438                             |
| Social Enterprise                   | -                            | 30,000                        | (17,585)                      | -                      | 12,415                             |
| Belfast City Council                | -                            | 7,000                         | (3,658)                       | -                      | 3,342                              |
| SCI                                 | -                            | 1,700                         | -                             | -                      | 1,700                              |
| Ulster Scotts Agency                | -                            | 533                           | (533)                         | -                      | -                                  |
| Community Foundation                | -                            | 14,540                        | (4,225)                       | -                      | 10,315                             |
| TEO                                 | 11,426                       | 52,811                        | (91,365)                      | -                      | (27,128)                           |
| ANBC                                | -                            | 12,584                        | (13,372)                      | -                      | (788)                              |
| Clear grants                        | 354                          | -                             | (1,258)                       | -                      | (904)                              |
|                                     | <u>82,436</u>                | <u>622,289</u>                | <u>(577,268)</u>              | <u>-</u>               | <u>127,457</u>                     |
|                                     | <u><u>82,436</u></u>         | <u><u>622,289</u></u>         | <u><u>(577,268)</u></u>       | <u><u>-</u></u>        | <u><u>127,457</u></u>              |
| <b>Previous year:</b>               | <b>At 1 January<br/>2022</b> | <b>Incoming<br/>resources</b> | <b>Resources<br/>expended</b> | <b>Transfers</b>       | <b>At 31<br/>December<br/>2022</b> |
|                                     | £                            | £                             | £                             | £                      | £                                  |
| Joseph Rowntree Charitable<br>Trust | -                            | 56,631                        | (53,835)                      | -                      | 2,796                              |
| International Fund for Ireland      | 48,381                       | 176,514                       | (157,035)                     | -                      | 67,860                             |
| Social Enterprise                   | 477                          | 17,789                        | (17,912)                      | -                      | 354                                |
| Belfast City Council                | -                            | 5,978                         | (5,978)                       | -                      | -                                  |
| SCI                                 | -                            | 4,300                         | (4,300)                       | -                      | -                                  |
| TEO                                 | 26,336                       | 102,654                       | (103,205)                     | (14,359)               | 11,426                             |
| ANBC                                | -                            | 7,676                         | (7,676)                       | -                      | -                                  |
|                                     | <u>75,194</u>                | <u>371,542</u>                | <u>349,941</u>                | <u>(14,359)</u>        | <u>82,436</u>                      |
|                                     | <u><u>75,194</u></u>         | <u><u>371,542</u></u>         | <u><u>349,941</u></u>         | <u><u>(14,359)</u></u> | <u><u>82,436</u></u>               |

# ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

|                       | At 1 January<br>2023         | Incoming<br>resources         | Resources<br>expended         | Transfers        | At 31<br>December<br>2023          |
|-----------------------|------------------------------|-------------------------------|-------------------------------|------------------|------------------------------------|
|                       | £                            | £                             | £                             | £                | £                                  |
| General funds         | 24,768                       | 40,568                        | (37,419)                      | -                | 27,917                             |
| <b>Previous year:</b> | <b>At 1 January<br/>2022</b> | <b>Incoming<br/>resources</b> | <b>Resources<br/>expended</b> | <b>Transfers</b> | <b>At 31<br/>December<br/>2022</b> |
|                       | £                            | £                             | £                             | £                | £                                  |
| General funds         | 39,394                       | 27,570                        | (56,555)                      | 14,359           | 24,768                             |

### 17 Analysis of net assets between funds

|                              | Unrestricted<br>funds<br>2023<br>£ | Restricted<br>funds<br>2023<br>£ | Total<br>2023<br>£ |
|------------------------------|------------------------------------|----------------------------------|--------------------|
| <b>At 31 December 2023:</b>  |                                    |                                  |                    |
| Tangible assets              | 5,387                              | 444                              | 5,831              |
| Current assets/(liabilities) | 22,530                             | 127,013                          | 149,543            |
|                              | 27,917                             | 127,457                          | 155,374            |
|                              | Unrestricted<br>funds<br>2022<br>£ | Restricted<br>funds<br>2022<br>£ | Total<br>2022<br>£ |
| <b>At 31 December 2022:</b>  |                                    |                                  |                    |
| Tangible assets              | 521                                | 741                              | 1,262              |
| Current assets/(liabilities) | 24,247                             | 81,695                           | 105,942            |
|                              | 24,768                             | 82,436                           | 107,204            |

# **ACTION FOR COMMUNITY TRANSFORMATION INITIATIVE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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### **18 Related party transactions**

- There were no disclosable related party transactions during the year (2022 - none).