

CHURCHES ACTION FOR THE HOMELESS
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1998

Company Registration No. 145621 (Scotland)



Moray House, 39 St. John Street, PERTH PH1 5HQ. Tel: (01738) 632081 Fax: (01738) 630989

e-mail : admin@bellandcompany.co.uk

Internet : www.perth.org.uk/perth/bell.htm

MEMBER OF  *The UK 200 Group*  PRACTISING CHARTERED ACCOUNTANTS

Partners: I.J.A. MOIR C.A.; J.H. DEWAR C.A.; N.W. FRASER B.A., C.A.; R.M. HOWES M.A., F.C.A.; C. CARNEGIE F.C.C.A.

Registered to carry out audit work and authorised to carry on investment business by the Institute of Chartered Accountants of Scotland

CHURCHES ACTION FOR THE HOMELESS

COMPANY INFORMATION

Directors	Mary I Carroll Vivian Mason Mary J Gillies Stephen Mackay
Secretary	Campbell, Brooke & Myles W S
Company number	145621
Registered office	72 Tay Street Perth PH1 5LE
Auditors	Bell & Company Moray House 39 St John Street Perth PH1 5HQ
Business address	20 Ladeside Perth PH1 5RY
Solicitors	Campbell Brooke & Myles W S 72 Tay Street Perth PH1 5LE

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CHURCHES ACTION FOR THE HOMELESS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1998

The directors present their report and financial statements for the year ended 31 July 1998.

Principal activities

The principal activities of the company continue to be the provision of food and day shelter for the homeless in Perth and Kinross district together with support in resettlement both in housing and employment. During the year the company also became involved in the administration of the Rough Sleepers Initiative (RSI) in conjunction with Perth Model Lodging House Association, funded by the Scottish Office via Perth and Kinross Council (see note 7 to the accounts for further details).

The company is registered as a charity (reference SC021740) and is a company limited by guarantee.

Directors

The following directors have held office since 1 August 1997:

Mary I Carroll
Vivian Mason
Mary J Gillies
Stephen Mackay

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Bell & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

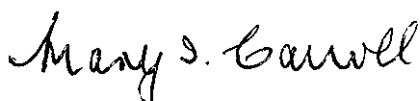
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. They 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



Mary I Carroll

Director

22 October 1998

CHURCHES ACTION FOR THE HOMELESS

AUDITORS' REPORT

TO THE SHAREHOLDERS OF CHURCHES ACTION FOR THE HOMELESS

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bell & Company

Chartered Accountants
Registered Auditor

23 October 1998

Moray House
39 St John Street
Perth
PH1 5HQ

CHURCHES ACTION FOR THE HOMELESS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 1998

Income and Expenditure	Notes	1998 £ Unrestricted funds	1998 £ Restricted funds	1998 Total	1997 £ Total
Income	2				
Kitchen sales		4,840	-	4,840	4,348
Gift aid including tax reclaimed		400	-	400	9,400
CATH 500 donations including tax reclaim		8,466	-	8,466	7,230
Other donations		26,130	3,550	29,680	32,799
Fund raising		14,274	-	14,274	3,802
Grants received		55,550	-	55,550	67,554
RSI management fee		16,229	-	16,229	-
Total income		125,889	3,550	129,439	125,133
Expenditure					
Day centre running costs	3	(125,574)	-	(125,574)	(67,329)
Fund raising expenses		(790)	-	(790)	(73)
Administrative expenses	4	(6,149)	-	(6,149)	(4,379)
Operating (deficit)/surplus		(6,624)	3,550	(3,074)	53,352
Other interest receivable and similar income		5,992	-	5,992	4,176
Net incoming/(outgoing) resources before transfers		(632)	3550	2,918	57,528
Transfers between funds		6,589	(6,589)	-	-
Funds brought forward at 1 August 1997		162,194	152,044	314,238	256,710
Funds carried forward at 31 July 1998	9	168,151	149,005	317,156	314,238

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CHURCHES ACTION FOR THE HOMELESS

BALANCE SHEET AS AT 31 JULY 1998

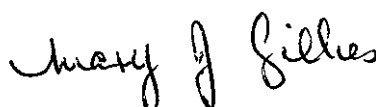
	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	5		230,285		197,753
Current assets					
Stocks		100		100	
Debtors	6	2,261		3,000	
RSI cash at bank and in hand	7	64,941		-	
Cash at bank and in hand		88,572		131,441	
		<u>155,874</u>		<u>134,541</u>	
Creditors: amounts falling due within one year	7	<u>(69,003)</u>		<u>(2,556)</u>	
Net current assets			86,871		131,985
Total assets less current liabilities			<u>317,156</u>		<u>329,738</u>
Accruals and deferred income	8		-		(15,500)
Net assets			<u><u>317,156</u></u>		<u><u>314,238</u></u>
Funds					
Restricted funds	9		149,005		152,044
General funds	9		168,151		162,194
			<u>317,156</u>		<u>314,238</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 22 October 1998



Mary I Carroll
Director



Mary J Gillies
Director

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) issued by the Charity Commission for England and Wales.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold buildings	2% & 3.5% of cost
Computers	25% on cost
Fixtures, fittings & equipment	15% on cost
Motor vehicles	20% on cost

1.4 Stock

Stock represents a nominal amount for food and clothing donated for distribution at the centre.

1.5 Income

Grants received are recognised as income as received, unless they relate to future periods when they are treated as deferred income.

Donations under deed of covenant and Gift Aid receipts are recognised as income when received and any income tax not recovered is included in debtors in the accounts.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

2 Income

Grants

Included in income are the following grants:

	1998	1997
	£	£
Perth & Kinross Council - grant for centre running costs	5,700	8,550
Perth & Kinross Council Common Good fund - rent	2,100	1,350
Unemployed Voluntary Action Fund - day centre running costs and project managers salary, final instalment	12,200	22,890
Perth & Kinross Council - GAP fund	4,550	-
Lloyds TSB Foundation for Scotland - workscheme co-ordinator's salary	15,500	-
Gannochy Trust - project worker	15,500	18,500
Shelter - Rough Sleepers Initiative	-	1,440
Capital grants for minibus and equipment	-	14,824
	55,550	67,554

RSI management fee

The RSI management fee represents the recovery of salaries from the Rough Sleepers Initiative for cover while day centre staff are engaged on RSI work.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

3 Day centre running costs

	1998	1997
	£	£
Centre staff salaries	83,652	39,940
Employer's N.I. contributions	7,223	1,178
Centre sundries	918	730
Food costs	6,651	5,488
Staff training & travel	1,014	319
Vehicle expenses	1,616	1,173
Volunteers expenses	408	823
Activities	666	144
Workshop & work experience	431	-
Accommodation	155	-
Rent	1,626	1,350
Water rates	329	631
Insurance	930	802
Heat and light	3,545	3,884
Repairs & maintenance	2,294	940
Cleaning materials	1,217	335
Telephone & postages	2,528	1,400
Leasing of drinks machine	231	-
Depreciation on vehicle & equipment	5,067	4,484
Depreciation on buildings	5,073	3,708
	<u>125,574</u>	<u>67,329</u>

4 Administrative expenses

	1998	1997
	£	£
Computer running costs	100	-
Postage, stationery & advertising	2,724	2,613
Under provision for accounts fee	529	506
Audit fees	1,469	-
Legal costs	-	66
Sundry expenses	782	736
Depreciation of fixed assets	545	458
	<u>6,149</u>	<u>4,379</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

5 Tangible fixed assets

	Leasehold buildings	Computers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 1997	185,410	1,832	10,789	14,335	212,366
Additions	39,000	-	4,217	-	43,217
At 31 July 1998	224,410	1,832	15,006	14,335	255,583
Depreciation					
At 1 August 1997	7,362	1,243	3,141	2,867	14,613
Charge for the year	5,073	545	2,200	2,867	10,685
At 31 July 1998	12,435	1,788	5,341	5,734	25,298
Net book value					
At 31 July 1998	211,975	44	9,665	8,601	230,285
At 31 July 1997	178,048	589	7,648	11,468	197,753

The addition to leasehold buildings was the purchase of workshop premises.

It is the policy of the management committee not to capitalise second hand donated items, although a fixed asset register is maintained and checked to ensure security of the assets. Included in land and buildings is fitted kitchen equipment at cost of £40 which was purchased in 1995. The equipment is valued at £8,000 - £10,000 for insurance purposes.

6 Debtors

	1998 £	1997 £
Key money deposits	605	-
Income tax recoverable	1,656	3,000
	2,261	3,000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

7	Creditors: amounts falling due within one year	1998 £	1997 £
	RSI advance (see below)	64,456	-
	Taxes and social security costs	2,953	1,091
	Accruals and deferred income	1,594	1,465
		<u>69,003</u>	<u>2,556</u>

RSI advance

The charity is responsible for paying the salaries of the project staff employed on the Rough Sleepers Initiative and overseeing improvements to the night shelter. A budget for salaries is received quarterly in advance. Other costs incurred by the charity on behalf of RSI are recovered as they are incurred. The income received and costs incurred on behalf of RSI up to the year end were as follows:

	1998 £	1997 £
Received from Perth & Kinross Council	198,631	-
Salaries	(78,892)	-
Other costs	(55,283)	-
	<u>64,456</u>	<u>-</u>

8 Accruals and deferred income

	Grants £
Balance at 1 August 1997 - Lloyds TSB Foundation	15,500
Transferred to grant income	(15,500)
Balance at 31 July 1998	<u>-</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

9 Statement of movements on reserves

	Restricted funds £	General funds £
Balance at 1 August 1997	152,044	162,194
Retained profit for the year	-	(632)
Transfer from restricted funds to general funds	-	6,589
Donations	3,550	-
Transfer to general funds	(6,589)	-
Balance at 31 July 1998	149,005	168,151

The transfer from restricted funds to general funds represents depreciation on assets on which capital grants have been received.

The balance on restricted funds represents capital grants and donations received to fund the purchase of the following assets:

	£
Daycentre building	137,230
Minibus	8,466
Equipment	3,309
	149,005

10 Employees

Number of employees

The average monthly number of employees during the year was:

	1998 Number	1997 Number
Day centre staff	8	4

Employment costs

	£	£
Wages and salaries	83,652	39,940
Social security costs	7,223	1,178
	90,875	41,118