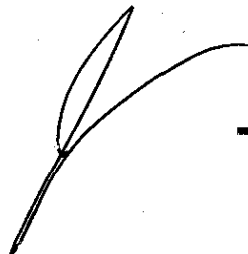


CHURCHES ACTION FOR THE HOMELESS
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2000

Company Registration No. 145621 (Scotland)



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MEMBER OF  **The UK 200 Group**  **PRACTISING CHARTERED ACCOUNTANTS**

Partners: 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. Consultant: I.J.A. MOIR 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	Stephen B Mackay Mary I Carroll Vivian Mason Kathleen M Black Michael Archibald (Appointed 29 November 1999) Colin McGaffney (Appointed 29 November 1999)
Secretary	McCash & Hunter
Company number	145621
Registered office	Moray House 39 St John Street Perth PH1 5HQ
Auditors	Bell & Company Moray House 39 St John Street Perth PH1 5HQ
Business address	20 Ladeside Perth PH1 5RY
Bankers	Bank of Scotland 50 St John Street Perth PH1 5SL
Solicitors	McCash & Hunter 25 South Methven Street Perth PH1 5ES

CHURCHES ACTION FOR THE HOMELESS

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CHURCHES ACTION FOR THE HOMELESS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2000

The directors present their report and financial statements for the year ended 31 July 2000.

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. The company is also involved in the administration of the Rough Sleepers Initiative (RSI) funded by the Scottish Office via Perth and Kinross Council (see RSI Income and Expenditure account on page 14).

Funding was received from Scottish Enterprise under the New Futures Initiative to enable the workshop project to continue. A separate Income and Expenditure Account for the workshop (the New Futures Centre) is included in the accounts on page 13.

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

Results for the year

Although the Statement of Financial Activities shows a surplus for the year, the accumulated funds were utilised to purchase property after the year end as disclosed in note 9 to the accounts.

Directors

The following directors have held office since 1 August 1999:

Stephen B Mackay

Mary I Carroll

Mary J Gillies

(Resigned 28 October 1999)

Vivian Mason

Kathleen M Black

Michael Archibald

(Appointed 29 November 1999)

Colin McGaffney

(Appointed 29 November 1999)

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.

CHURCHES ACTION FOR THE HOMELESS

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2000

Directors' responsibilities

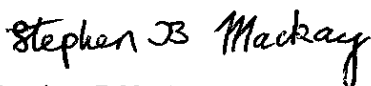
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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



Stephen B Mackay

Director

23 October 2000

CHURCHES ACTION FOR THE HOMELESS

AUDITORS' REPORT TO THE MEMBERS OF CHURCHES ACTION FOR THE HOMELESS

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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.

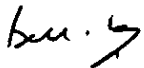
Basis of opinion

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 2000 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

24 October 2000

Moray House
39 St John Street
Perth
PH1 5HQ

CHURCHES ACTION FOR THE HOMELESS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2000

Income and Expenditure		2000 Unrestricted funds £	2000 Restricted funds £	2000 Total £	1999 Total £
	Notes				
Income	2				
Kitchen sales		5,984	-	5,984	5,059
Gift aid including tax reclaimed		7,143	-	7,143	600
CATH 500 donations including tax reclaim		7,488	-	7,488	8,226
Other donations		20,809	-	20,809	15,119
Fund raising		12,713	-	12,713	5,016
Grant income		218,110	12,528	230,638	149,324
RSI management fee		15,748	-	15,748	8,316
RSI reimbursements		364,328	-	364,328	277,457
Daily charges		7,393	-	7,392	7,953
Big Issue commission		2,437	-	2,437	-
Housing benefit		7,220	-	7,220	-
Total income		669,373	12,528	681,900	477,070
Expenditure					
Direct charitable expenditure		(595,824)	-	(595,823)	(466,867)
Fund raising expenses		(747)	-	(747)	(1,360)
Administrative expenses		(33,019)	-	(33,019)	(13,239)
Net incoming/(outgoing) resources before interest		39,783	12,528	52,311	(4,396)
Other interest receivable and similar income		8,429	-	8,429	7,895
Net incoming/(outgoing) resources before transfers		48,212	12,528	60,740	3,499
Transfers between funds		9,111	(9,111)	-	-
Funds brought forward at 1 August 1999		145,881	174,773	320,654	317,155
Funds carried forward at 31 July 2000	7	203,204	178,190	381,394	320,654

The statement of financial activities has been prepared on the basis that all operations are continuing operations.

The departmental income and expenditure accounts on pages 11 to 14 show a detailed breakdown of expenditure.

CHURCHES ACTION FOR THE HOMELESS

BALANCE SHEET AS AT 31 JULY 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	3		257,367		255,494
Current assets					
Stocks		100		100	
Debtors	4	9,290		2,247	
RSI cash at bank and in hand	5	130,783		90,120	
Cash at bank and in hand		103,288		98,962	
		<u>243,461</u>		<u>191,429</u>	
Creditors: amounts falling due within one year	5	<u>(119,434)</u>		<u>(126,269)</u>	
Net current assets			124,027		65,160
Total assets less current liabilities			<u>381,394</u>		<u>320,654</u>
Funds					
Restricted funds	7		178,190		174,773
General funds	7		203,204		145,881
			<u>381,394</u>		<u>320,654</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 (effective March 2000).

The financial statements were approved by the Board on 23 October 2000.

Stephen B Mackay

Stephen B Mackay
Director

Michael Archibald

Michael Archibald
Director

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

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 Donations

The charity receives donations of food, which is used in the centre kitchen, and clothes, which are given to the homeless. These are not valued and are therefore not included in the accounts.

1.5 Stock

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Statement of financial activities (SOFA)

This additional statement, produced to comply with the Statement of Recommended Practice "Accounting by Charities" is effectively an Income and Expenditure account in a different format, incorporating information on all incoming resources to form a single statement of all movements between opening and closing fund balances.

No summary Income and Expenditure Account has been prepared because it would duplicate the information in the column headed unrestricted funds in the SOFA. Detailed Income and Expenditure Accounts are included for each discrete department operated by the charity.

1.8 Donations received

Monetary donations are recognised in income as they are received. Income tax recoverable on covenanted donations and gift aid donations is accrued in the accounts.

Donations in kind such as food and clothing are received at the day centre and noted. No value is placed on these items as they generally have little resale value and are distributed to attenders as soon as possible after receipt.

1.9 Grants received

Grants are recorded in the accounts to match them against the corresponding expenditure. Receipts in advance of the expenditure are included in creditors and carried forward against expenditure of a future period.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2000

2 Income

Grants

Included in income are the following grants:

	2000	1999
	£	£
Perth & Kinross Council - GAP funding	76,000	32,300
Perth & Kinross Council Common Good fund - rent	-	2,200
Scottish Enterprise grant for New Futures Centre	98,385	43,224
Lloyds TSB Foundation for Scotland - workscheme co-ordinator's salary	7,500	11,500
Gannochy Trust - project worker	20,000	20,000
Perth & Kinross Social Services - grant for day centre running costs	5,225	5,700
Thomson Trust	3,000	-
Forteviot Charitable Trust	5,000	-
PF Charitable Trust	1,000	-
Cairncross Trust	2,000	-
	<u>218,110</u>	<u>114,924</u>

The following grants were received to assist with capital expenditure and are credited to restricted funds:

	2000	1999
	£	£
Carson Homeless Trust	-	5,000
Perth & Kinross Common Good Fund	-	5,000
Scottish Enterprise	9,703	24,400
Alexander Moncur Trust	2,000	-
Jean Morley Trust	825	-
	<u>12,528</u>	<u>34,400</u>

RSI management fee

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

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2000

3 Tangible fixed assets

	Leasehold buildings	Computers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 1999	255,961	4,128	14,659	18,859	293,607
Additions	12,355	-	2,531	-	14,886
	<u>268,316</u>	<u>4,128</u>	<u>17,190</u>	<u>18,859</u>	<u>308,493</u>
Depreciation					
At 1 August 1999	18,573	2,493	7,541	9,506	38,113
Charge for the year	6,150	574	2,517	3,772	13,013
	<u>24,723</u>	<u>3,067</u>	<u>10,058</u>	<u>13,278</u>	<u>51,126</u>
Net book value					
At 31 July 2000	<u>243,593</u>	<u>1,061</u>	<u>7,132</u>	<u>5,581</u>	<u>257,367</u>
At 31 July 1999	<u>237,388</u>	<u>1,635</u>	<u>7,118</u>	<u>9,353</u>	<u>255,494</u>

The addition to leasehold buildings was mainly for the installation of central heating at the workshop and the day centre 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 was valued at £8,000 - £10,000 for insurance purposes.

4 Debtors

	2000 £	1999 £
Key money deposits	780	611
Scottish Enterprise	6,784	-
Income tax recoverable	1,210	1,636
Prepayments and accrued income	516	-
	<u>9,290</u>	<u>2,247</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2000

5	Creditors: amounts falling due within one year	2000 £	1999 £
	Scottish Enterprise grant advance	-	31,884
	RSI advance (see below)	104,070	81,268
	Taxes and social security costs	13,034	10,445
	Other creditors	2,330	-
	Accruals and deferred income	-	2,672
		<u>119,434</u>	<u>126,269</u>

RSI grant advance

The charity is responsible for paying the salaries of the project staff employed on the Rough Sleepers Initiative and other expenditure related to the night shelter. The balance shown above represents salaries received in advance less expenditure still to be recovered.

6 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £9,466 (1999 - £nil). Contributions totalling £1,029 (1999 - £nil) were payable to the fund at the year end and are included in creditors.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2000

7 Statement of movements on reserves

	Restricted funds £	General funds £
Balance at 1 August 1999	174,773	145,881
Retained profit for the year	-	48,212
Transfer from restricted funds to general funds	-	9,111
Grants	12,528	-
Transfer to general funds	(9,111)	-
Balance at 31 July 2000	<u>178,190</u>	<u>203,204</u>

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	133,584
Workshop building	34,787
Equipment	4,283
Minibuses	5,536
	<u>178,190</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2000

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2000 Number	1999 Number
Day centre	7	9
New Futures Centre	5	-
Rough Sleepers Initiative	21	16
	<u>33</u>	<u>25</u>

Employment costs

	£	£
Wages and salaries	445,349	346,037
Social security costs	36,774	31,111
Other pension costs	9,603	-
	<u>491,726</u>	<u>377,148</u>

No employee was paid more than £40,000 per annum.

9 Post balance sheet events

On 19 October 2000 the charity bought the property at Simon House, Shore Road, Perth to be used for the Rough Sleepers Initiative project. The cost of the property was £80,000.

CHURCHES ACTION FOR THE HOMELESS

DAY CENTRE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2000

	2000		1999	
	£	£	£	£
Income				
Kitchen sales		5,984		5,059
Gift aid including tax reclaimed		7,143		600
CATH 500 donations including tax reclaim		7,488		8,226
Other donations		20,426		15,089
Fund raising		12,713		2,986
Grant income		112,227		58,000
RSI management fee		15,748		8,316
Big Issue commission		2,437		-
		184,166		98,276
 Direct charitable expenditure				
Salaries	78,230		86,445	
Employer's NI contributions	5,931		7,463	
Staff pension scheme costs	1,373		-	
Recruitment	2,412		1,403	
Staff training	1,211		301	
Food costs	6,924		7,980	
Accommodation	-		336	
Vehicle expenses	1,264		2,131	
Travel	425		70	
Volunteers expenses	157		347	
Training materials & activities costs	566		828	
Printing, photocopying & stationery	3,437		2,724	
Rent	1,350		1,350	
Water rates	1,001		357	
Insurance	1,753		450	
Heat & light	4,035		3,968	
Cleaning	690		2,680	
Property & equipment maintenance	2,025		3,927	
Telephone	2,128		2,005	
Centre sundries	1,075		933	
Machine leasing	-		282	
Depreciation	8,790		8,594	
		(124,777)		(134,574)
 Fund raising expenditure				
Fund raising	747		1,360	
		(747)		(1,360)
		58,642		(37,658)

CHURCHES ACTION FOR THE HOMELESS

DAY CENTRE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2000

Management and administration expenditure

Salaries	11,692	-	
Employer's NI	940	-	
Staff pension scheme costs	137	-	
Computer running costs	578	735	
Postage, stationery & advertising	-	10	
Accountancy charges	568	330	
Audit fees	1,027	781	
Other professional fees	-	459	
Sundry expenses	145	663	
Depreciation of computers	87	218	
		<u>(15,174)</u>	<u>(3,196)</u>
Operating surplus/(deficit)		43,468	(40,854)
Other income			
Bank interest received	6,863	7,895	
		<u>6,863</u>	<u>7,895</u>
Transfer from capital fund		6,053	6,120
Net surplus/(deficit) for the year		<u>56,384</u>	<u>(26,839)</u>

CHURCHES ACTION FOR THE HOMELESS

NEW FUTURES CENTRE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2000

	2000		1999	
	£	£	£	£
Income				
Other donations		383		30
Fund raising		-		2,029
Grant income		105,883		56,924
		<u>106,266</u>		<u>58,983</u>
 Direct charitable expenditure				
Salaries	73,212		33,061	
Employer's NI contributions	5,911		2,759	
Staff pension scheme costs	1,094		-	
Recruitment	-		1,997	
Staff training	7,804		629	
Vehicle expenses	2,863		1,124	
Travel	726		-	
Volunteers expenses	201		393	
Training materials & activities costs	1,524		3,945	
Participants costs	3,660		434	
Printing, photocopying & stationery	1,162		-	
Rent	2,200		2,750	
Insurance	385		287	
Heat & light	655		1,001	
Cleaning	263		46	
Property & equipment maintenance	1,422		2,493	
Telephone	1,277		728	
Plant hire	427		1,152	
Depreciation	3,649		4,003	
		<u>(108,435)</u>		<u>(56,802)</u>
		(2,169)		2,181
 Management and administration expenditure				
Postage, stationery & advertising	-		123	
Audit fees	531		-	
Other professional fees	500		-	
Depreciation of computers	487		-	
		<u>(1,518)</u>		<u>(123)</u>
Operating (deficit)/surplus		<u>(3,687)</u>		<u>2,058</u>
 Other income				
Bank interest received	245		-	
		<u>245</u>		<u>-</u>
Transfer from Capital Fund		<u>3,058</u>		<u>2,512</u>
Net (deficit)/surplus for the year		<u><u>(384)</u></u>		<u><u>4,570</u></u>

CHURCHES ACTION FOR THE HOMELESS

RSI INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2000

	2000		1999	
	£	£	£	£
Income				
RSI reimbursements		364,328		277,457
Daily charges		7,393		7,953
Housing benefit		7,220		-
		<u>378,941</u>		<u>285,410</u>
Direct charitable expenditure				
Salaries	282,214		226,532	
Employer's NI contributions	23,992		20,889	
Staff pension scheme costs	6,999		-	
Recruitment	2,585		4,320	
Staff training	-		443	
Food costs	12,519		8,863	
Resident support	890		1,302	
Travel	2,933		1,423	
Printing, photocopying & stationery	2,083		1,347	
Furnishings	5,481		841	
Shore Road refurbishment	312		-	
Rent	6,450		-	
Insurance	447		499	
Heat & light	1,303		15	
Property & equipment maintenance	9,340		6,353	
Telephone	5,066		2,663	
		<u>(362,614)</u>		<u>(275,490)</u>
		16,327		9,920
Management and administration of the charity				
Computer running costs	-		116	
Postage, stationery & advertising	-		128	
Accountancy charges	-		424	
CATH management fee	15,748		8,316	
Audit fees	579		750	
Sundry expenses	-		186	
		<u>(16,327)</u>		<u>(9,920)</u>
Operating surplus		-		-
Bank interest received	1,321		-	
		<u>1,321</u>		<u>-</u>
Net surplus for the year		<u>1,321</u>		<u>-</u>