



CHURCHES ACTION FOR THE HOMELESS
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2001

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.bellandcompany.co.uk

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 Colin McGaffney
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 PERIOD ENDED 30 SEPTEMBER 2001

The directors present their report and financial statements for the period ended 30 September 2001.

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 16).

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 pages 14 and 15.

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

The organisational structure of the charity is on the first level the board of directors which meet on an ad hoc basis; the second level is the management committee comprising all the directors, representatives of various churches and the project managers; the third level is the planning committee comprising the directors and managers which again meets every two months.

Results for the year

The balance sheet shows that the Charity has good cash reserves, however the fact is that they would only cover the salaries and running costs of the Charity for three months if no finding was forthcoming and the help from volunteers continued at the same level. We are at present investigating the possibility of extending the number of beds provided for the RSI by way of leasing or purchasing another building.

Directors

The following directors have held office since 1 August 2000:

Stephen B Mackay

Mary I Carroll

Vivian Mason

Kathleen M Black

Michael Archibald

Colin McGaffney

(Resigned 30 September 2001)

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 PERIOD ENDED 30 SEPTEMBER 2001

Directors' responsibilities

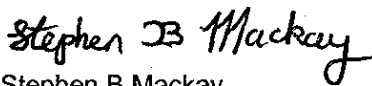
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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

21 February 2002

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.

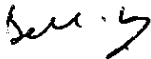
Basis of opinion

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 30 September 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Bell & Company

Chartered Accountants
Registered Auditor

25 February 2002

Moray House
39 St John Street
Perth
PH1 5HQ

CHURCHES ACTION FOR THE HOMELESS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 30 SEPTEMBER 2001

Income and Expenditure	Notes	Period ended		31 July 2000
		30 September 2001	30 September 2001	
		Unrestricted funds	Restricted funds	Total
		£	£	£
Income	2			
Kitchen and laundry donations		5,553	-	5,553
Gift aid including tax reclaimed		6,410	-	6,410
CATH 500 donations including tax reclaim		10,822	-	10,822
Other donations		16,717	-	16,717
Fund raising		9,618	-	9,618
Employee secondments		7,633	-	7,633
Grant income		340,176	-	340,176
RSI management fee		11,012	-	11,012
RSI reimbursements		526,200	-	526,200
Daily charges		5,203	-	5,203
Big Issue commission		1,910	-	1,910
Housing benefit		83,207	-	83,207
New Deal		1,419	-	1,419
Total income		1,025,880	-	1,025,880
Expenditure				
Direct charitable expenditure		(901,536)	-	(901,536)
Fund raising expenses		(1,738)	-	(1,738)
Administrative expenses		(48,998)	-	(48,998)
Net incoming resources before interest		73,608	-	73,608
Other interest receivable and similar income		13,915	-	13,915
Net incoming/(outgoing) resources before transfers		87,523	-	87,523
Transfers between funds		9,057	(9,057)	-
Funds brought forward at 1 August 2000		203,204	178,190	381,394
Funds carried forward at 30 September 2001		299,784	169,133	468,917

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 12 to 16 show a detailed breakdown of expenditure.

CHURCHES ACTION FOR THE HOMELESS

BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	3		246,046		257,367
Current assets					
Stocks		250		100	
Debtors	4	40,808		9,290	
Cash at bank and in hand		241,213		234,071	
		282,271		243,461	
Creditors: amounts falling due within one year	5	(59,400)		(119,434)	
Net current assets			222,871		124,027
Total assets less current liabilities			468,917		381,394
Funds					
Restricted funds	7		169,133		178,190
General funds	7		299,784		203,204
			468,917		381,394

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 21 February 2002

Stephen B Mackay
Stephen B Mackay
Director

Mary I Carroll
Mary I Carroll
Director

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2001

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 Stock

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

1.5 Pensions

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

1.6 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.

1.7 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 or used in the centre kitchen.

1.8 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 PERIOD ENDED 30 SEPTEMBER 2001

2 Income

Grants

Included in income are the following grants:

	2001	2000
	£	£
Perth & Kinross Council - GAP funding	82,000	76,000
Scottish Enterprise grant for New Futures Centre	132,514	98,385
Lloyds TSB Foundation for Scotland - workscheme co-ordinator's salary	-	7,500
Gannochy Trust - project worker	-	20,000
Perth & Kinross Social Services - grant for day centre running costs	6,650	5,225
Thomson Trust	-	3,000
Forteviot Charitable Trust	-	5,000
PF Charitable Trust	-	1,000
Cairncross Trust	1,000	2,000
European Social Fund (see below)	99,612	-
Garfield Weston Foundation	3,000	-
Tudor Trust	10,000	-
Alexander Moncur Trust	4,000	-
Jean Morley Trust	1,400	-
	<u>340,176</u>	<u>218,110</u>

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

	2001	2000
	£	£
Scottish Enterprise	-	9,703
Alexander Moncur Trust	-	2,000
Jean Morley Trust	-	825
	<u>-</u>	<u>12,528</u>

European Social Fund

A joint application with Tayside Furniture Project was made to the European Social Fund for New Futures Work. The total grant received was £131,220 of which £31,608 was transferred to the Tayside Furniture Project, leaving a figure as per the above of £99,612.

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 PERIOD ENDED 30 SEPTEMBER 2001

3 Tangible fixed assets

	Leasehold buildings	Computers	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2000	268,316	4,128	17,190	18,859	308,493
Additions	-	3,224	1,662	-	4,886
	<u>268,316</u>	<u>7,352</u>	<u>18,852</u>	<u>18,859</u>	<u>313,379</u>
At 30 September 2001	268,316	7,352	18,852	18,859	313,379
Depreciation					
At 1 August 2000	24,723	3,067	10,058	13,278	51,126
Charge for the period	7,470	1,594	3,220	3,923	16,207
	<u>32,193</u>	<u>4,661</u>	<u>13,278</u>	<u>17,201</u>	<u>67,333</u>
At 30 September 2001	32,193	4,661	13,278	17,201	67,333
Net book value					
At 30 September 2001	<u>236,123</u>	<u>2,691</u>	<u>5,574</u>	<u>1,658</u>	<u>246,046</u>
At 31 July 2000	<u>243,593</u>	<u>1,061</u>	<u>7,132</u>	<u>5,581</u>	<u>257,367</u>

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	2001 £	2000 £
Key money deposits	-	780
Scottish Enterprise	1,484	6,784
Income tax recoverable	1,850	1,210
RSI grant	27,109	-
Prepayments and accrued income	10,365	516
	<u>40,808</u>	<u>9,290</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2001

5	Creditors: amounts falling due within one year	2001	2000
		£	£
	RSI advance (see below)	43,080	104,070
	Taxes and social security costs	4,207	13,034
	Other creditors	12,113	2,330
		59,400	119,434

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 £6,874 (2000- £9,466). Contributions totalling £Nil (2000- £1,029) 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 PERIOD ENDED 30 SEPTEMBER 2001

7 Statement of movements on reserves

	Restricted funds £	General funds £
Balance at 1 August 2000	178,190	203,204
Retained profit for the period	-	87,523
Transfer from restricted funds to general funds	-	9,057
Transfer to general funds	(9,057)	-
Balance at 30 September 2001	169,133	299,784

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	130,858
Workshop building	33,449
Equipment	3,076
Minibuses	1,750
	169,133

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2001

8 Employees

Number of employees

The average monthly number of employees during the period was:

	2001 Number	2000 Number
Day centre	7	7
New Futures Centre	6	5
Rough Sleepers Initiative/Supported Accommodation	21	21
	<u>34</u>	<u>33</u>

Employment costs

	£	£
Wages and salaries	613,306	445,348
Social security costs	50,655	36,774
Other pension costs	6,873	9,603
	<u>670,834</u>	<u>491,725</u>

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

CHURCHES ACTION FOR THE HOMELESS

DAY CENTRE INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2001

	Period ended 30 September 2001		31 July 2000	
	£	£	£	£
Income				
Kitchen and laundry donations		5,553		5,984
Gift aid including tax reclaimed		6,410		7,143
CATH 500 donations including tax reclaim		10,822		7,488
Other donations		16,597		20,426
Fund raising		8,885		12,713
Employee secondments		2,878		-
Grant income		108,050		112,227
RSI management fee		11,012		15,748
Big Issue commission		1,910		2,437
New Deal		1,419		-
		<u>173,536</u>		<u>184,166</u>
Direct charitable expenditure				
Salaries	95,844		78,230	
Employer's NI contributions	8,216		5,931	
Staff pension scheme costs	2,397		1,373	
Recruitment	1,648		2,412	
Staff training	1,942		1,211	
Food costs	9,978		6,924	
Vehicle expenses	2,216		1,264	
Travel	576		425	
Volunteers expenses	398		157	
Training materials & activities costs	3,827		566	
Printing, photocopying & stationery	2,884		3,437	
Rent	1,350		1,350	
Water rates	742		1,001	
Insurance	1,850		1,753	
Heat & light	3,835		4,035	
Cleaning	756		690	
Property & equipment maintenance	2,841		2,025	
Telephone	1,842		2,128	
Centre sundries	1,435		1,075	
Depreciation	10,238		8,790	
		<u>(154,815)</u>		<u>(124,777)</u>
Fund raising expenditure				
Fund raising	1,738		747	
		<u>(1,738)</u>		<u>(747)</u>
		<u>16,983</u>		<u>58,642</u>

CHURCHES ACTION FOR THE HOMELESS

DAY CENTRE INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2001

Management and administration expenditure

Salaries	16,371	11,692
Employer's NI	1,307	940
Staff pension scheme costs	273	137
Computer running costs	647	578
Accountancy charges	3,027	-
Audit fees	917	1,027
Other professional fees	132	568
Sundry expenses	696	145
Depreciation of computers	364	87
	<u>(23,734)</u>	<u>(15,174)</u>
Operating (deficit)/surplus	(6,751)	43,468
Other income		
Bank interest received	8,062	6,863
	<u>8,062</u>	<u>6,863</u>
Transfer from capital fund	5,999	6,053
Net surplus for the period	<u>7,310</u>	<u>56,384</u>

CHURCHES ACTION FOR THE HOMELESS

NEW FUTURES CENTRE INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2001

	Period ended 30 September 2001		31 July 2000	
	£	£	£	£
Income				
Other donations		20		383
Fund raising		733		-
Grant income		232,126		105,883
		<u>232,879</u>		<u>106,266</u>
Direct charitable expenditure				
Salaries	104,932		73,212	
Employer's NI contributions	8,321		5,911	
Staff pension scheme costs	210		1,094	
Recruitment	2,052		-	
Staff training	1,473		7,804	
Vehicle expenses	2,427		2,863	
Travel	763		726	
Volunteers expenses	61		201	
Training materials & activities costs	292		1,524	
Participants costs	4,540		3,660	
Printing, photocopying & stationery	677		1,162	
Rent	2,750		2,200	
Insurance	862		385	
Heat & light	1,272		655	
Cleaning	443		263	
Property & equipment maintenance	3,603		1,422	
Telephone	1,601		1,277	
Plant hire	172		427	
Depreciation	4,236		3,649	
		<u>(140,687)</u>		<u>(108,435)</u>
		92,192		(2,169)

CHURCHES ACTION FOR THE HOMELESS

NEW FUTURES CENTRE INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2001

Management and administration expenditure			
Computer running costs	425	-	
Accountancy charges	1,962	-	
Audit fees	917	531	
Other professional fees	1,960	500	
Depreciation of computers	568	487	
		<u>(5,832)</u>	<u>(1,518)</u>
Operating surplus/(deficit)		86,360	(3,687)
Other income			
Bank interest received	990	245	
		<u>990</u>	<u>245</u>
Transfer from Capital Fund		3,058	3,058
Net surplus/(deficit) for the period		<u>90,408</u>	<u>(384)</u>

CHURCHES ACTION FOR THE HOMELESS

RSI AND SUPPORTED ACCOMMODATION INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2001

	Period ended 30 September 2001		31 July 2000	
	£	£	£	£
Income				
Other donations		100		-
Employee secondments		4,755		-
RSI reimbursements		526,200		364,328
Daily charges		5,203		7,393
Housing benefit		83,207		7,220
		<u>619,465</u>		<u>378,941</u>
Direct charitable expenditure				
Salaries	396,159		282,214	
Employer's NI contributions	32,811		23,992	
Staff pension scheme costs	3,993		6,999	
Recruitment	4,471		2,585	
Staff training	1,213		-	
Food costs	10,048		12,519	
Resident support	2,899		890	
Travel	3,915		2,933	
Printing, photocopying & stationery	5,042		2,083	
Furnishings	5,337		5,481	
Shore Road refurbishment	64,341		312	
Rent	48,609		6,450	
Insurance	1,863		447	
Heat & light	5,468		1,303	
Property & equipment maintenance	12,088		9,340	
Telephone	7,639		5,066	
Depreciation	139		-	
		<u>(606,035)</u>		<u>(362,614)</u>
		13,430		16,327
Management and administration of the charity				
Accountancy charges	5,501		-	
CATH management fee	11,012		15,748	
Audit fees	917		579	
Other professional fees	1,163		-	
Bank charges	180		-	
Depreciation of computers	662		-	
		<u>(19,435)</u>		<u>(16,327)</u>
Operating (deficit)/surplus		<u>(6,005)</u>		<u>-</u>
Bank interest received		4,863		1,321
Net (deficit)/surplus for the period		<u><u>(1,142)</u></u>		<u><u>1,321</u></u>