



BELL & COMPANY
CHARTERED ACCOUNTANTS

CHURCHES ACTION FOR THE HOMELESS
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2006

Charity Registration No. SC021740

Company Registration No. 145621 (Scotland)

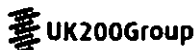


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CHURCHES ACTION FOR THE HOMELESS

COMPANY INFORMATION

Management Committee	Brian Foley	Chair
	John Angus	Vice Chair
	Mary Carroll MBE	
	Vivian Mason	
	John Flynn	
	Ruth Harris	
	William Lynch	
Chief Executive	Kath Critchley	(appointed 3 July 2006)
Finance Manager	Linda Kennedy	
Funding Manager	Andy Heming	
Human Resources & Service Standard Manager	Elaine Lamb	
Secretary	McCash & Hunter	
Company number	145621	
Charity number	SC021740	
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	5 Back Wynd Bridgend Perth PH2 7DX	
Bankers	The Royal Bank of Scotland 12 Dunkeld Road Perth PH1 5RB	
	Bank of Scotland 10-16 King Edward Street Perth PH1 5UT	

CHURCHES ACTION FOR THE HOMELESS

COMPANY INFORMATION (CONTINUED)

Solicitors

McCash & Hunter
25 South Methven Street
Perth
PH1 5ES

CHURCHES ACTION FOR THE HOMELESS

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CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE FOR THE PERIOD ENDED 31 MARCH 2006

The Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, present their report and audited financial statements for the period ended 31 March 2006.

Objectives and activities

The charitable company's objects and principal activities are to relieve homelessness and poor housing and to improve the conditions of life and generally aid the development of persons who are homeless or who live in poor and sub-standard housing in Perth and Kinross district.

CATH is a progressive local charity successful in achieving positive outcomes for homeless people and those at risk of becoming homeless. CATH has continued to be effective in responding to the needs of homeless people in Perth and Kinross. These services have been provided through our staff, volunteers and other support from Perth and Kinross Council, the Rough Sleepers Initiative, New Futures Initiative, and the many hundreds of other individuals, churches, organisations, businesses and trusts. The main activities in the period are shown under Achievements and performance.

Structure, governance and management

Governing document

Churches Action for The Homeless (CATH) is a private company limited by guarantee, incorporated on 27 July 1993 and registered as a charity on 17 August 1993. The company was established under a Memorandum and Articles of Association which established the objects and powers, and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The charity is regulated by the Office of the Scottish Charity Regulator.

The overarching procedure for election and appointment to the Management Committee is laid down in the Memorandum and Articles of Association. The steps below do not in any way interfere or alter this statutory procedure.

Organisational structure

CATH has a Management Committee of up to eleven members who meet monthly and are responsible for the strategic direction and policy of the charity. At present the Management Committee has seven members from a variety of professional backgrounds relevant to the work of the charity. The secretary also sits on the Committee but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with the Finance, Funding, Human Resources & Service Standard and Service Managers. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Service Managers have responsibility for the day to day operational management of the charity's services, individual supervision of the staff teams and also ensuring that the teams continue to develop their skills and working practices in line with good practice.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

Members of the Management Committee

Members of the Management Committee who served during the period and up to the date of this report were:

Brian Foley	
John Angus	
Mary Carroll MBE	
Vivian Mason	
Desmond Finch	(Resigned 24 January 2005)
John Flynn	
Ruth Harris	
Frances Hendry	(Resigned 10 March 2005)
Linda Kennedy	(Resigned 10 March 2005)
William Lynch	

Responsibilities of the Management Committee

Company law and charity law requires the Management Committee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company at the balance sheet date and of its incoming resources and application of resources, including income or expenditure, for that period. In preparing those financial statements, the Management Committee should follow best practice and:

- 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 on that basis.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Management Committee is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Recruitment of new Management Committee members

The Management Committee may delegate responsibility for succession planning and recruitment to a sub-group, for example a nominations committee. The Management Committee agrees a role description for its members, analyses the skills, experience and diversity it has among its members and identifies what sort of skills and diversity it wants in its new members. The Management Committee reviews its retirement dates of current members in the light of the constitutional rules.

Once the recruitment process identifies some prospective members, they receive information about the role and responsibilities of a Management Committee member and the skills/experience and time needed. They also receive details of the recruitment process, meet the Chief Executive and a member of the nominations committee, as well as visit CATH services to meet staff and volunteers. Prospective members are given a description of CATH services, e.g. promotional leaflet, annual reports and accounts plus any other information not contained within the Management Committee Member Information Pack (July 2006). Potential members may also be offered the opportunity to observe a Management Committee meeting. The potential Management Committee member completes a Personal Information Form, which describes their interest in being a member. This form is considered by the nominations committee and a recommendation made to the Management Committee. The Management Committee discusses this and decides whether to invite the person to become a member. If yes, then they will be voted in as specified in the governing instrument. The induction process is then discussed and agreed between all involved. A 'mentor' Management Committee member is sometimes give the task of working through this with a new member.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

Induction process

The induction process requires a clear and explicit process and good communication and is as follows:

- provides information about the organisation and the role of the Management Committee;
- establishes contact between the new Management Committee members and key people in the organisation - the other Management Committee members, staff and volunteers - through a programme of meetings;
- gives awareness of wider voluntary sector issues, both locally and nationally and the place of the organisation in that arena;
- identifies any further information, training or support, which the Management Committee member may need.

A timetable for induction activities is agreed with the new Management Committee member following attendance at their first Management Committee meeting. A review and monitoring process is described in the Management Committee Member Information Pack (July 2006).

Risk management

The organisation's internal control processes ensure that key risks are identified and managed. The risk that is most significant is that CATH is totally dependent on others for funding. Consequently all our work is at risk at any time.

Nevertheless CATH has a good reputation for delivering a good service and therefore an attractive provider of services in this field. Also we continue to invest resources heavily in fundraising to enable some of our projects to continue and develop. We have a good record of attracting funders from a variety of sources and we need to build on that.

Some of our work is performed in difficult environments. It is essential to be able to demonstrate effective procedures for the management of the health and safety. Good safety procedures are important to protect staff, minimise consequential costs arising from accidents, control insurance expenses and safeguard the reputation of the organisation. In this instance we continue to engage the services of a qualified Health and Safety Consultant.

Notwithstanding the secured funding for a significant proportion of our work, failure to maintain costs at budgeted capacity may cause the funding to be inadequate to support the largely fixed cost base. Actual costs are monitored on a monthly basis to ensure that any income shortfalls are identified and acted upon as soon as possible.

The Management Committee attach particular importance to the value of training for staff at all levels of the organisation. In addition to a formal induction programme for all staff, skills training is provided to enable staff to safely and efficiently undertake their duties and to ensure we meet our responsibilities legally and for our funders.

We have sufficient reserves to continue to fund our operations at the current funding levels. However this does not allow us to develop new services as a need is identified. Also we rely heavily on the unstinting efforts of volunteers for the management and running of the organisation.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

Achievements and performance

The main support areas provided by the charity are in Accommodation; Day Centre; and New Futures Centre.

Accommodation:

Successful Care Commission inspection.

Continued to work closely with local housing associations and nominate service users for vacant tenancies.

Widened the remit within Floating Support and Supported Accommodation to include families.

Implementation of revised Needs Assessment and Personal Support Plans.

Continued partnership working with local housing associations, Central Health Care Team (CHCT), the Harm Reduction Team and Perth & Kinross Council.

Successful completion of SVQ's.

Outreach team has worked with 126 individuals to provide support and advice on accommodation, benefits, substance misuse, mental health, physical health and domestic violence.

Day Centre:

October 2005 celebrated the 10th anniversary with an Open Day inviting all service users past and present, representatives of other agencies and members of the public.

Worked regularly with over 100 young people aged 16 to 19 years of age at the outreach drop in centres and one-off support to a further 20 young people.

Contributed towards the Perth & Kinross Youth Strategy Development.

293 service users accessed the Day Centre.

New Futures Centre:

154 participants engaged in training at the Centre over the period with referrals from New Deal, Get Ready for Work/Careers Scotland, Criminal Justice and self referrals.

Developed the training programme and participants engaged in issue based work about politics and visited the Scottish Youth Parliament to take part in a consultation.

Developed joint working with the Day Centre on construction initiatives.

Regular outings to a range of historical sites, museums and other country parks.

Participants moved on to employment in gardening, laundry, labouring, catering and shop work.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

Financial review

This has been a period of further progress and the organisation, with the aid of sound financial management and the support of both its staff and volunteers, generated a net increase in funds of just under £45,000.

Principal funding sources

The principal funding sources are the Scottish Executive via Perth & Kinross Council, European Social Fund and Scottish Enterprise.

Reserves policy

Our reserves policy is to maintain unrestricted funds inclusive of designated funds of three to six months' operational costs. Based on budgeted expenditure for 2006/7 this amounts to approximately £380,000 to £760,000. These reserves are needed to meet the working capital requirements of the charity. Unrestricted and designated funds at £356,494 mean that we are at the lower end of our reserves policy and although the strategy is to continue to build reserves through planned operating surpluses, we are restricted in setting aside reserves by our funders. Nevertheless, funded projects would terminate at the cessation of the service level agreement or contract and therefore the Management Committee are confident that free reserves are well in excess of our policy and sufficient to continue with a reduced service for the non-funded projects.

Investment policy

The investment performance achieved has been in excess of budget due to a re-organisation of our finances to achieve the best possible rate of return at the same time as minimising our risk. The Management Committee consider the overall return to be satisfactory.

Plans for future periods

The organisation has appointed Kath Critchley as Chief Executive with effect from 3 July 2006. This appointment is viewed as a key move in ensuring the organisation is moving forward and meeting its objectives.

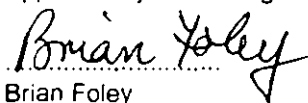
The plans for the future include the consolidation of existing services and the exploration of Enterprise activities with a view to creation of employment for service users as well as expansion of employability programmes. We will also be relocating to the new 8-bedroomed Tay View House in Spring 2007.

Auditors

Bell & Company were re-appointed as auditors of the charitable company during the period and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice : "Accounting and Reporting by Charities" issued in March 2005, and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Management Committee and signed on its behalf by:



Brian Foley

Director

22 September 2006

CHURCHES ACTION FOR THE HOMELESS

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

We have audited the financial statements of Churches Action for the Homeless on pages 8 to 26 for the period ended 31 March 2006. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective June 2002).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Management Committee and auditors

As described in the statement of Responsibilities of the Management Committee on page 2 the charitable company's Management Committee are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Management Committee is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read the Report of the Management Committee and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 Management Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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.

CHURCHES ACTION FOR THE HOMELESS

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CHURCHES ACTION FOR THE HOMELESS

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.


Bell & Company

Chartered Accountants
Registered Auditor

22 September 2006

Moray House
39 St John Street
Perth
PH1 5HQ

CHURCHES ACTION FOR THE HOMELESS

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 31 MARCH 2006

		Period ended 31 March 2006 Unrestricted funds £	Period ended 31 March 2006 Restricted funds £	Period ended 31 March 30 September 2006 Total £	Year ended 2004 Total £
	Notes				
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	33,274	1,453	34,727	40,334
Activities for generating funds		17,016	-	17,016	16,511
Investment income		29,532	-	29,532	14,173
Incoming resources from charitable activities					
	3	1,380,001	891,168	2,271,169	1,444,416
Total incoming resources		<u>1,459,823</u>	<u>892,621</u>	<u>2,352,444</u>	<u>1,515,434</u>
Resources expended					
Costs of generating funds:					
Fundraising trading: cost of goods sold and other costs	4	(4,548)	-	(4,548)	(3,026)
Charitable activities	4	(1,410,347)	(892,621)	(2,302,968)	(1,478,039)
Total resources expended		<u>(1,414,895)</u>	<u>(892,621)</u>	<u>(2,307,516)</u>	<u>(1,481,065)</u>
Net incoming resources before transfers for the period		44,928	-	44,928	34,369
Transfers between funds		5,667	(5,667)	-	-
Fund balances at 1 October 2004		305,899	152,950	458,849	424,480
Fund balances at 31 March 2006	11	<u>356,494</u>	<u>147,283</u>	<u>503,777</u>	<u>458,849</u>

The statement of financial activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

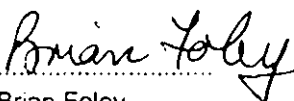
CHURCHES ACTION FOR THE HOMELESS

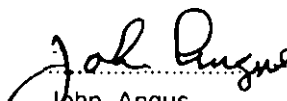
BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	£	2004 £	£
Fixed assets					
Tangible assets	7		209,244		221,299
Current assets					
Stocks		357		775	
Debtors	8	45,746		147,925	
Cash at bank and in hand		595,809		504,734	
		<u>641,912</u>		<u>653,434</u>	
Creditors: amounts falling due within one year	9	<u>(347,379)</u>		<u>(415,884)</u>	
Net current assets			<u>294,533</u>		<u>237,550</u>
Net assets			<u>503,777</u>		<u>458,849</u>
Funds					
Restricted funds	11		147,283		152,950
General funds	11		356,494		305,899
Total funds			<u>503,777</u>		<u>458,849</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 June 2002).

The financial statements were approved by the Management Committee on 22 September 2006


Brian Foley
Director


John Angus
Director

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with the Statement of Recommended Practice : "Accounting and Reporting by Charities" issued in March 2005 and applicable accounting standards.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The cost of minor additions or those costing below £500 are not capitalised. Fixed assets purchased as part of projects are not capitalised but are matched against the income to which they relate in the year they are purchased.

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

It is the policy of the Management Committee not to capitalise second hand donated items.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable in accordance with FRS 17.

1.7 Fund accounting (previously called Accumulated funds)

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specific purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the Management Committee for a particular purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

1 Accounting policies

(continued)

1.8 Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

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

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.

Investment income is included when receivable.

Incoming resources from charitable trading activity are accounted for when earned.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Grants are recorded in the financial statements to match them against the corresponding expenditure. Receipts in advance of expenditure are included in creditors and carried forward against expenditure of a future period.

1.9 Resources expended

All expenditure is included on an accruals basis and includes attributable VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as set out in note 4 to the financial statements.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

2 Voluntary income

	Unrestricted	Restricted	2006 Total	2004 Total
	£	£	£	£
CATH 500/gift aid donations including tax reclaim	12,646	-	12,646	10,729
Other donations	20,558	1,453	22,011	23,378
Membership	20	-	20	300
Bequests, legacies & trust income	50	-	50	5,927
	<u>33,274</u>	<u>1,453</u>	<u>34,727</u>	<u>40,334</u>

3 Incoming resources from charitable activities

	Unrestricted	Restricted	2006 Total	2004 Total
	£	£	£	£
Day Centre:				
Perth & Kinross Council	256,090	34,542	290,632	177,197
Kitchen & laundry donations	10,049	-	10,049	5,164
Prince's Trust	-	861	861	11,576
Other	16,172	3,812	19,984	10,094
	<u>282,311</u>	<u>39,215</u>	<u>321,526</u>	<u>204,031</u>
New Futures Centre:				
Perth & Kinross Council	10,934	42,204	53,138	25,790
Scottish Enterprise	200,324	-	200,324	123,269
European Social Fund	129,861	-	129,861	35,703
Lloyds TSB	-	-	-	6,098
Other	-	-	-	1,150
	<u>341,119</u>	<u>42,204</u>	<u>383,323</u>	<u>192,010</u>
Accommodation Projects:				
Perth & Kinross Council	538,122	809,749	1,347,871	867,851
Housing benefit	187,229	-	187,229	158,876
Client rent contributions	31,220	-	31,220	21,648
	<u>756,571</u>	<u>809,749</u>	<u>1,566,320</u>	<u>1,048,375</u>
Total	<u>1,380,001</u>	<u>891,168</u>	<u>2,271,169</u>	<u>1,444,416</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

4 Resources expended

The departmental income and expenditure accounts on pages 19 to 26 show a detailed breakdown of expenditure.

Direct charitable expenditure has been allocated on the basis of actual costs incurred in each department.

Support costs have been allocated on the following bases:

Cost	Basis of allocation
Salaries	Staff time incurred
Employer's NI	Staff time incurred
Staff pension scheme costs	Staff time incurred
Computer running costs	Usage
Postage, stationery & advertising	Usage
Audit fees	Actual cost
Professional fees	Split between project turnover and usage
Sundry expenses	Usage
Depreciation	Usage of assets per each project

5 Net incoming resources for the period	2006	2004
	£	£
This is stated after charging:		
Depreciation of tangible assets	11,651	8,654
Auditors' remuneration	12,600	7,400

6 Taxation

As a charity, CATH is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

7 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2004	269,212	39,745	308,957
Disposals	-	(2,849)	(2,849)
At 31 March 2006	269,212	36,896	306,108
Depreciation			
At 1 October 2004	51,541	36,117	87,658
On disposals	-	(2,445)	(2,445)
Charge for the period	9,706	1,945	11,651
At 31 March 2006	61,247	35,617	96,864
Net book value			
At 31 March 2006	207,965	1,279	209,244
At 30 September 2004	217,671	3,628	221,299

8 Debtors

	2006 £	2004 £
Income tax recoverable	763	2,145
Other debtors, prepayments and accrued income	44,983	145,780
	45,746	147,925

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

9 Creditors: amounts falling due within one year	2006 £	2004 £
RSI advance (see below)	149,654	267,464
Other creditors	197,725	148,420
	<u>347,379</u>	<u>415,884</u>

RSI grant advance

The RSI advance relates to monies received in advance of expenditure incurred.

Other creditors

Included in other creditors are the following advances relating to restricted income which have been carried forward:

	£
Adult Literacies Project	4,418
GO Project	8,087
Get Ready for Work	7,788
Homeless Strategy	1,149
Supporting People Grant	10,322
Healthy Start	193
Calba Group	304
Youth	1,814
Learning Connections	1,605
Caring for Kids	107
	<u>35,787</u>

10 Pension costs

Included within other creditors at the balance sheet date is £7,800 (2004 - £nil) in respect of outstanding pension contributions. The total amount of contributions paid in the period is shown below:

Defined contribution

	2006 £	2004 £
Contributions payable by the company for the period	<u>37,742</u>	<u>24,140</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

11 Statement of movements on funds

	Restricted funds £	General funds £
Balance at 1 October 2004 as previously reported	152,950	305,899
Retained surplus for the period	-	44,928
Transfer from restricted funds to general funds	(5,667)	5,667
Balance at 31 March 2006	147,283	356,494
	Restricted funds £	General funds £
Tangible assets	147,283	61,961
Current assets	-	641,912
Creditors: amounts falling due in one year	-	(347,379)
	147,283	356,494

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

Purposes of restricted funds

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

	£
Daycentre building	119,244
Workshop building	28,020
Equipment	19
	147,283

The balance on restricted funds is reducing as these assets depreciate.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

12 Designated funds

Included with general funds are the following designated funds:

	Opening balance £	Designated £	Resources expended £	Closing balance £
Youth - Day Centre	7,500	-	(3,000)	4,500
Core	30,180	16,956	-	47,136
Minibus	4,071	-	-	4,071
	<u>41,751</u>	<u>16,956</u>	<u>(3,000)</u>	<u>55,707</u>

Purposes of designated funds

Youth - Day Centre: This fund has been set aside by the Management Committee for future Youth activities which are non-funded.

Core: This fund has been set aside by the Management Committee to allocate income and expenditure that relates to none of the specific projects but relates to the organisation as a whole.

Minibus: This fund has been set aside by the Management Committee for the purchase of a new minibus for the charity.

13 Financial commitments

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2006 £	2004 £
Expiry date:		
Between two and five years	20,000	-
In over five years	31,850	31,850
	<u>51,850</u>	<u>31,850</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2006

14 Trustee remuneration and related party transactions

During the period 2 members (2004 - 2) of the Management Committee received remuneration totalling £12,457 (2004 - £15,373). There were no travel costs reimbursed to members of the Management Committee in the period (2004 - £545 to 1 member).

The cost of trustees' indemnity insurance to the charity amounted to £1,748 (2004 - £893) for the period.

There were no other transactions or contracts entered into by the charity in which any trustee or other person related to the charity had any personal interest in the period (2004 - nil).

15 Employee costs and numbers

Employment costs

	2006 £	2004 £
Wages and salaries	1,501,591	923,230
Social security costs	139,422	82,889
Other pension costs	37,742	24,140
	<u>1,678,755</u>	<u>1,030,259</u>

No employee received emoluments of more than £60,000.

Number of employees

The average number of employees during the period, calculated on the basis of full time equivalents, was as follows:

	2006 Number	2004 Number
Directors	1	1
Day Centre	10	10
New Futures Centre	9	7
Accommodation Projects	38	38
	<u>58</u>	<u>56</u>