

CHURCHES ACTION FOR THE HOMELESS
(a company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

Charity Registration No. SC021740

Company Registration No. SC145621 (Scotland)



CHURCHES ACTION FOR THE HOMELESS

COMPANY INFORMATION

Management Committee	Brian Foley John Angus Mary Carroll MBE Vivian Mason John Flynn Ruth Harris William Lynch George Stafford Walter Grant Linda Kennedy	Chair Vice Chair Treasurer
Chief Executive	Kath Critchley	
Finance Manager	Phil Duncan	
Funding Manager	Andy Heming	
Human Resources & Service Standard Manager	Elaine Lamb	
Secretary	McCash & Hunter	
Company number	SC145621	
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	

CHURCHES ACTION FOR THE HOMELESS

COMPANY INFORMATION (CONTINUED)

Bankers (continued)

Bank of Scotland
10 16 King Edward Street
Perth
PH1 5UT

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 YEAR ENDED 31 MARCH 2007

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 year ended 31 March 2007

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 six weekly and are responsible for the strategic direction and policy of the charity. At present the Management Committee has ten members from a variety of professional backgrounds relevant to the work of the charity. The Chief Executive and the minute secretary also sit on the Committee but have 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 YEAR ENDED 31 MARCH 2007

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	
John Flynn	
Ruth Harris	
William Lynch	
George Stafford	(Appointed 27 January 2007)
Walter Grant	(Appointed 27 January 2007)
Linda Kennedy	(Appointed 27 January 2007)

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 given the task of working through this with a new member.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

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 YEAR ENDED 31 MARCH 2007

Achievements and performance

The main support areas provided by the charity are in Accommodation (including Floating Support, Outreach, CATH and Tayview House) and Community Projects (including the Day Centre, FutureWORKS!, the New Futures Centre, Adult Literacy, Youth Initiative and the Community Initiative)

Accommodation

Helped 252 people to find a home

Successful Care Commission report

Worked closely with Perth & Kinross Council and Hillcrest Housing to open purpose built Tayview House in March 2007

Outreach developed a needle exchange service with the INXS team, together with drop ins at the Day Centre

Floating Support provided 145 hours per week of tenancy support to a wide cross section of people

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

Joint working with FutureWORKS! project to enable CATH House service users to increase their employment skills

Community

11 people found paid employment through New Futures Centre training programmes

364 service users accessed the Day Centre

Created the Millennium Volunteers Programme for young homeless people, with one person completing 200 hours award and two others completing 100 hours award

Collaborated with Perth & Kinross Council, Central Healthcare, Dialogue Youth and Youth Enquiry Service to produce "Think Again" pack aimed at preventing young people becoming homeless

Provided successful learning opportunities to 12 Social Care, Community Education and Social Work students

Set up the social firm TimberWORKS! based at FutureWORKS! The aim is to generate sufficient open market sales to be able to employ service users at market rates

Overall CATH

Provided almost 100,000 hours of support work to 673 vulnerable, disadvantaged and socially excluded men and women

Helped 427 people to keep their home

11 staff members successfully gained SCQ's including Promoting Independence, Care and Registered Managers Award

Raised awareness of homelessness through involvement in 64 promotional events

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

Financial review

This has been a period of further progress for the organisation, with the opening of Tayview House leading to an increase in services provided by CATH to service users. The associated set up costs for Tayview House, together with additional service provisions throughout the organisation, has led to a slight decrease in CATH reserves of £15,647.

Principal funding sources

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

Reserves policy

Our reserves policy is to maintain unrestricted funds of 2 months plus 20% of the operational costs not met through contracts or service level agreements. This is in addition to unrestricted funds relating to fixed assets. Based on budgeted expenditure for 2007/8, the minimum unrestricted funds required is £229,084 (rounded to £230,000). This is in addition to tangible fixed assets included in unrestricted funds, amounting to £99,175 at 31 March 2007.

The level of contingency reserves will be reviewed annually to ensure it matches CATH programmed service delivery and expenditure. Additional reviews will be undertaken if there are significant changes to programmed service delivery and expenditure during the year.

The Management Committee agreed that this reserves policy would enable CATH to meet its statutory obligations, ensure sufficient reserves are available to meet possible contingencies, be achievable and sustainable, and not be overly restrictive of possible future growth and investment.

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 appointed Kath Critchley as Chief Executive with effect from 3 July 2006, and CATH underwent a comprehensive strategic review in the period following Kath's appointment. This review highlighted the need for CATH to consider its security and sustainability through the acquisition of fixed assets in the form of land and buildings. By investing in the buildings from which the organisation delivers both current and future services, CATH is able to reduce the increasing rental and maintenance costs currently experienced and be in possession of appreciating assets. In order to prepare for investment along these lines the reserves policy underwent review. Without increasing the financial risk to CATH in any way, the new reserves policy makes available reserves for such purposes as deposits on building acquisitions, refurbishment costs on purchased buildings etc. It is anticipated that, wherever possible, external funding will be sourced to assist with the costs of asset purchase and that this may include grants, soft loans and commercial mortgages. At 31 March 2007 no plans have been drawn up for specific acquisitions, however initial discussions include the purchase of a suitable hostel building and the establishment of a multi service facility in Blairgowrie or Rattray. It is anticipated that a fund be established from the free reserves which is designated for the purchase or building of fixed assets of this nature. At 31 March 2007 it is felt too early in the planning process to establish the size of this designated fund.

Other plans for future periods include building on the enterprising activities of the FutureWORKS! employability project, with a view to establishing a separate, subsidiary social enterprise with the express aim of creating a viable and sustainable business able to employ service users at market rates or above.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

Plans for future periods (continued)

Following initial discussions with agencies, service users, Perth & Kinross Council and community groups in the Blairgowrie and Rattray areas, the need for CATH services has been established. The organisation will be exploring the possibilities for creating a fully funded CATH facility in this area.

CATH has successfully piloted a matrix based model to measure service user progress. This model could form the basis of an integrated service user tracking, support and reporting system which has the potential to be accepted as a standard across the country. Concurrent with our development of the system, CATH is also involved in a Scottish Executive led national pilot along similar lines. It is anticipated that the outcome of the national pilot will facilitate the system development, and significantly reduce development costs.

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.

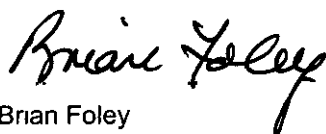
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

30th August 2007

CHURCHES ACTION FOR THE HOMELESS

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CHURCHES ACTION FOR THE HOMELESS

We have audited the financial statements of Churches Action for the Homeless for the year ended 31 March 2007 set out on pages 9 to 22. 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 January 2005).

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 auditors' 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 directors 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 United Kingdom 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 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 SHAREHOLDERS 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 2007 and of its incoming resources and application of resources, including its income and expenditure, and of its deficit for the year then ended, and

the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the Report of the Management Committee is consistent with the financial statements


Bell & Company

13 September 2007

Chartered Accountants
Registered Auditor

Moray House
39 St John Street
Perth
PH1 5HQ

CHURCHES ACTION FOR THE HOMELESS

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2007

				Year ended 31 March 2007 Total £	18 month period ended 31 March 2006 Total as restated £
	Notes	2007 Unrestricted £	2007 Restricted £		
Incoming resources					
Incoming resources from generated funds.					
Voluntary income	2	18,555		18,555	36,541
Activities for generating funds		3,516		3,516	17,016
Investment income		23,775		23,775	29,532
Incoming resources from charitable activities	3	137,229	1,305,924	1,443,153	2,465,299
Total incoming resources		183,075	1,305,924	1,488,999	2,548,388
Resources expended					
Costs of generating funds:					
Fundraising trading cost of goods sold and other costs		(1,284)		(1,284)	(4,548)
Charitable activities	4 & 5	(149,837)	(1,328,327)	(1,478,164)	(2,276,341)
Governance costs	5	(25,198)		(25,198)	(26,627)
Total resources expended		(176,319)	(1,328,327)	(1,504,646)	(2,307,516)
Net incoming / (outgoing) resources before transfers for the year	6	6,756	(22,403)	(15,647)	240,872
Transfers between funds	13	2,243	(2,243)		
Fund balances at 1 April 2006 as restated		519,005	207,673	726,678	485,806
Fund balances at 31 March 2007	13	528,004	183,027	711,031	726,678

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

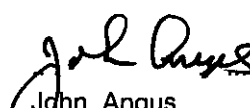
BALANCE SHEET AS AT 31 MARCH 2007

		2007		2006 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		242,923		209,244
Current assets					
Stocks		605		357	
Debtors	9	35,039		45,746	
Cash at bank and in hand		537,127		595,809	
		<u>572,771</u>		<u>641,912</u>	
Creditors amounts falling due within one year	10	<u>(104,663)</u>		<u>(124,478)</u>	
Net current assets			468,108		517,434
Net assets			<u>711,031</u>		<u>726,678</u>
Funds					
Restricted funds	13		183,027		207,673
General funds	13		528,004		519,005
Total funds			<u>711,031</u>		<u>726,678</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 with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Management Committee on ~~30th August~~ 30th August 2007


Brian Foley
Director


John Angus
Director

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

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 January 2005)

1.2 Changes in accounting policies

The accounting policy for incoming resources has been updated following a review by the Management Committee. It was identified that the previous treatment to recognise grants in the statement of financial activities only to the extent that they match the corresponding expenditure did not fully comply with the SORP 2005. This required that income received in advance of expenditure which is controlled by the charity should be included in the statement of financial activities in the period of receipt and shown within restricted or designated funds.

As a result of this change, a prior period adjustment was required and the comparative figures have been restated in the financial statements. The effect of the prior year adjustment was to recognise income previously deferred amounting to £222,901 in previous periods. The result was to reduce creditors and increase total funds by £222,901 in the previous period.

1.3 Compliance with accounting standards

The accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and applicable accounting standards.

1.4 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	25% on cost

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

The depreciation policy for motor vehicles has been changed from 20% straight line to 25% straight line as the Management Committee believes the revised policy to be more prudent. There is no effect on the balance sheet at the end of the previous financial period for motor vehicles as these assets had been fully depreciated under the previous depreciation policy. The revised policy has been applied to new motor vehicles acquired in the current financial year.

1.5 Leasing

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

1.6 Stock

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

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

(Continued)

1.7 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 year they are payable in accordance with FRS 17.

1.8 Fund accounting

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.

1.9 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. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expected in a future period.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the period in which they are receivable.

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.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

1 Accounting policies

(Continued)

1.10 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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include the audit fees and costs linked to the strategic management of the charity

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 5 to the financial statements

2 Voluntary income

			Year ended 31 March 2007 Total £	18 month period ended 31 March 2006 Total £
	2007 Unrestricted £	2007 Restricted £		
CATH 500/gift aid donations including tax reclaim	10,240		10,240	12,646
Other donations	7,755		7,755	23,825
Membership				20
Bequests, legacies & trust income	560		560	50
	<u>18,555</u>	<u></u>	<u>18,555</u>	<u>36,541</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

3 Incoming resources from charitable activities

	2007 Unrestricted £	2007 Restricted £	Year ended 31 March 2007 Total £	18 month period ended 31 March 2006 Total as restated £
Accommodation Projects				
Perth & Kinross Council grants		475,092	475,092	787,557
Perth & Kinross Council contract		402,193	402,193	600,521
Housing benefit	95,902		95,902	238,872
Client rent contributions	17,882		17,882	31,220
	<u>113,784</u>	<u>877,285</u>	<u>991,069</u>	<u>1,658,170</u>
Community Projects				
Perth & Kinross Council contract		361,825	361,825	364,583
European Social Fund grant		36,335	36,335	129,861
Organisations contract	13,974	9,029	23,003	70,166
Organisations grants		21,450	21,450	27,437
Scottish Enterprise				200,324
Kitchen & laundry donations	6,161		6,161	10,049
Vehicle income	50		50	
Big Issue commission	3,260		3,260	4,709
	<u>23,445</u>	<u>428,639</u>	<u>452,084</u>	<u>807,129</u>
Total	<u>137,229</u>	<u>1,305,924</u>	<u>1,443,153</u>	<u>2,465,299</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

4 Analysis of charitable expenditure

			Year ended 31 March 2007 Total £	18 month period ended 31 March 2006 Total £
	2007 Accommodation £	2007 Community £		
Resources expended				
Salaries	661,359	221,944	883,303	1,377,940
Staff costs (travel, training, recruitment)	34,659	11,003	45,662	39,241
Property costs (rent, insurance, utilities)	72,809	26,413	99,222	189,374
Property maintenance	37,128	13,423	50,551	76,680
Food costs	9,975	6,973	16,948	31,590
Client support	17,451	15,181	32,632	75,107
General operating costs	21,418	17,969	39,387	52,045
Vehicle expenses		3,776	3,776	3,384
Special project costs		64,699	64,699	99,297
(Gain) / loss on disposal of fixed assets		(1,000)	(1,000)	404
Depreciation	119	10,969	11,088	10,336
	<u>854,918</u>	<u>391,350</u>	<u>1,246,268</u>	<u>1,955,398</u>

5 Analysis of support for charitable activities

Support costs are generally allocated in line with turnover and/or usage (Accommodation 78%, Community 22%) In some instances, support costs are wholly attributed to a specific category

				Year ended 31 March 2007 Total £	18 month period ended 31 March 2006 Total £
	2007 Accommodation £	2007 Community £	2007 Governance £		
Resources expended					
Salaries	116,729	80,153	12,254	209,136	300,815
IT costs	14,959	5,473		20,432	11,574
General operating costs	3,570	1,156		4,726	5,491
Audit fees			9,005	9,005	12,600
Insurance			1,748	1,748	1,748
Professional fees	6,877	2,642	2,191	11,710	14,027
Depreciation		337		337	1,315
	<u>142,135</u>	<u>89,761</u>	<u>25,198</u>	<u>257,094</u>	<u>347,570</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

6 Net (outgoing) / incoming resources for the year

	Year ended 31 March 2007 £	18 month period ended 31 March 2006 £
This is stated after charging		
Depreciation of tangible assets	11,425	11,651
Auditors' remuneration	9,005	12,600

7 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.

8 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 2006	269,212	36,896	306,108
Additions		45,104	45,104
Disposals		(14,335)	(14,335)
At 31 March 2007	269,212	67,665	336,877
Depreciation			
At 1 April 2006	61,247	35,617	96,864
On disposals		(14,335)	(14,335)
Charge for the year	6,470	4,955	11,425
At 31 March 2007	67,717	26,237	93,954
Net book value			
At 31 March 2007	201,495	41,428	242,923
At 31 March 2006	207,965	1,279	209,244

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

9 Debtors	2007 £	2006 £
Income tax recoverable	1,206	763
Other debtors, prepayments and accrued income	33,833	44,983
	<u>35,039</u>	<u>45,746</u>

10 Creditors, amounts falling due within one year	2007 £	2006 as restated £
RSI advance (see below)	47,157	58,952
Other creditors	57,506	65,526
	<u>104,663</u>	<u>124,478</u>

RSI grant advance

The RSI advance relates to monies received in advance of expenditure incurred. These monies are funds belonging to Perth & Kinross Council.

11 Pension costs

Included within other creditors at the balance sheet date is £nil (2006 £7,800) in respect of outstanding pension contributions. The total amount of contributions paid in the period is shown below.

Defined contribution

	Year ended 31 March 2007 £	18 month period ended 31 March 2006 £
Contributions payable by the company for the year	<u>22,170</u>	<u>37,742</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

12 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances as at 31 March 2007 are represented by				
Tangible fixed assets	58,316	40,859	143,748	242,923
Current assets	446,430	39,905	86,436	572,771
Creditors amounts falling due in one year	(57,506)		(47,157)	(104,663)
	<u>447,240</u>	<u>80,764</u>	<u>183,027</u>	<u>711,031</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

13 Movement in funds

	Opening balance as restated £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Unrestricted funds					
General funds	355,362	183,075	(101,800)	10,603	447,240
Designated funds.					
Youth	4,500			(4,500)	
Core	47,136			(47,136)	
Minibus	4,071		(4,245)	12,908	12,734
Accommodation projects	80,379		(58,780)	28,125	49,724
Community projects	27,557		(11,494)	2,243	18,306
	<u>519,005</u>	<u>183,075</u>	<u>(176,319)</u>	<u>2,243</u>	<u>528,004</u>

As disclosed in note 1.2 to the financial statements, the comparative figures were required to be restated. The effect of the prior year adjustment was to increase opening general funds and opening designated funds by £54,575 and £107,936 respectively.

Purposes of designated funds

Youth This fund has been set aside by the Management Committee for future Youth activities which are non-funded. This fund has now been incorporated within Community projects (see below).

Core This fund had previously 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. The Management Committee have agreed that there is no requirement to include this within designated funds and therefore the balance has been transferred to general funds.

Minibus This fund has been set aside by the Management Committee to cover future depreciation of the minibus acquired using unrestricted donations.

Accommodation projects This fund is to provide services within accommodation projects.

Community projects This fund is to provide services within community projects.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

13 Movement in funds (continued)

	Opening balance as restated £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Restricted funds					
Capital replacement fund	147,283		(3,535)		143,748
Accommodation projects	11,471	877,285	(887,082)		1,674
Community projects	48,919	428,639	(437,710)	(2,243)	37,605
	<u>207,673</u>	<u>1,305,924</u>	<u>(1,328,327)</u>	<u>(2,243)</u>	<u>183,027</u>

As disclosed in note 12 to the financial statements, the comparative figures were required to be restated. The effect of the prior year adjustment was to increase opening restricted funds by £60,390.

Purposes of restricted funds

Capital replacement fund This fund represents capital grants and donations received to fund the purchase of buildings for community projects. The balance on this fund reduces as these assets depreciate.

Accommodation projects This fund represents grants and contract income received to cover future expenditure within accommodation projects.

Community projects This fund represents grants and contract income received to cover future expenditure within community projects.

	Opening balance as restated £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Summary of funds					
General funds	519,005	183,075	(176,319)	2,243	528,004
Restricted funds	<u>207,673</u>	<u>1,305,924</u>	<u>(1,328,327)</u>	<u>(2,243)</u>	<u>183,027</u>
Total funds	<u>726,678</u>	<u>1,488,999</u>	<u>(1,504,646)</u>		<u>711,031</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

14 Financial commitments

At 31 March 2007 the company had annual commitments under non cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date		
Between two and five years	20,000	20,000
In over five years	76,815	31,850
	<u>96,815</u>	<u>51,850</u>

15 Trustee remuneration and related party transactions

During the year no members of the Management Committee received any remuneration (2006 2 members totalling £12,457) Travel costs reimbursed to 1 member of the Management Committee amounted to £120 in the period (2006 none)

The cost of trustees' indemnity insurance to the charity amounted to £1,748 (2006 £1,748) for the year

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 (2006 nil)

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

16 Employee costs and numbers

Employment costs

	Year ended 31 March 2007 £	18 month period ended 31 March 2006 £
Wages and salaries	1,020,462	1,501,591
Social security costs	97,893	139,422
Other pension costs	22,170	37,742
	<u>1,140,525</u>	<u>1,678,755</u>

No employee received emoluments of more than £60,000

Number of employees

The average number of employees during the period was as follows

	2007 Number	2006 Number
Directors		1
Accommodation Projects full time	33	33
Accommodation Projects part time	5	5
Community Projects full time	13	15
Community Projects part time	2	4
	<u>53</u>	<u>58</u>