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CHURCHES ACTION FOR THE HOMELESS
(a company limited by guarantee)
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

Charity Registration No. SC021740

Company Registration No. SC145621 (Scotland)

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CHURCHES ACTION FOR THE HOMELESS

CHARITY INFORMATION

Management Committee	Aida Grier	Chair
	Alistair Milner	Vice Chair
	Buchanan Grant	
	Martin Barnicoat	

Operations Manager	Brian Cowie
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Finance Manager	Phil Duncan
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Human Resource & Compliance Manager	Elaine Lamb
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Company number	SC145621
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Registered office	Moray House 39 St John Street Perth PH1 5HQ
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Auditors	Bell & Company Moray House 39 St John Street Perth PH1 5HQ
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Business address	188 - 190 High Street Perth PH1 5PA
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Bankers	The Royal Bank of Scotland 12 Dunkeld Road Perth PH1 5RB
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	Bank of Scotland 10-16 King Edward Street Perth PH1 5UT
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Solicitors	J & H Mitchell WS 51 Atholl Road Pitlochry Perthshire PH16 5BU
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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 2011

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 2011.

Objectives and activities

The charitable company's objects and principal activities are to relieve homelessness and poor housing, 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 Council area and any other area agreed by the Management Committee.

The organisation recognises the associated problems that homeless presents, and works to alleviate those and help maintain and improve the quality of life of our beneficiaries. 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.

Organisational structure

CATH has a Management Committee of up to eleven members who meet bi-monthly and are responsible for the strategic direction and policy of the charity. At present the Management Committee has four members from a variety of professional backgrounds relevant to the work of the charity. The Senior Management Team also attends Committee meetings but have no voting rights.

The Management Committee are responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Senior Management Team. The Project 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.

Members of the Management Committee

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

Conrad Aldridge
Martin Barnicoat
Aida Grier
Buchanan Grant
Alistair Milner

(Resigned 20 September 2011)
(Appointed 14 June 2011)

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

Responsibilities of the Management Committee

The Management Committee (who are directors for the purpose of company law and trustees for the purpose of charity law) are responsible for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Management Committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Management Committee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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

CATH is a membership organisation and the Management Committee is elected from the members. Membership is open to anyone who supports the objectives of the organisation. The process for recruiting members for the Management Committee is outlined below:

- a skills audit of existing members may inform the process of recruiting new members
- existing members can put themselves forward at the Annual General Meeting
- expressions of interest might be sought from the members of CATH
- we may advertise publicly for new members
- existing members of the Management Committee may suggest suitable individuals

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 procedure.

The Management Committee has an agreed role description for its members. When recruiting new members, a skills audit will analyse the skills, experience and diversity it has among its members and help identify what sort of skills and diversity are lacking. The Management Committee reviews the 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. Prospective members are given a description of CATH services, e.g. promotional leaflet, annual reports and accounts plus any other relevant information. Potential members may also be offered the opportunity to observe a Management Committee meeting. The potential Management Committee member completes a Volunteer Application Form, which describes their interest in being a member. This form is considered by the Management Committee and if yes they will invite the person to become a member and the new member 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 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 2011

Induction process

As part of their induction, all new members will receive copies of:

- Governance of CATH
- Memorandum and Articles of Association
- Strategic Plan (and any reviews)
- The latest Annual Review & Audited Accounts
- The latest SCSWIS Inspection report and Action Plan

A programme of meetings will be arranged that will establish contact between the new Management Committee members and key people in the organisation including other Management Committee members, staff and volunteers. A dedicated meeting will be arranged with the Senior Management Team to provide a clear overview of the Finance, HR and Operation aspects of the organisation. Through these meetings we will identify requirements for further information, training or support.

A timetable for induction activities is agreed with the new Management Committee member following attendance at their first Management Committee meeting.

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 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.

We have sufficient reserves to continue to fund our operations at the current funding levels.

Achievements and performance

The main support areas provided by the charity are in Accommodation Projects (including Floating Support and CATH House), Community Projects (Day Centre, Adult Literacy and Outreach) and through our Volunteer Programme.

Accommodation:

- CATH House provided direct nightly access accommodation and support for 16 individuals of whom 108 moved on to alternative accommodation during the year.
- In addition to those resident at CATH House, staff received and dealt with 1,476 contacts for advice and assistance from non-resident service users.
- Worked closely with PKC Housing and Advice Centre and other agencies to process referrals and accommodate individuals.
- Successfully found alternative accommodation for all service users who were moved from Tayview when project closed in August 2010.
- An average of 28 people per week were supported in maintaining their tenancies by our Floating Support team. Three of these individuals were in employment/training during the period.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

Community:

- Day Centre provided a drop-in community base for between 25-30 individuals on a daily basis.
- Continued to provide breakfasts and lunches on a daily basis with the support of 7 volunteers on a weekly basis.
- Developed a range of activities for service users including a joint 5-a-side football team with other hostels in Perth to participate in local football league.
- Provided facilities and resources for other charities in Perth to hold group work sessions.
- Outreach continued weekly streetwalks to engage with rough sleepers and provided support to an average of 65 service users per month who were either in secure accommodation, temporary accommodation, a hostel, sofa surfing or rough sleeping.
- Adult Literacy worked with 63 learners during the period through various groups including CharmWorks, StitchCraftCounts and ESOL.

CATH Retail Limited:

- Opened Charity Shop in High Street, Perth on 1 July 2010.
- Worked with a number of agencies including Criminal Justice and Lifeskills to provide 1,858 hours of work placement opportunities for individuals within the shop.
- 8 service users from CATH projects volunteered for 495 hours in shop.

Overall CATH:

- CATH volunteers provided over 3,880 hours of assistance to our projects throughout the year.
- Continued with our partnership working through active participation in the Homeless Strategy Implementation Group, PKC Joint Substance Misuse Integrated Services Strategy Group, Homeless Voice Group and Employability Network.
- Visited various external projects in and out with Perth to develop and understand best practice in certain areas and develop skill sharing processes beneficial to all service users and staff.
- Continued development of training plan with staff undertaking 75 learning opportunities which include Adult Protection, First Aid, Conflict Resolution, Health and Safety and SVQs.
- Successfully bid for Criminal Justice monies to develop and set-up Facing Change befriending project to work with women re-offenders.

Financial review

The financial statements this year are consolidated to include the results of our subsidiary company, CATH Retail Limited, a trading company whose main activity is the operation of a charity shop.

The organisation continues to operate in an uncertain funding environment with our main funding source being agreed on a yearly basis. The decommissioning of Tayview during the year and other funding cuts, has led to a reduction in income and expenditure for the year. The net outgoing resources for the year amounted to £55,589 (2010 - £64,077) due to the costs associated with an organisational wide restructure in light of the closure of Tayview and other funding reductions. Included within this amount is also the expenditure on roof repairs at our workshop and associated costs of non-utilisation of these premises. The deficit at CATH Retail arose due to delay in opening of shop from original budget. The new funding for Facing Change project and advanced negotiations over sub-letting of our workshop will provide much needed additional resources for the organisation.

Principal funding sources

The principal funding sources are the Scottish Government via Perth & Kinross Council.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

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 2011/12 which results in a breakeven financial position, the minimum unrestricted funds required is £235,000. The unrestricted funds relating to tangible fixed assets at 31 March 2011 were £59,783. This results in a total figure of £294,783 of unrestricted funds being maintained for 2011/12.

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

With interest rates continuing at an historic low, the return on our investments remains disappointingly poor. We are in the process therefore of seeking guidance from professional investment managers to improve performance whilst ensuring any risk in the portfolio is kept to a minimum.

In the current economic climate we have decided that it would be prudent to ensure that at least one third of the portfolio will be invested in either cash or UK Government securities.

Plans for future periods

CATH has adopted a Senior Management Team consisting of three Senior Managers, all representing various business areas crucial and central to the organisation. The Board has seen an increase in Trustee numbers and thus increased expertise available to successfully develop the organisation at a strategic level.

CATH refuses to forget the long established place in the community it holds as the safety net for homeless individuals. We cater to those who present at our doors with multiple, substantial and long-standing issues. As an organisation we are committed to serving these people by providing them with the necessary services to give them a chance at stabilising their life.

CATH exists to end homelessness; we recognise this goes further than merely placing a roof over our beneficiaries' heads. Therefore we are working to develop more programmes at our Day Centre with the aim of providing social and educational growth. This allows the organisation to build services the beneficiaries can use to further themselves.

Employability remains an issue for more and more people each day, yet CATH serves those furthest from employment. CATH is committed in the future to equip our beneficiaries with the skills and expertise required to help them access employment opportunities and remain employable.

CATH recognises the need to be efficient and effective with charitable monies. We will be working hard this year to better demonstrate to our funders, members and beneficiaries the impact our organisation has.

CHURCHES ACTION FOR THE HOMELESS

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

Auditors

In accordance with the charitable company's articles, a resolution proposing that Bell & Company be reappointed as auditors of the charitable company will be put at a General Meeting.

Statement of disclosure to auditor

So far as the Management Committee is aware, there is no relevant audit information of which the charitable company's auditors are unaware. Additionally, the Management Committee has taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the 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 for small companies under Part 15 of the Companies Act 2006.

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

Aida Grier
Director



18 October 2011

CHURCHES ACTION FOR THE HOMELESS

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

We have audited the group and parent financial statements (the "financial statements") of Churches Action For The Homeless for the year ended 31 March 2011 set out on pages 9 to 25. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's Management Committee, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's Management Committee 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 charity, its members as a body and its Management Committee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Management Committee and auditors

As explained more fully in the Responsibilities of the Management Committee Statement on page 2, the Management Committee (who are also the directors of the company for the purposes of company law) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Management Committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Management Committee for the financial year for which the financial statements are prepared is consistent with the financial statements.

CHURCHES ACTION FOR THE HOMELESS

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Management Committee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Management Committee was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

John H. Dewar

J H Dewar (Senior Statutory Auditor)
for and on behalf of Bell & Company

19 October 2011

Chartered Accountants
Statutory Auditor

Moray House
39 St John Street
Perth
PH1 5HQ

Bell & Company is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CHURCHES ACTION FOR THE HOMELESS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 Unrestricted £	2011 Restricted £	2011 Total £	2010 Total £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	17,850	-	17,850	23,065
Activities for generating funds		828	-	828	849
Investment income		3,096	-	3,096	3,448
Incoming resources from charitable activities	3	277,332	797,277	1,074,609	1,281,289
Total incoming resources		299,106	797,277	1,096,383	1,308,651
Resources expended					
Costs of generating funds:					
Fundraising trading: cost of goods sold and other costs		(494)	-	(494)	(1,550)
Charitable activities	4 & 5	(312,134)	(791,885)	(1,104,019)	(1,334,722)
Governance costs	5	(47,459)	-	(47,459)	(36,456)
Total resources expended		(360,087)	(791,885)	(1,151,972)	(1,372,728)
Net (outgoing)/incoming resources before transfers for the year	6	(60,981)	5,392	(55,589)	(64,077)
Transfers between funds	15	-	-	-	-
Fund balances at 1 April 2010		432,304	150,683	582,987	647,064
Fund balances at 31 March 2011	15	371,323	156,075	527,398	582,987

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

CHURCHES ACTION FOR THE HOMELESS

BALANCE SHEET AS AT 31 MARCH 2011

	Notes	Group 2011 £	2010 £	Parent 2011 £	2010 £
Fixed assets					
Tangible assets	9	190,344	196,724	188,366	196,724
Investments	10	-	-	1,000	1,000
		<u>190,344</u>	<u>196,724</u>	<u>189,366</u>	<u>197,724</u>
Current assets					
Stocks		2,087	224	2,087	224
Debtors	11	13,727	21,288	39,774	21,588
Cash at bank and in hand		374,041	436,046	354,919	434,746
		<u>389,855</u>	<u>457,558</u>	<u>396,780</u>	<u>456,558</u>
Creditors: amounts falling due within one year	12	(52,801)	(71,295)	(51,460)	(71,295)
Net current assets		<u>337,054</u>	<u>386,263</u>	<u>345,320</u>	<u>385,263</u>
Total assets less current liabilities		<u>527,398</u>	<u>582,987</u>	<u>534,686</u>	<u>582,987</u>
Funds					
Restricted funds	15	156,075	150,683	156,075	150,683
General funds	15	371,323	432,304	378,611	432,304
Total funds		<u>527,398</u>	<u>582,987</u>	<u>534,686</u>	<u>582,987</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Management Committee for issue on 18 October 2011

Aida Grier
Director

Aida P. Grier

Alistair Milner
Alistair Milner
Director

Company Registration No. SC145621

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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 April 2008).

The group has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small group.

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 (SORP 2005) and applicable accounting standards.

1.3 Basis of consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2011. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. As a consolidated statement of financial activities is published, a separate statement of activities for the parent charitable company is omitted from the group financial statements by virtue of section 408 of the Companies Act and paragraph 397 of the Charities SORP 2005.

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	Over remaining leasehold term
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.

1.5 Leasing

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

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

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

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

(Continued)

1.8 Pensions

The charity operates a defined benefit scheme for employees. The assets of the scheme are held separately from those of the charity. The contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over the service lives of the employees. Variations from the regular costs are spread over the average remaining working lives of current members in the scheme.

1.9 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.

1.10 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.

Legacies are included when the money is received.

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

(Continued)

1.11 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

	2011 Unrestricted £	2011 Restricted £	2011 Total £	2010 Total £
CATH 500/gift aid donations including tax reclaim	6,514	-	6,514	8,357
Other donations	6,095	-	6,095	7,174
Membership	20	-	20	270
Bequests, legacies & trust income	5,221	-	5,221	7,264
	<u>17,850</u>	<u>-</u>	<u>17,850</u>	<u>23,065</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

3 Incoming resources from charitable activities

	2011 Unrestricted £	2011 Restricted £	2011 Total £	2010 Total £
Accommodation Projects				
Perth & Kinross Council - grants	-	298,877	298,877	467,240
Perth & Kinross Council - contract	-	223,467	223,467	224,091
Housing benefit	198,469	-	198,469	267,649
Client rent contributions	23,809	-	23,809	32,676
Miscellaneous income	-	2,930	2,930	2,070
	<u>222,278</u>	<u>525,274</u>	<u>747,552</u>	<u>993,726</u>
Community Projects				
Perth & Kinross Council - contract	-	243,903	243,903	272,131
Organisations - grants	-	28,100	28,100	11,000
Kitchen & laundry donations	1,763	-	1,763	1,910
Vehicle income	-	-	-	-
Big Issue commission	1,867	-	1,867	2,045
Miscellaneous income	942	-	942	477
CATH Retail Limited trading activity	50,482	-	50,482	-
	<u>55,054</u>	<u>272,003</u>	<u>327,057</u>	<u>287,563</u>
Total	<u>277,332</u>	<u>797,277</u>	<u>1,074,609</u>	<u>1,281,289</u>

4 Analysis of charitable expenditure

	2011 Accommodation £	2011 Community £	2011 Total £	2010 Total £
Resources expended				
Salaries	485,137	212,745	697,882	867,879
Staff costs (travel, training, recruitment)	14,380	6,474	20,854	29,450
Property costs (rent, insurance, utilities)	75,813	45,976	121,789	113,596
Property maintenance	20,509	25,749	46,258	39,276
Food costs	14,667	5,665	20,332	26,530
Client support	1,714	1,238	2,952	3,717
General operating costs	10,451	9,872	20,323	32,005
Vehicle expenses	150	529	679	3,755
Special project costs	456	-	456	2,070
Depreciation	2,021	9,899	11,920	28,342
Gain on disposal of fixed assets	(290)	-	(290)	(3,439)
	<u>625,008</u>	<u>318,147</u>	<u>943,155</u>	<u>1,143,181</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

5 Analysis of support for charitable activities

Support costs are generally allocated in line with turnover and/or usage (Accommodation 74%, Community 26%). In some instances, support costs are wholly attributed to a specific category.

	2011 Accommodation £	2011 Community £	2011 Governance £	2011 Total £	2010 Total £
Resources expended					
Salaries	79,175	38,014	19,991	137,180	188,531
IT costs	11,783	5,776	-	17,559	12,814
General operating costs	1,536	1,801	-	3,337	3,844
Audit fees	7,325	2,275	-	9,600	13,220
Insurance	-	-	2,072	2,072	1,973
Professional fees	9,419	3,062	25,396	37,877	6,917
Depreciation	698	-	-	698	698
	<u>109,936</u>	<u>50,928</u>	<u>47,459</u>	<u>208,323</u>	<u>227,997</u>

6 Net (outgoing)/incoming resources before transfers

	2011 £	2010 £
This is stated after charging:		
Depreciation of tangible assets	12,618	29,040
Auditors' remuneration	7,800	6,625
Auditors' remuneration for other services	2,700	6,595
and after crediting:		
Profit on disposal of tangible assets	(290)	(3,439)

7 Taxation

The subsidiary company has estimated losses of £ 9,266 (2010 - £ nil) available for carry forward against future trading profits.

As a charitable company, the parent is exempt from tax on income and gains falling within section 478 of the Corporation Tax Act 2010 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

8 Loss for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2011	2010
	£	£
Holding company's loss for the financial year	(48,301)	(64,077)

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

9 Tangible fixed assets Group

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 2010	269,212	59,087	328,299
Additions	3,964	2,774	6,738
Disposals	-	(26,636)	(26,636)
At 31 March 2011	273,176	35,225	308,401
Depreciation			
At 1 April 2010	87,127	44,448	131,575
On disposals	-	(26,136)	(26,136)
Charge for the year	7,036	5,582	12,618
At 31 March 2011	94,163	23,894	118,057
Net book value			
At 31 March 2011	179,013	11,331	190,344
At 31 March 2010	182,085	14,639	196,724

Parent	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 2010	269,212	59,087	328,299
Additions	3,964	-	3,964
Disposals	-	(26,636)	(26,636)
At 31 March 2011	273,176	32,451	305,627
Depreciation			
At 1 April 2010	87,127	44,448	131,575
On disposals	-	(26,136)	(26,136)
Charge for the year	7,036	4,786	11,822
At 31 March 2011	94,163	23,098	117,261
Net book value			
At 31 March 2011	179,013	9,353	188,366
At 31 March 2010	182,085	14,639	196,724

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

10 Fixed asset investments

Parent

Shares in
group
undertakings
and
participating
interests
£

Cost

At 1 April 2010 & at 31 March 2011

1,000

Net book value

At 31 March 2011

1,000

At 31 March 2010

1,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
CATH Retail Limited	Scotland	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
CATH Retail Limited	Charity shop

11 Debtors

	Group		Parent	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	915	-	800	-
Amounts owed by group undertakings and participating interests	-	-	26,203	1,146
Income tax recoverable	1,272	1,783	1,272	1,783
Other debtors, prepayments and accrued income	11,540	19,505	11,499	18,659
	<u>13,727</u>	<u>21,288</u>	<u>39,774</u>	<u>21,588</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

12 Creditors: amounts falling due within one year

	Group 2011 £	2010 £	Parent 2011 £	2010 £
Perth & Kinross Council funds (see below)	1,228	2,828	1,228	2,828
Other creditors	51,573	68,467	50,232	68,467
	<u>52,801</u>	<u>71,295</u>	<u>51,460</u>	<u>71,295</u>

Perth & Kinross Council funds

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

13 Pension costs

Churches Action For The Homeless participates in the Pension Trust's Growth Plan. The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The trustee commissions an actuarial valuation of the Growth Plan every three years. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly due to the nature of the plan, the accounting charge for the period under FRS17 represents the employers contributions payable.

The last formal valuation of the scheme was performed as at 30 September 2008 by a professional qualified actuary using the projected unit method. The market value of the Scheme's assets at the valuation date was £742 million and the plan's technical provisions (i.e. past service liabilities) were £770.6 million. The valuation therefore revealed a shortfall of assets compared to the value of liabilities of £28.6 million, equivalent to a funding level of 96%.

Defined benefit

	2011 £	2010 £
Contributions payable by the group for the year	<u>7,277</u>	<u>10,796</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

14 Analysis of net assets between funds Group

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances as at 31 March 2011 are represented by:				
Tangible fixed assets	59,783	2,617	127,944	190,344
Current assets	120,496	240,000	29,359	389,855
Creditors: amounts falling due in one year	(51,573)	-	(1,228)	(52,801)
	<u>128,706</u>	<u>242,617</u>	<u>156,075</u>	<u>527,398</u>

Parent

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances as at 31 March 2011 are represented by:				
Tangible fixed assets	57,805	2,617	127,944	188,366
Investments	1,000	-	-	1,000
Current assets	127,421	240,000	29,359	396,780
Creditors: amounts falling due in one year	(50,232)	-	(1,228)	(51,460)
	<u>135,994</u>	<u>242,617</u>	<u>156,075</u>	<u>534,686</u>

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

15 Movement in funds

Group	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Unrestricted funds:					
General funds	181,058	294,106	(356,958)	10,500	128,706
Designated funds:					
Mary Carroll	-	5,000	-	-	5,000
Accommodation projects	2,616	-	(2,116)	(500)	-
Community projects	3,630	-	(1,013)	-	2,617
Contingency fund	245,000	-	-	(10,000)	235,000
	<u>432,304</u>	<u>299,106</u>	<u>(360,087)</u>	<u>-</u>	<u>371,323</u>

Purposes of designated funds

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

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

Contingency fund: This fund is explained in the reserves policy disclosure within the Report of the Management Committee.

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Restricted funds:					
Capital replacement fund	133,646	-	(5,702)	-	127,944
Accommodation projects	-	525,274	(522,800)	-	2,474
Community projects	17,037	272,003	(263,383)	-	25,657
	<u>150,683</u>	<u>797,277</u>	<u>(791,885)</u>	<u>-</u>	<u>156,075</u>

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.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

15 Movement in funds

(Continued)

Group (continued)	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Summary of funds:					
General funds	432,304	299,106	(360,087)	-	371,323
Restricted funds	150,683	797,277	(791,885)	-	156,075
Total funds	582,987	1,096,383	(1,151,972)	-	527,398

Parent	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Unrestricted funds:					
General funds	181,058	243,607	(299,171)	10,500	135,994
Designated funds:					
Mary Carroll	-	5,000	-	-	5,000
Accommodation projects	2,616	-	(2,116)	(500)	-
Community projects	3,630	-	(1,013)	-	2,617
Contingency fund	245,000	-	-	(10,000)	235,000
	432,304	248,607	(302,300)	-	378,611

Purposes of designated funds

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

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

Contingency fund: This fund is explained in the reserves policy disclosure within the Report of the Management Committee.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

15 Movement in funds

(Continued)

Parent (continued)	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Restricted funds:					
Capital replacement fund	133,646	-	(5,702)	-	127,944
Accommodation projects	-	525,274	(522,800)	-	2,474
Community projects	17,037	272,003	(263,383)	-	25,657
	<u>150,683</u>	<u>797,277</u>	<u>(791,885)</u>	<u>-</u>	<u>156,075</u>

Purposes of restricted funds

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

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Summary of funds:					
General funds	432,304	248,607	(302,300)	-	378,611
Restricted funds	150,683	797,277	(791,885)	-	156,075
Total funds	<u>582,987</u>	<u>1,045,884</u>	<u>(1,094,185)</u>	<u>-</u>	<u>534,686</u>

16 Contingent liabilities

Churches Action For The Homeless has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan based on the financial position of the Plan as at 30 September 2010. As of this date the estimated employer debt for the charity was £25,856. Due to the factors underlying the calculation of liability being extremely volatile, however, the Pensions Trust requested a further update on each employer's liability as at 31 March, at which point the actuary estimated the charity's liability to have decreased by approximately 19% making their liability at the year end £20,943.

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

17 Financial commitments

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Within one year	-	18,735
Between two and five years	51,600	-
In over five years	4,000	31,650
	<u>55,600</u>	<u>50,385</u>

18 Trustee remuneration and related party transactions

During the year no members of the Management Committee received any remuneration (2010 - none). Travel costs reimbursed to two (2010 - one) members of the Management Committee amounted to £95 (2010 - £10) in the year.

The cost of trustees' indemnity insurance to the charity amounted to £2,072 (2010 - £1,973) 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 year (2010 - nil).

CHURCHES ACTION FOR THE HOMELESS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

19 Employee costs and numbers

Employment costs

	2011 £	2010 £
Wages and salaries	761,784	956,757
Social security costs	66,001	88,857
Other pension costs	7,277	10,796
	<u>835,062</u>	<u>1,056,410</u>

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

Number of employees

The average number of employees during the year was as follows:

	2011 Number	2010 Number
Directors	-	-
Accommodation Projects - full time	19	26
Accommodation Projects - part time	11	9
Community Projects - full time	7	9
Community Projects - part time	5	4
	<u>42</u>	<u>48</u>