

Churches Action for The Homeless



Working together to end homelessness

Annual report

**Annual report & financial statements
for the year ended 31 March 2012**

Registered Charity No. SC021740
Company registration No. SC145621 (Scotland)

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COMPANIES HOUSE

www.cath-org.co.uk



Charity Information

Management Committee	Martin Barnicoat Alistair Milner Janet Beenham Dairmid Murray Jane Robertson	Chair Vice Chair
Operations Manager	Brian Cowie	
Finance Manager	Phil Duncan	
Human Resources & Compliance Manager	Elaine Lamb	
Company number	SC145621	
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	188 – 190 High Street Perth PH1 5PA	
Bankers	The Royal Bank of Scotland 12 Dunkeld Road Perth PH1 5RB Bank of Scotland 10 – 16 King Edward Street Perth PH1 5UT	
Solicitors	J & H Mitchell WS 51 Atholl Road Pitlochry Perthshire PH16 5BU	



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Report of the Management Committee

for the year ended 31 March 2012

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 2012.

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 homelessness 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 five members from a variety of professional backgrounds relevant to the work of the charity. The procedure for election and appointment to the Management Committee is laid down in the Memorandum and Articles of Association.

The induction process for committee members includes providing them with a copy of the latest annual report and financial statements, the Memorandum and Articles of Association, Governance of CATH and the latest SCSWIS inspection report. They are invited to spend time with the key people in the organisation to familiarise themselves with our activities and identify any requirements for further information, training or support.

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.

Report of the Management Committee (continued)

for the year ended 31 March 2012

Members of the Management Committee

Those who served during the period and up to the date of this report were:

Martin Barnicoat	
Janet Beenham	(Appointed 24 April 2012)
Aida Grier	(Resigned 8 May 2012)
Buchanan Grant	(Resigned 19 June 2012)
Alistair Milner	
Diarmid Murray	(Appointed 24 April 2012)
Jane Robertson	(Appointed 24 April 2012)

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 that period. 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 (as amended). 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.

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

Some of our work is performed in difficult environments. It is essential to be able to demonstrate effective procedures for the management of 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.



Report of the Management Committee (continued)

for the year ended 31 March 2012

Achievements and performance

The main support areas provided by the charity are in Accommodation Projects (CATH House and Floating Support) and Community Projects (Day Centre, Adult Literacy and Outreach), together with our volunteer and befriending programmes.

Accommodation

- CATH House provided direct nightly access accommodation and support for 16 people with 95 different individuals accommodated over the past 12 months, some of whom returned more than once.
- Entered into joint working agreement with PKC Homeless Services in April 2011.
- Provided support for around 40 service users through the year to maintain their tenancies through our Floating Support Team
- Developed St Catherine's Square project with PKC to deliver on site support for residents who are in temporary accommodation within the square with the service due to begin in the next financial year.

Community

- Day Centre provided a drop-in community base for 318 different service users during the year, of which, 79 service users were new to the project.
- Continued to provide breakfasts and lunches on a daily basis to around 30 individuals.
- Day Centre was refurbished and painted internally by volunteers from Royal Bank of Scotland.
- Further developed programmes for service users to include hill walking, Reiki sessions, experimental arts and non-contact karate.
- Outreach continued to see an increase in demand for the service due to changes in tenancy support referrals. This led to the team seeing 108 different service users throughout the past year which included providing basic tenancy support to 10 people per month as well as 4 rough sleepers per month.
- Adult Literacy programmes have engaged with over 70 individuals during the period.
- Designed and delivered specific training to 6 befrienders whilst setting up Facing Change befriending project to work with women re-offenders. The project then became operational during the year.

CATH

- CATH Charity Shop celebrated first anniversary on 1 July 2011 and continued to provide opportunities for work placements, service users and volunteers. A total of 3,230 hours were provided by volunteers during the year.
- Throughout all CATH projects, 4,689 hours of volunteering were provided to the organisation.
- Continued with our partnership working and worked closely with Starter Packs Perth to set-up new referral and delivery system for the organisation.
- Employed an individual through Community Jobs Scotland for 6 months and then able to offer them part-time employment once scheme completed.
- Continued staff development with training throughout the year on specific areas including Naloxone, First Aid, Welfare Reform, together with additional staff members undertaking SVQ's.



Report of the Management Committee (continued)
*for the year ended 31 March 2012***Financial review**

The organisation continues to operate in an uncertain funding environment with our main funding sources being agreed on a yearly basis. There has been a further fall in income and expenditure compared to the previous year due primarily to a reduction in the grant funding and Housing Benefit income and related expenditure as a result of the decommissioning of Tayview during the previous year. The net outgoing resources for the year amounted to £20,865 (2011 - £48,301) due to the funding of £16,250 for Facing Change having been received prior to 2011 year-end but expenditure not being incurred until this financial year. The additional outgoing resources relate to the write-off of the loan to CATH Retail which is in the process of being dissolved.

Despite reduced funding for 2012/13 and changes to Housing Benefit income, we have managed to source additional funds that have enabled us to maintain our support provided at current levels. The completion of sublet of our workshop will also provide additional resources.

Principal funding sources

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

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 2012/13, the minimum unrestricted funds required is £245,000. The unrestricted funds relating to tangible fixed assets at 31 March 2012 were £53,435. This results in a total figure of £298,435 of unrestricted funds being maintained for 2012/13.

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 therefore in the process of appointing professional investment managers to improve performance whilst ensuring any risk in the portfolio is kept to a minimum.

Due to the current economic climate we have not yet invested in a portfolio, but 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.



Report of the Management Committee (continued)

for the year ended 31 March 2012

Plans for future periods

The Board of CATH has seen an increase in trustee numbers and with that, a more diverse range of expertise available to develop the organisation at a strategic level and give direction to the Senior Management Team for the day to day running of the organisation.

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.

The funding environment at present, together with the consequences of Welfare Reform, although difficult to quantify, will result in an increase in homelessness and the number of people needing CATH's services.

Therefore, as CATH exists to end homelessness, this will provide additional pressure on our resources but we must continue looking at ways of adding value to our existing services whilst providing additional services that can be utilised by our beneficiaries to further themselves.

We need to review our hostel accommodation and if possible, increase capacity to meet future demand as well as to meet the financial consequences of Welfare Reform. We are also currently looking to develop services that will assist individuals in maintaining their tenancies and thus reducing the potential for them to re-enter the cycle of homelessness. These services will focus on social inclusion and the furnishing and decoration of properties.

CATH is committed to building partnerships with other organisations to enable us to expand our services and we are currently developing a befriending scheme in partnership with Scottish Churches Housing Action to provide support to homeless individuals throughout Perth & Kinross.

CATH continues to recognise the need to be efficient and effective with charitable monies, especially with the current and future funding climate. We will therefore be establishing new outcome measures for our projects to enable us to demonstrate further the positive impact CATH has on our beneficiaries.



Report of the Management Committee (continued)
for the year ended 31 March 2012

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 auditor is unaware. Additionally, the Management Committee have taken all the necessary steps that they ought to have taken in order to make themselves aware of all 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:

Martin Barnicoat
Director

5 September 2012

Independent Auditors' Report to the Members of Churches Action for the Homeless

We have audited the financial statements of Churches Action for The Homeless for the year ended 31 March 2012 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standards for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's 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 Trustees Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and the charity's Management Committee 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, the charitable company's members as a body and the charity's 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 auditor

As explained more fully in the Responsibilities of the Management Committee Statement set out on page 2, the Management Committee (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 (APB'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 the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012, 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 Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



Independent Auditor's Report to the Members of Churches Action for The Homeless (continued)

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.

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:

- the charitable company has not kept proper and adequate accounting records 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 members' 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 were 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**

5 September 2012

**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.



Statement of Financial Activities (Including Income & Expenditure Account)

for the year ended 31 March 2012

	Notes	2012 Unrestricted £	2012 Restricted £	2012 Total £	2011 Total £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	18,368	2,000	20,368	17,850
Activities for generating funds		973	-	973	828
Investment income		3,131	-	3,131	3,079
Incoming resources from charitable activities	3	5,416	838,479	843,895	1,024,127
Total incoming resources		<u>27,888</u>	<u>840,479</u>	<u>868,367</u>	<u>1,045,884</u>
Resources expended					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs		(731)	-	(731)	(494)
Charitable activities	4 & 5	(4,292)	(864,991)	(869,283)	(1,049,019)
Governance costs	5	(19,218)	-	(19,218)	(44,672)
Total resources expended		<u>(24,241)</u>	<u>(864,991)</u>	<u>(889,232)</u>	<u>(1,094,185)</u>
Net incoming/(outgoing) resources before transfers for the year	6	3,647	(24,512)	(20,865)	(48,301)
Transfers between funds	15	-	-	-	-
Fund balances at 1 April 2011		378,611	156,075	534,686	582,987
Fund balances at 31 March 2012	15	<u>382,258</u>	<u>131,563</u>	<u>513,821</u>	<u>534,686</u>

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



Balance Sheet

as at 31 March 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	8		171,833		188,366
Investments	9		-		1,000
			<u>171,833</u>		<u>189,366</u>
Current assets					
Stocks		1,329		2,087	
Debtors	10	14,788		39,774	
Cash at bank and in hand		418,570		354,919	
		<u>434,687</u>		<u>396,780</u>	
Creditors: amounts falling due within one year	11	<u>(89,785)</u>		<u>(51,460)</u>	
Net current assets			344,902		345,320
Total assets less current liabilities			<u>516,735</u>		<u>534,686</u>
Creditors: amounts falling due after more than one year	12		(2,914)		-
Net assets			<u><u>513,821</u></u>		<u><u>534,686</u></u>
Funds					
Restricted funds	15	131,563		156,075	
General funds	15	382,258		378,611	
		<u>513,821</u>		<u>534,686</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 5 September 2012

Martin Barnicoat
Director

Alistair Milner
Director

Company Registration No. SC145621



Notes to the Financial Statements

for the year ended 31 March 2012

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).

1.2 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.

1.3 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	Over remaining leasehold term
Computers	25% on cost
Fixtures, fittings & equipment	25% on cost
Motor vehicles	25% on cost

1.4 Leasing

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

1.5 Investments

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

1.6 Stock

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

1.7 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.

1.8 Group accounts

The financial statements present information about the charity as an individual undertaking and not about its group. The charity and its subsidiary undertaking comprise a small-sized group, however the subsidiary undertaking is in the process of being struck off after the year-end and its activities transferred back to the charity at the year-end. The charity has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.



Notes to the Financial Statements (continued)

for the year ended 31 March 2012

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.

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.

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.

**Notes to the Financial Statements (continued)**

for the year ended 31 March 2012

2 Voluntary income

	2012 Unrestricted £	2012 Restricted £	2012 Total £	2011 Total £
CATH 500/gift aid donations including tax reclaim	7,804	-	7,804	6,514
Other donations	10,236	2,000	12,236	6,095
Membership	30	-	30	20
Bequests, legacies & trust income	298	-	298	5,221
	<u>18,368</u>	<u>2,000</u>	<u>20,368</u>	<u>17,850</u>

3 Incoming resources from charitable activities

	2012 Unrestricted £	2012 Restricted £	2012 Total £	2011 Total £
Accommodation Projects				
Perth & Kinross Council - grants	-	194,464	194,464	298,877
Perth & Kinross Council - contract	-	219,532	219,532	223,467
Organisations - grants	-	5,627	5,627	-
Housing Benefit	-	160,184	160,184	198,469
Client Rent contributions	-	17,051	17,051	23,809
Miscellaneous Income	-	-	-	2,930
	<u>-</u>	<u>596,858</u>	<u>596,858</u>	<u>747,552</u>
Community Projects				
Perth & Kinross Council - contract	-	241,621	241,621	243,903
Organisations - grants	-	-	-	28,100
Kitchen & Laundry donations	2,505	-	2,505	1,763
Big Issue commission	1,627	-	1,627	1,867
Miscellaneous Income	1,284	-	1,284	942
	<u>5,416</u>	<u>241,621</u>	<u>247,037</u>	<u>276,575</u>
Total	<u>5,416</u>	<u>838,479</u>	<u>843,895</u>	<u>1,024,127</u>

**Notes to the Financial Statements (continued)***for the year ended 31 March 2012***4 Analysis of charitable expenditure**

	2012 Accommodation £	2012 Community £	2012 Total £	2011 Total £
Resources expended				
Salaries	381,099	173,729	554,828	674,433
Staff costs (travel, training, recruitment)	18,423	9,911	28,334	20,804
Property costs (rent, insurance, utilities)	43,680	14,510	58,190	98,043
Property maintenance	18,190	12,350	30,540	41,656
Food costs	14,951	5,657	20,608	20,189
Client support	1,309	2,213	3,522	2,952
General operating costs	13,565	11,169	24,734	18,498
Special project costs	-	-	-	456
Depreciation	1,699	12,753	14,452	11,124
Loss/(Gain) on disposal of fixed assets	-	2,350	2,350	(290)
	<u>492,916</u>	<u>244,642</u>	<u>737,558</u>	<u>887,865</u>

5 Analysis of support for charitable activities

Support costs are generally allocated in line with turnover and/or usage (Accommodation 70%, Community 30%). In some instances, support costs are wholly attributed to a specific category.

	2012 Accommodation £	2012 Community £	2012 Governance £	2012 Total £	2011 Total £
Resources expended					
Salaries	68,651	34,952	18,615	122,218	137,180
IT costs	5,052	4,065	-	9,117	17,400
General operating costs	943	514	-	1,457	3,337
Audit fees	3,880	1,730	-	5,610	8,700
Insurance	-	-	603	603	2,072
Professional fees	3,994	631	-	4,625	36,149
Depreciation	221	-	-	221	698
Diminution in value of investments	-	1,000	-	1,000	-
Loan to subsidiary written off	-	6,092	-	6,092	-
	<u>82,741</u>	<u>48,984</u>	<u>19,218</u>	<u>150,943</u>	<u>205,536</u>

Notes to the Financial Statements (continued)

for the year ended 31 March 2012

6 Net incoming/(outgoing) resources before transfers	2012	2011
	£	£
This is stated after charging:		
Depreciation of tangible assets	14,673	11,822
Auditor's remuneration	5,400	7,800
Auditor's remuneration for other services	210	2,700
Loss on disposal of tangible assets	2,350	-
Diminution in value of investments	1,000	-
And after crediting:		
Profit on disposal of tangible assets	-	(290)

7 Taxation

As a charitable company, CATH 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.

8 Tangible fixed assets

	Land and buildings	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 2011	273,176	32,451	305,627
Additions	-	989	989
Disposals	-	(10,757)	(10,757)
At 31 March 2012	273,176	22,683	295,859
Depreciation			
At 1 April 2011	94,163	23,098	117,261
On disposals	-	(7,907)	(7,907)
Charge for the year	8,169	6,503	14,672
At 31 March 2012	102,332	21,694	124,026
Net book value			
At 31 March 2012	170,844	989	171,833
At 31 March 2011	179,013	9,353	188,366

**Notes to the Financial Statements (continued)***for the year ended 31 March 2012***9 Fixed asset investments**

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2011 and at 31 March 2012	1,000
At 31 March 2012	1,000
Provision for impairment	
At 1 April 2011	-
Charge for the year	1,000
At 31 March 2012	1,000
Net book value	
At 31 March 2012	-
Net book value	
At 31 March 2011	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	Class	Shares held %
Subsidiary undertakings			
CATH Retail Limited	Scotland	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year are as follows:

	Principal activity	Capital and reserves 2012 £	Profit/(loss) for the year 2012 £
CATH Retail Limited	Charity shop	(6,092)	197

10 Debtors

	2012 £	2011 £
Trade debtors	695	800
Amounts owed by group undertakings and participating interests	-	26,203
Income tax recoverable	1,305	1,272
Other debtors, prepayments and accrued income	12,788	11,499
	14,788	39,774



Notes to the Financial Statements (continued)

for the year ended 31 March 2012

11 Creditors: amounts falling due within one year

	2012 £	2011 £
Perth & Kinross Council funds (see below)	43,012	1,228
Other creditors	46,773	50,232
	<u>89,785</u>	<u>51,460</u>

Perth & Kinross Council funds

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

12 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Loan (Energy Savings Trust)	<u>2,914</u>	<u>-</u>
Analysis of loan		
Wholly repayable within five years by instalments	4,042	-
Included in current liabilities	(1,128)	-
	<u>2,914</u>	<u>-</u>



Notes to the Financial Statements (continued)

for the year ended 31 March 2012

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 2011 by a professional qualified actuary using the Technical Provisions valuation basis. The market value of the Scheme's assets at the valuation date was £780.3 million and the plan's liabilities (i.e. past service liabilities) were £927.9 million. The valuation therefore revealed a shortfall of assets compared to the value of liabilities of £147.6 million, equivalent to a funding level of 84.1%.

Defined benefit

	2012 £	2011 £
Contributions payable by the company for the year	6,751	7,277

14 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances as at 31 March 2012 are represented by:				
Tangible fixed assets	53,435	-	118,398	171,833
Current assets	128,510	250,000	56,177	434,687
Creditors: amounts falling due in one year	(46,773)	-	(43,012)	(89,785)
Creditors: amounts falling after more than one year	(2,914)	-	-	(2,914)
	<u>132,258</u>	<u>250,000</u>	<u>131,563</u>	<u>513,821</u>

Notes to the Financial Statements (continued)

for the year ended 31 March 2012

15 Movement in funds

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Unrestricted funds:					
General funds	135,994	27,888	(21,624)	(10,000)	132,258
Designated funds:					
Community projects	2,617	-	(2,617)	-	-
Mary Carroll	5,000	-	-	-	5,000
Contingency fund	235,000	-	-	10,000	245,000
	<u>378,611</u>	<u>27,888</u>	<u>(24,241)</u>	<u>-</u>	<u>382,258</u>

Purposes of designated funds

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

Mary Carroll: This fund is to provide our service user group with opportunities to access the advantages of specific projects to improve the quality of their lives.

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	127,944	-	(9,546)	-	118,398
Accommodation projects	2,474	596,858	(596,858)	-	2,474
Community projects	25,657	243,621	(258,587)	-	10,691
	<u>156,075</u>	<u>840,479</u>	<u>(864,991)</u>	<u>-</u>	<u>131,563</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.

Notes to the Financial Statements (continued)

for the year ended 31 March 2012

15 Movement in funds (continued)

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Summary of funds:					
General funds	378,611	27,888	(24,241)	-	382,258
Restricted funds	156,075	840,479	(864,991)	-	131,563
	<u>534,686</u>	<u>868,367</u>	<u>(889,232)</u>	<u>-</u>	<u>513,821</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 2011. As of this date the estimated employer debt for the charity was £85,321. 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 increased by approximately 9% making their liability at the year end £92,999.

17 Financial commitments

At 31 March 2012 the company had annual commitments under non-cancellable leases as follows:

	Land and buildings	
	2012 £	2011 £
Expiry date:		
Within one year	27,600	-
Between one and five years	25,000	30,670
In over five years	4,000	4,000
	<u>56,600</u>	<u>34,670</u>



Notes to the Financial Statements (continued)

for the year ended 31 March 2012

18 Trustees remuneration and related party transactions

During the year no members of the Management Committee received any remuneration (2011 - none). Travel costs reimbursed to two (2011 - two) members of the Management Committee amounted to £179 (2011 - £95) in the year.

The cost of trustees' indemnity insurance to the charity amounted to £603 (2011 - £2,072) 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 (2011 - nil).

During the year, the charity's wholly owned subsidiary company, CATH Retail Limited, transferred its operations as a charity shop to the charity and it is intended to have the subsidiary company wound up within the next financial year. At the time of the transfer of the charity shop, the charity was owed £6,092 (2011: £26,203) in respect of a loan and the trustees have agreed to provide for a bad debt provision for this amount. Further, the trustees have agreed to write off its investment in CATH Retail Limited of £1,000 at the balance sheet date.

19 Employee costs and numbers

Employment costs

	2012 £	2011 £
Wages and salaries	618,274	739,713
Social security costs	52,021	64,623
Other pension costs	6,751	7,277
	<u>677,046</u>	<u>811,613</u>

No employee received emoluments of more than £60,000

Number of employees

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

	2012 Number	2011 Number
Directors	-	-
Accommodation Projects - full time	15	19
Accommodation Projects - part time	13	11
Community Projects - full time	5	6
Community Projects - part time	4	4
	<u>37</u>	<u>40</u>

20 Control

The charitable company is controlled by the directors.