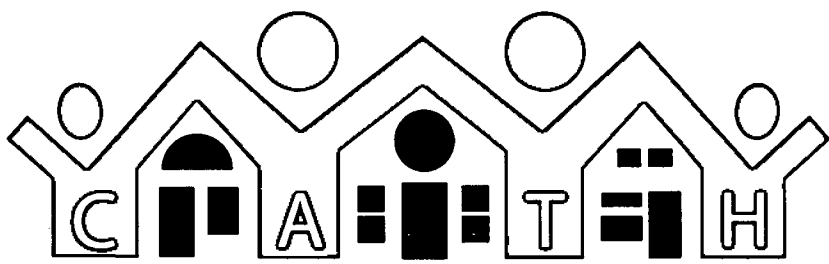


Churches Action for The Homeless



Working together to end homelessness

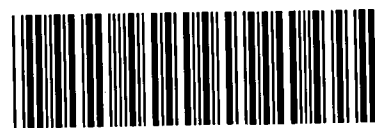
Annual report

Annual report & financial statements for the year ended 31 March 2014

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

www.cath-org.co.uk

THURSDAY



SCT 27/11/2014 #151
COMPANIES HOUSE



Charity Information

Management Committee	Martin Barnicoat Margaret Jane Robertson Moirra Brown Alistair Milner Diarmid Murray Michael Westall	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 2014

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 2014.

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 six 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 2014

Members of the Management Committee

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

Martin Barnicoat

Janet Beenham

(Resigned 19 May 2014)

Moirá Brown

Alistair Milner

Diarmid Murray

Margaret Jane Robertson

Michael Westall

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 2014

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. In addition, the charity also operate a shop.

Accommodation

- CATH House continues to offer support and accommodation to 16 males or females over the age of 16 years who are referred through PKC Homeless Advice Centre. Throughout the year, CATH House provided direct nightly access accommodation and support to 62 different individuals accommodated over the past 12 months, some of whom returned more than once.
- CATH House continues to provide ad hoc "at the door support", to those who are deemed vulnerable and in need but not accommodated within the hostel.
- Annual review of joint working agreement with PKC Homeless Services took place to ensure that the needs of those supported are met in a satisfactory manner by both agencies. Despite CATH's objective to move service users through the hostel towards independent living in the community, it has been recognised that there are a number of service users currently accommodated who would be unable to successfully sustain a tenancy. For this reason, PKC will now consult with CATH staff on the viability of offering these individuals tenancy which will have a high potential for failure.
- A student placement was arranged at CATH House and the HNC Social Care student returned as a relief worker after their studies.
- Volunteer cooks are now preparing evening meals at CATH House.
- Floating Support team worked across the Perth and Kinross area supporting 35 people throughout the year, providing support on a weekly basis to maintain their own tenancies and independent living.
- The Floating Support team provide onsite support to both temporary and secure tenancy holders within St Catherine's Square after the pilot showed positive improvements in behavioural levels at the Square.

Community

- CATH Day Centre provided a drop-in community base for 386 individuals requiring support in the split of 304 males and 82 females.
- Part-time cook, volunteers and staff provided breakfasts and lunches on a daily basis with over 7,000 meals provided throughout the year.
- Day Centre staff supported 24 service users experiencing fuel poverty through applying for grants of which 19 service users were successful and received support.
- The Day Centre ran programmes for service users with the aim of developing self-esteem and self-confidence. Programmes included jewellery making, personal fitness classes, computer classes, football, arts and crafts, stitch craft, cookery groups and music lessons.
- Adult Literacy and ESOL classes engaged with 76 individuals during the year.
- CATH Outreach Team, based at the Day Centre, provide a support service for individuals who are reluctant to engage with other services, are experiencing loneliness and isolation or are excluded from services due to behavioural issues. The team also respond to crisis situations and have supported over 105 individuals in their tenancies and also people who continue to sleep rough.
- The Day Centre and Outreach staff, supported by a donation from the Annie Unwin Trust, supported 28 individuals in moving to new tenancies by providing donations of carpets, furniture and white goods to assist the tenant in resettling into the community.
- CATH have worked in partnership with the Homeless Voice Association and received funding to progress the partnership Boxing Project to run two mornings per week and provide a minibus for transport.

Report of the Management Committee (continued)

for the year ended 31 March 2014

Community (continued)

- The Day Centre worked in partnership with other agencies to provide drop-in services for service users who do not usually access these services. These included Citizens Advice Bureau who are based at the Day Centre one morning a week, a Community Optician who attended quarterly, members of the Central Healthcare Team attend one morning a week and also participated on street-walks with our Outreach Team.
- A Social Work Degree student was on placement at Day Centre from Robert Gordon University.

CATH

- CATH Charity Shop continued to provide more opportunities for work placements, service users and volunteers. A total of 4,599 hours were provided by volunteers during the year which included 5 individuals working towards their Duke of Edinburgh award.
- Throughout all CATH projects, 5,858 hours of volunteering were provided to the organisation.
- The referral and delivery system continued for Starter Packs Perth with CATH delivering 159 starter packs throughout the year to vulnerable people in their new property.
- Following research into a Public Sector Partnership (PSP) for Mentoring/Befriending, our partnership with Tayside Council on Alcohol (TCA) received two year funding from the Change Fund to initiate and develop the project.
- Received continued funding from Gannochy Trust for CATH Befrienders and supported the Julius Project through joint presentations to local guilds in Perth & Kinross.
- Staff and volunteer development continued throughout the year with training on specific areas including Food Hygiene, Adult Protection, First Aid and Outcome Star with staff members continuing with SVQ studies at Level 4. Three joint volunteer training sessions ran throughout the year with TCA for CATH Befrienders after successful recruitment campaigns.
- Partnership working continued with various organisations, including a CATH Director volunteering to become a member of the management committee of the Perth and Kinross Foodbank.

Financial review

The organisation's main source of income continues to operate with funding being agreed on a yearly basis. Despite this funding environment and continuing reduction in income from our principal funding source, there has been an increase in income compared to the previous year. The increase in incoming resources was as a result of additional funding for the CATH Befrienders project, a significant increase in voluntary income and an increase in income from the charity shop. The additional income has resulted in net incoming resources for the year of £100,347 (2013 – incoming resources of £22,331). This is due to the receipt of bequests totalling £39,000, another year's funding from Gannochy Trust for CATH Befrienders of £17,000 being received prior to 2014 year-end but the majority of expenditure not being incurred until the following year and a significant increase in sales at the CATH Charity Shop generating a surplus. The monies received from bequests and the shop surplus have been transferred into various designated funds as per note 17 to the financial statements.

We have managed to maintain our funding levels for 2014/15 from our principal funding source and the various funding for CATH Befrienders has been secured for another year.

These funds, together with those within designated funds, will enable us to not only maintain our current level of support provided, but enhance the support in certain areas.

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 2014/15, the minimum unrestricted funds required is £245,000. The unrestricted funds relating to tangible fixed assets at 31 March 2014 were £46,329. This results in a total figure of £291,329 of unrestricted funds being maintained for 2014/15.

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, we have moved some funds to be managed by a professional investment manager. Whilst this has improved our investment performance, we have ensured any risk in the portfolio is kept to a minimum and thus 50% of the current portfolio is invested in UK Government securities.

Plans for future periods

The Board of Directors of CATH has reduced by one member during the past year, the effect of which has fortunately been minimised due entirely to the increased hands on approach and involvement of the remaining board members within the organisation. This involvement has led to a board member developing a database to provide the statistical information which will shape our future developments. The database will become operational during 2014/15.

CATH continue to be seen as an integral part of the support provision for those with multiple and complex needs within the Perth and Kinross Council geographical area. There now exists a greater understanding of the need for multi-agency working to ensure all needs are met appropriately and in a timely fashion. As such, CATH will take an active role in developing a Third Sector Health & Social Care Forum to engage into strategic and local planning for the new Health and Social Care Partnership between NHS Tayside, Perth and Kinross Council and the Third Sector.

Social isolation is a major factor in issues affecting our service user group. The leasing of a minibus, partly funded through the Homeless Voice Association supported Boxing Project, will enable us to pick up service users both locally and rurally and take them to the Day Centre. There, they can interact with others and take part in some of the development programmes available.

The partnership working with Starter Packs, Tayside Council on Alcohol, Gannochy Trust, Scottish Churches Housing Action and other homeless support providers continues as well as those mentioned previously within achievements and performances. We are also currently looking at the potential for an employability project through an additional partnership or social enterprise involving The Salvation Army. This would be developed with the assistance of Perth and Kinross Council.



Report of the Management Committee (continued)

for the year ended 31 March 2014

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

24 September 2014



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 2014 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. 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 Trustee 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 2014, 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 (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

24 September 2014

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 2014

		2014 Unrestricted	2014 Restricted	2014 Total	2013 Total re-stated
	Notes	£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	53,145	-	53,145	11,503
Activities for generating funds	3	97,174	-	97,174	76,777
Investment income		3,064	-	3,064	3,222
Incoming resources from charitable activities	4	12,165	847,222	859,387	861,907
Total incoming resources		<u>165,548</u>	<u>847,222</u>	<u>1,012,770</u>	<u>953,409</u>
Resources expended					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	5	(62,351)	-	(62,351)	(60,491)
Investment management costs		(136)	-	(136)	-
Charitable activities	6	(1,951)	(820,861)	(822,812)	(845,971)
Governance costs	6	(21,604)	(5,520)	(27,124)	(24,616)
Total resources expended		<u>(86,042)</u>	<u>(826,381)</u>	<u>(912,423)</u>	<u>(931,078)</u>
Net incoming/(outgoing) resources before transfers	8	79,506	20,841	100,347	22,331
Transfers between funds	17	-	-	-	-
Gains/losses on investment assets	11	(5,776)	-	(5,776)	-
Net movement in funds		<u>73,730</u>	<u>20,841</u>	<u>94,571</u>	<u>22,331</u>
Total funds brought forward at 1 April 2013 as originally reported		387,395	148,757	536,152	514,873
Prior year adjustment	22	1,052	-	1,052	
As restated		<u>388,447</u>	<u>148,757</u>	<u>537,204</u>	
Fund balances at 31 March 2014	17	<u>462,177</u>	<u>169,598</u>	<u>631,775</u>	<u>537,204</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 2014

	Notes	2014 £	2013 re-stated £
Fixed assets			
Tangible assets	10	156,205	162,675
Investments	11	94,008	-
		<u>250,213</u>	<u>162,675</u>
Current assets			
Stocks		1,206	516
Debtors	12	23,270	14,061
Cash at bank and in hand		451,351	443,888
		<u>475,827</u>	<u>458,465</u>
Creditors: amounts falling due within one year	13	<u>(93,607)</u>	<u>(82,150)</u>
Net current assets		<u>382,220</u>	<u>376,315</u>
Total assets less current liabilities		<u>632,433</u>	<u>538,990</u>
Creditors: amounts falling due after more than one year	14	(658)	(1,786)
Net assets		<u><u>631,775</u></u>	<u><u>537,204</u></u>
Funds			
Restricted funds	17	169,598	148,757
General funds	17	462,177	388,447
		<u><u>631,775</u></u>	<u><u>537,204</u></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 24th September 2014



Martin Barnicoat
 Director



Margaret Jane Robertson
 Director

Company Registration No. SC145621

Notes to the Financial Statements

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 market 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 Prior year adjustment

The financial statements reflect a prior year adjustment for the recoverable input VAT arising in the previous financial period which had not been recognised in the financial statements. Note 22 to these financial statements contains more information.



Notes to the Financial Statements (continued)

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 notes 5 and 6 to the financial statements.

Notes to the Financial Statements (continued)

2 Voluntary income

	2014 Unrestricted £	2014 Restricted £	2014 Total £	2013 Total £
CATH 500/gift aid donations including tax reclaim	9,287	-	9,287	5,191
Other donations	3,758	-	3,758	6,182
Membership	-	-	-	30
Bequests, legacies & trust income	40,100	-	40,100	100
	<u>53,145</u>	<u>-</u>	<u>53,145</u>	<u>11,503</u>

3 Activities for generating funds

	2014 Unrestricted £	2014 Restricted £	2014 Total £	2013 Total £
Shop income	95,048	-	95,048	74,683
Fundraising	2,126	-	2,126	2,094
	<u>97,174</u>	<u>-</u>	<u>97,174</u>	<u>76,777</u>



Notes to the Financial Statements (continued)

4 Incoming resources from charitable activities

	2014 Unrestricted £	2014 Restricted £	2014 Total £	2013 Total £
Accommodation Projects				
Perth & Kinross Council - grants	-	205,083	205,083	208,936
Perth & Kinross Council - contract	-	170,122	170,122	208,384
Organisations - grants	-	-	-	4,130
Housing Benefit	-	130,988	130,988	129,357
Client Rent contributions	-	19,208	19,208	19,904
Miscellaneous income	35	-	35	910
	<u>35</u>	<u>525,401</u>	<u>525,436</u>	<u>571,621</u>
Community Projects				
Perth & Kinross Council - contract	-	232,969	232,969	231,021
Organisations - grants	-	88,852	88,852	47,793
Rental income	6,500	-	6,500	6,250
Kitchen & Laundry donations	3,522	-	3,522	2,950
Big Issue commission	899	-	899	1,382
Miscellaneous income	1,209	-	1,209	890
	<u>12,130</u>	<u>321,821</u>	<u>333,951</u>	<u>290,286</u>
Total	<u>12,165</u>	<u>847,222</u>	<u>859,387</u>	<u>861,907</u>

5 Analysis of fundraising expenditure

	2014 Charity Shop £	2014 Community £	2014 Total £	2013 Total £
Resources expended				
Salaries	23,139	-	23,139	22,292
Staff costs	324	-	324	225
Property costs	27,254	-	27,254	27,257
Property maintenance	3,717	-	3,717	3,614
General operating costs	5,872	1,072	6,944	5,168
Support costs	973	-	973	946
Depreciation	-	-	-	989
	<u>61,279</u>	<u>1,072</u>	<u>62,351</u>	<u>60,491</u>



Notes to the Financial Statements (continued)

6 Analysis of charitable expenditure

	2014 Accommodation £	2014 Community £	2014 Total £	2013 Total £
Resources expended				
Salaries	341,041	203,204	544,245	555,947
Staff costs (travel, training, recruitment)	12,358	15,736	28,094	23,242
Property costs (rent, insurance, utilities)	46,089	16,173	62,262	61,698
Property maintenance	19,664	11,619	31,283	27,287
Food costs	14,222	7,294	21,516	22,590
Client support	1,798	2,925	4,723	6,134
General operating costs	13,570	13,326	26,896	25,489
Depreciation	-	6,470	6,470	8,169
Support costs (see note 7)	63,955	33,368	97,323	115,415
	<u>512,697</u>	<u>310,115</u>	<u>822,812</u>	<u>845,971</u>
Governance costs				
Salaries	14,822	5,764	20,586	18,100
Insurance	728	290	1,018	996
Audit fees	3,839	1,681	5,520	5,520
	<u>19,389</u>	<u>7,735</u>	<u>27,124</u>	<u>24,616</u>

7 Analysis of support for charitable activities

Support costs are generally allocated in line with turnover and/or usage (Accommodation 72%, Community 28%). In some instances, support costs are wholly attributed to a specific category.

	2014 Accommodation £	2014 Community £	2014 Total £	2013 Total £
Resources expended				
Salaries	51,918	23,698	75,616	96,504
IT costs	8,603	6,644	15,247	11,402
General operating costs	1,040	590	1,630	1,382
Professional fees	2,394	2,436	4,830	6,127
	<u>63,955</u>	<u>33,368</u>	<u>97,323</u>	<u>115,415</u>



Notes to the Financial Statements (continued)

8 Net incoming/(outgoing) resources before transfers	2014	2013
	£	£
This is stated after charging:		
Depreciation of tangible assets	6,470	9,158
Auditor's remuneration	6,000	6,000
	<u>6,470</u>	<u>9,158</u>

9 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.

10 Tangible fixed assets

	Land and buildings	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 2013	273,176	21,041	294,217
Additions	-	-	-
Disposals	-	(1,905)	(1,905)
At 31 March 2014	<u>273,176</u>	<u>19,136</u>	<u>292,312</u>
Depreciation			
At 1 April 2013	110,501	21,041	131,542
On disposals	-	(1,905)	(1,905)
Charge for the year	6,470	-	6,470
At 31 March 2014	<u>116,971</u>	<u>19,136</u>	<u>136,107</u>
Net book value			
At 31 March 2014	<u>156,205</u>	<u>-</u>	<u>156,205</u>
At 31 March 2013	<u>162,675</u>	<u>-</u>	<u>162,675</u>

Notes to the Financial Statements (continued)

11 Fixed Asset Investments

Listed investments

	2014 £	2013 £
Additions	99,784	-
Disposals	-	-
Net gain/(loss) on revaluation	(5,776)	-
Market value at 31 March 2014	<u>94,008</u>	<u>-</u>

Investment holdings

	2014 £	2013 £
UK (Govt) 2.5% Index Linked 17/07/24	24,173	-
UK (Govt) 1.25% Indx Linked 22/11/27	24,274	-
City of London Inv Trust	16,566	-
Murray International Trust	14,602	-
Henderson Far East Income Ltd	14,393	-
	<u>94,008</u>	<u>-</u>

12 Debtors

	2014 £	2013 re-stated £
Trade debtors	9,751	1,291
Income tax recoverable	1,648	929
VAT recoverable	147	1,052
Other debtors, prepayments and accrued income	11,724	10,789
	<u>23,270</u>	<u>14,061</u>

Notes to the Financial Statements (continued)

13 Creditors: amounts falling due within one year

	2014 £	2013 £
Perth & Kinross Council funds (see below)	46,245	34,269
Other creditors	47,362	47,881
	<u>93,607</u>	<u>82,150</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.

14 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Loan (Energy Savings Trust)	<u>658</u>	<u>1,786</u>
Analysis of loan		
Wholly repayable within five years by instalments	1,786	2,914
Included in current liabilities	(1,128)	(1,128)
	<u>658</u>	<u>1,786</u>

15 Pension costs

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

Contributions paid into the 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 Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. 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.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

Notes to the Financial Statements (continued)

15 Pension costs (continued)

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

CATH paid contributions at the rate of 4% during the accounting period. Members paid contributions at the rate of 2% during the accounting period.

As at the balance sheet date there were 9 active members of the Plan employed by CATH. The organisation continues to offer membership of the Plan to its employees.

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. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2013. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Notes to the Financial Statements (continued)

15 Pension costs (continued)

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

The likelihood that CATH will withdraw from the Scheme at some point in the future when the Scheme is not fully funded on a buy-out basis is remote.

Defined benefit	2014 £	2013 £
Contributions payable by the company for the year	9,461	7,028

Notes to the Financial Statements (continued)

16 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances as at 31 March 2014 are represented by:				
Tangible fixed assets	46,329	-	109,876	156,205
Investments	94,008	-	-	94,008
Current assets	54,860	315,000	105,967	475,827
Creditors: amounts falling due in one year	(47,362)	-	(46,245)	(93,607)
Creditors: amounts falling after more than one year	(658)	-	-	(658)
	<u>147,177</u>	<u>315,000</u>	<u>169,598</u>	<u>631,775</u>

17 Movement in funds

	Opening balance as originally reported £	Prior year adjustment £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Unrestricted funds:						
General funds	137,395	1,052	165,548	(91,818)	(65,000)	147,177
Designated funds:						
Buildings	-	-	-	-	20,000	20,000
Client Welfare	5,000	-	-	-	2,500	7,500
Contingency fund	245,000	-	-	-	-	245,000
Development	-	-	-	-	20,000	20,000
IT/IS	-	-	-	-	7,500	7,500
Vehicles	-	-	-	-	15,000	15,000
	<u>387,395</u>	<u>1,052</u>	<u>165,548</u>	<u>(91,818)</u>	<u>-</u>	<u>462,177</u>

Purposes of designated funds

Buildings:	This fund is necessary to provide for any cost that may arise in connection with any significant repairs, maintenance or upgrading of the buildings or their facilities for which the organisation is responsible.
Client Welfare:	This fund is to provide our service user group with opportunities to access 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.

Notes to the Financial Statements (continued)

17 Movement in funds (continued)

Purposes of designated funds (continued)

- Development:** This fund allows the expansion of the organisation's activities where consistent with the aims of the charity.
- IT/IS:** This fund is to provide efficient and effective administration processes as required by regulatory authorities and to the ultimate benefit of the client group.
- Vehicles:** This fund is for the provision of transport to enable additional services for the benefit of the client group.

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Restricted funds:					
Capital replacement fund	114,137	-	(4,261)	-	109,876
Accommodation projects					
- PKC grants		170,122	(170,122)	-	-
- PKC contract		205,083	(205,083)	-	-
- Housing Benefit		130,988	(130,988)	-	-
- Other Accommodation projects	3,967	19,208	(20,701)		2,474
Community projects					
- PKC contract		232,969	(232,969)	-	-
- Other Community projects	30,653	88,852	(62,257)	-	57,248
	<u>148,757</u>	<u>847,222</u>	<u>(826,381)</u>	<u>-</u>	<u>169,598</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 and includes:
- Perth & Kinross Council grants which fund support work at CATH House and Floating Support.
 - Perth & Kinross Council contract funding for CATH House.
 - Housing Benefit received for residents at CATH House.
- Community projects:** This fund represents grants and contract income received to cover future expenditure within community projects and includes:
- Perth & Kinross Council contract funding for Day Centre and Outreach.

Notes to the Financial Statements (continued)

17 Movement in funds (continued)

	Opening balance as originally stated	Prior year adjustment	Incoming resources	Outgoing resources	Transfers	Closing balance
	£	£	£	£	£	£
Summary of funds:						
General funds	387,395	1,052	165,548	(91,818)	-	462,177
Restricted funds	148,757	-	847,222	(826,381)	-	169,598
	<u>536,152</u>	<u>1,052</u>	<u>1,012,770</u>	<u>(918,199)</u>	<u>-</u>	<u>631,775</u>

18 Financial commitments

At 31 March 2014 the company had annual commitments under non-cancellable leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within one year	30,700	28,700
Between one and five years	25,000	25,000
In over five years	4,200	4,200
	<u>59,900</u>	<u>57,900</u>

19 Trustees remuneration and related party transactions

During the year no members of the Management Committee received any remuneration (2013 - none). Travel costs reimbursed to three (2013 - one) member of the Management Committee amounted to £869 (2013 - £346) in the year.

The cost of trustees' indemnity insurance to the charity amounted to £1,018 (2013 - £996) 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 (2013 - nil).

Notes to the Financial Statements (continued)

20 Employee costs and numbers

Employment costs

	2014 £	2013 £
Wages and salaries	608,316	637,061
Social security costs	45,809	48,754
Other pension costs	9,461	7,028
	<u>663,586</u>	<u>692,843</u>

No employee received emoluments of more than £60,000

Number of employees

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

	2014 Number	2013 Number
Directors	-	-
Accommodation Projects - full time	12	14
Accommodation Projects - part time	16	15
Community Projects - full time	5	4
Community Projects - part time	10	10
	<u>43</u>	<u>43</u>

21 Control

The charitable company is controlled by the directors.

22 Prior year adjustment

The charitable company is now VAT registered and a prior year adjustment has been made in regard to recoverable input VAT in relation to expenditure before 1 April 2013. The impact of the prior year adjustment was to increase debtors and unrestricted funds at 31 March 2013 by £1,052. The comparative figures have been re-stated accordingly.