



**Annual report & financial statements  
for the year ended 31 March 2018**

**Registered Charity No. SC021740  
Company Registration No. SC145621**

**[www.cath-org.co.uk](http://www.cath-org.co.uk)**



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## Charity Information

### Management Committee

Martin Barnicoat                      Chair  
Margaret Jane Robertson        Vice Chair  
Gemma Baillie    (Resigned 26 March 2018)  
Michael Westall  
Mark Thomson    (Appointed 25 October 2017)

### Senior Management Team

#### Chief Executive

Brian Cowie

#### Finance Manager

Alison Adams

#### Human Resources & Compliance Manager

Elaine Lamb

#### Company number

SC145621

#### Registered office

5 Whitefriars Crescent  
Perth  
PH2 0PA

#### Auditors

Campbell Dallas Audit Services  
5 Whitefriars Crescent  
Perth  
PH2 0PA

#### 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

Macnabs Solicitors  
10 Barossa Place  
Perth  
PH1 5JX

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## Charity Information (continued)

Investment Managers

Smith & Williamson  
206 St. Vincent Street  
Glasgow  
G2 5SG



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## Contents

	<b>Page</b>
Report of the Management Committee	1 - 7
Auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 29

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## **Report of the Management Committee**

*for the year ended 31 March 2018*

The Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, present their annual report and audited financial statements of the charity for the year ended 31 March 2018.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **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 also registered as a charity on 27 July 1993. The company was established under a Memorandum and Articles of Association which established the objects and powers, and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The charity is regulated by the Office of the Scottish Charity Regulator.

#### **Organisational structure**

CATH has a Management Committee of up to eleven members who meet bi-monthly and are responsible for the strategic direction and policy of the charity. At present the Management Committee has four members from a variety of professional backgrounds relevant to the work of the charity. The 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 Care Inspectorate 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 2018*

### **Members of the Management Committee**

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

Martin Barnicoat  
Gemma Baillie  
Mark Thomson

Margaret Jane Robertson  
Michael Westall

Mark Thomson was appointed on 25 October 2017 and Gemma Baillie resigned on 26 March 2018.

### **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 2015 (FRS 102);
- 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 is 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.

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## Report of the Management Committee (continued)

for the year ended 31 March 2018

### Pay policy for senior staff

The management committee consider the management committee and the senior management team as comprising the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give their time freely and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 20 to the accounts.

The pay of the senior management team is reviewed annually and increased only in line with any increases in core funding.

### **Achievements and performance**

The main support areas provided by the charity are in Accommodation Projects (CATH House/Tayview and Floating Support) and Community Projects (Day Centre, Adult Literacy and Outreach), together with our Volunteer and Befriending programmes. In addition, the charity operates a shop.

### Accommodation

In August 2017 the Care Inspectorate reported our 'Quality of Care and Support' to be very good and our 'Quality of Management and Leadership' to be very good. The past 8 years has seen our quality assessment come from weak/adequate to, currently, very good. There were no recommendations and no requirements from this last report.

### CATH House

Following a review of third sector hostel accommodation in Perth & Kinross, CATH agreed to the closure of CATH House, the 16 bed shared accommodation hostel. This was due to the falling number of people accessing this service, resulting from the introduction of the Home First Model from Perth & Kinross Council. From 1<sup>st</sup> April 2017 to 30<sup>th</sup> November 2017, CATH House provided accommodation and support to 17 different individuals. Ad hoc "at the door support" was also provided to those who were deemed vulnerable and in need but were not accommodated within the hostel. At the end of November 2017 the 8 service users who were still accommodated at CATH House were moved to Tayview.

### Tayview

In December 2017 we opened Tayview, a purpose built 8 flat, recovery focused unit. Up to 31<sup>st</sup> March 2018, Tayview has provided accommodation and support to 10 different individuals. Tayview addresses homelessness in combination with 'complex needs', such as mental health, alcohol and/or substance misuse and associated criminal justice involvement, which is an increasing problem for local authorities where the need for accommodation is a crucial factor and a Home First model may not be appropriate.

### Floating Support

Throughout this reporting period, the Floating Support team have continued to provide housing support to vulnerable people in the Perth and Kinross area, helping them to maintain their tenancies and to develop their independent living skills. The Floating Support team have also continued to provide tenancy support to people with secure and temporary tenancies at St. Catherine's Square.

The team supported 45 service users through floating support, with 5 people moving on to independent living and 8 requiring reduced support. Over 80 people were supported at St. Catherine's Square. 64 people moving in to temporary accommodation were provided with support and help with every day essentials and 33 people moved on to secure tenancies with assistance from the Floating Support and Outreach/Resettlement teams at CATH.

The Community Flat at St. Catherine's Square remains a great asset to the tenants and new engagement programmes, from a multi-agency perspective, are continually being looked at to support the use of the flat. PKC Community Engagement team and the Homeless Voice are using the flat for activities.

## **Report of the Management Committee (continued)**

*for the year ended 31 March 2018*

### **Community**

#### **CATH Day Centre**

CATH Day Centre provided a community base for 207 individuals requiring support (178 males and 29 females). Service users are provided with breakfasts and lunches on a daily basis, with over 3,900 meals provided throughout the year. Income from the CATH Sleep Out allowed us to offer free meals during Jan/Feb 2018. CATH continues to work in partnership with Giraffe, their staff prepare lunches for service users and, in return, make use of our kitchen facilities. A new programme of activities offered individuals the opportunity to take part in outdoor activities such as canoeing and archery.

#### **Adult Literacy**

The Adult Literacy team engaged with around 65 individuals during the year, providing 131 sessions to service users. The literacy team, part of the Adult Literacy and Numeracy Partnership, provided 1:1 support for individuals, including form filling. Group activities included job searches, pottery workshops, outdoor activities, arts and crafts, yoga and social activities. The service users were also involved in a photography exhibition.

#### **Resettlement/Outreach**

The CATH Resettlement/Outreach team supported 56 individuals with moving to and maintaining new tenancies, assisting the tenant to resettle into the community. Staff supported individuals with furnishing new tenancies by applying for grants from the Annie Unwin Trust and the Simon Community Trust and also by distributing donations of good quality goods that CATH received from the general public and Church congregations throughout Perth & Kinross.

#### **Starter Packs**

CATH continues to work in partnership with Starter Packs Perth providing basic, but essential, items to those moving into accommodation. CATH provides administrative support for the project, processing all referrals and then delivers the starter packs when they are ready for distribution. 205 referrals were received in 2017-18.

### **CATH**

#### **Charity Shop**

The shop has had another excellent year, with sales continuing to increase. For the first time we had months with sales of over £11,000, encouragingly over several months and including February, the coldest and shortest month. The shop has played to its strengths, focussing on smaller items with clothing, accessories and books all strong departments for us. The feedback from customers is that they enjoy our competitive pricing, range, attractive and well laid out shop and, of course, friendly customer service.

Our great results have been in no small part helped by having a very stable volunteer base. We had a really excellent team of volunteers and placements throughout 2017-18. We showed our appreciation during Volunteers Week with a high tea and with a meal at Christmas. Both events were really well attended and enjoyed by all.

The shop got a new sign across the width of the building which really lifts the look of the frontage and shows off the CATH logo.

#### **Research Project**

In 2017 CATH applied for stage 1 funding through the Aspiring Communities Fund, supported by European Social Fund and Scottish Government, to conduct a research project to establish the employability needs and aspirations of the homeless community, those furthest from employment. The objective was to gather information and identify the scope and demand for future employability projects and bring those homeless closer to employment and in particular an employability project being considered by CATH specifically for our service user group. A 105 page in-depth research report was completed and submitted for approval to stage 2 which would provide the funding for the employability project. Despite being heralded as an excellent piece of work the stage 2 funding was grossly oversubscribed and as a result CATH were unsuccessful in securing the funding needed to support the employability project.



## Report of the Management Committee (continued)

for the year ended 31 March 2018

### CATH (continued)

#### Volunteering

We are extremely fortunate to have a diverse team of volunteers making a considerable contribution, not only to our charity shop, day centre and befriending service, but also to our organisation and we are truly grateful for their continued commitment and incredible support.

CATH currently has 32 volunteers. Throughout the year 5,047.5 hours of volunteering was provided to the organisation, which equates to a value of around £39,521 (based on the minimum wage). This year we once again recognised the contribution of our volunteers during Volunteers Week and with an event at Christmas.

The women's befriending group has benefited from our volunteers who bring diverse skills and talents to the group. They have undertaken several projects such as knitting Christmas stockings, Easter chicks, trauma teddies and blankets and recycling articles from the charity shop to make items such as bags.

People attending our social befriending group, with the help of volunteers, have taken part in activities such as dominoes, board games, pool, reminiscing groups, watching films and went on an outing to Quarry Mill.

The Quality in Befriending Award was achieved in June 2017 for the standard of quality and delivery of our befriending service in relation to both service users and volunteers. As with our Volunteer Friendly Award, we strive to continue best practice in valuing, appreciating and recognising the immense contribution that all of our volunteers make to our organisation and the work that we do.

#### CATH Sleep Out

In November 2017, CATH held its second annual Sleep Out Event in Perth where over £9,000 was raised.

#### Vinci Foundation

Early last year we were approached by a member of staff from the local branch of Omexom UK Substations, who was interested in sponsoring CATH to apply for funding from the Vinci Foundation which encourages local staff to pick a charity they are interested in that would benefit from funding. After an initial meeting with representatives from Omexom in Perth we decided to put in an application for funding to support the purchase of a Multi-Purpose Vehicle (MPV) which would be used to:

- ensure that vulnerable individuals, couples and families are provided with a Starter Pack in a timely manner when they are allocated accommodation.
- provide a mobile and highly visible means of promoting and recruiting volunteers for CATH projects through eye catching signage on the vehicle.
- reduce costs for the CATH Charity Shop which had to hire appropriate transport for pickup and deliveries of donated items of furniture and white goods
- reduce social isolation amongst vulnerable service users to access the Befriending Project

In September we were informed that our application had been successful and were awarded a cheque for £10,000, which enabled us to purchase a second hand Citroen Berlingo MPV, get the vehicle signage done, and pay for the warranty, road tax and part of the insurance. Since having the vehicle it has been used extensively for Starter Packs, the Charity Shop and Outreach/Re-settlement.

### **Financial review**

The organisation's core work continues to operate with funding being agreed on a yearly basis. The level of core funding received from our principal funder, Perth & Kinross Council (PKC), through service level agreements, was increased by 2.2% on the previous year for Floating Support, Day Centre and Outreach. Core funding for CATH House and Tayview, remained at the same level as the previous year.

Income from housing benefit and client rent contributions fell as occupancy levels at CATH House remained low until its closure in November 2017. This income was also then impacted by the reduced number of service user places available at Tayview.

## **Report of the Management Committee (continued)**

*for the year ended 31 March 2018*

### **Financial review (continued)**

The income from the CATH Charity Shop increased again. Income from donations also went up this year due to the increase in funds raised at the CATH Sleep Out and a donation of £20,000 received from the Gardeners Trust.

Grant income from other sources increased this year despite some funding for specific projects coming to an end. This was due to a grant from Aspiring Communities Fund for the employability research project.

The overall result is an increase in income when compared with the previous year.

Expenditure has been carefully managed and has reduced this year when compared with the previous year.

The closure of CATH House and subsequent relocation to Tayview resulted in a change in the staffing structure and two members of staff chose to take voluntary redundancy. These payments amounted to £19,777.

A small loss on investments contributed towards an overall surplus for the year of £55,044 (2017 - £34,129 deficit). Total funds are £753,327 (2017 - £698,283), made up of general funds of £566,824 (2017 - £543,107) and restricted funds of £186,503 (2017 - £155,176). General funds are reduced by a pension deficit liability of £15,631 (2017 - £17,597).

A prior year adjustment, increasing opening restricted reserves by £89,085, has been posted and details of this adjustment are included in Note 23 to the accounts.

Funding from our principal funding source PKC will increase by 3.55% in 2018-19. This increase was awarded on the provision that all support staff are paid at a rate which is at least in line with the real Living Wage. All staff in CATH are currently paid at or above the real Living Wage. These funds, together with those within designated funds, will enable us to maintain our current level of support provided and give opportunities of enhancing 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 2018/19, the minimum unrestricted funds required is £260,000. The unrestricted funds relating to tangible fixed assets at 31 March 2018 were £52,911. This results in a total figure of £312,911 of unrestricted funds being maintained for 2018/19.

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.



## **Report of the Management Committee (continued)**

*for the year ended 31 March 2018*

### **Investment policy**

Investment funds are managed by a professional investment manager for a balance between longer term growth and current income. We have ensured any risk is kept to a minimum with a conservative portfolio.

### **Plans for future periods**

Whilst celebrating our 25 year anniversary in support provision, we must acknowledge that homelessness itself continues to be an increasing issue for our service users and consequently our ability to maintain appropriate services in their support. Historically CATH have received Local Authority block funding on a yearly basis to support our projects. 2019 will see the introduction of commissioned services to meet the needs of those in Perth and Kinross.

CATH continue to encourage joint/partnership working with both statutory and other third sector agencies to create a broader scope of service provision and an internal restructure was undertaken early in 2018-19 to support increased engagement both externally and internally.

With the prediction that Welfare Reform and other factors will, in the short to medium term, significantly increase potential core homelessness, CATH must be ready with new and innovative ways to minimise the resultant effects. This will be achieved in some part by a new flexibility in working practice such as the late opening of the Day Centre facility and both late night and early morning approaches to Outreach work in the community. CATH hope that, with the agreement of staff and the financial support of funders, to further extend this to weekend working.

Finally, CATH will continue to look for appropriate premises to house all staff and other agencies under one roof meeting the range and diversity of needs challenging our service user group.

### **Auditors**

In accordance with the charitable company's articles, a resolution proposing that Campbell Dallas Audit Services 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 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 October 2018

# CHURCHES ACTION FOR THE HOMELESS

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES AND MEMBERS OF CHURCHES ACTION FOR THE HOMELESS

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#### Opinion

We have audited the financial statements of Churches Action for the Homeless for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of state of the charitable company's affairs as at 31 March 2018, 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; 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.

#### Basis of opinion

We have conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The trustees are responsible for other information. The other information comprises the information included in the report of the management committee other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusions thereon.

# CHURCHES ACTION FOR THE HOMELESS

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES AND MEMBERS OF CHURCHES ACTION FOR THE HOMELESS

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#### Other information (cont.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Management Committee has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report on by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.

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

- adequate and proper accounting records have not been kept, 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 trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require from our audit; or
- the trustees 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 Report of the Management Committee and take advantage of the smaller companies exemption from the requirement to prepare a strategic report.

#### Responsibilities of trustees

As explained more fully in the Responsibilities of the Management Committee Statement set out on page 2, the trustees (who are also 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

# CHURCHES ACTION FOR THE HOMELESS

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF CHURCHES ACTION FOR THE HOMELESS

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### Auditor's responsibilities for the audit of the financial statements

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 to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

The 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 charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Keith Alexander BA CA (Senior Statutory Auditor)**  
for and on behalf of Campbell Dallas Audit Services

29 October 2018

**Accountants**  
**Statutory Auditor**

5 Whitefriars Crescent  
Perth  
PH2 0PA

Campbell Dallas Audit Services 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 2018

	Notes	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Total (as restated) £
<b>Income from:</b>					
Donations and legacies	2	52,857	-	52,857	31,960
Other trading activities	3	125,627	-	125,627	116,789
<i>Charitable activities</i>					
Accommodation and community projects	4	13,001	822,129	835,130	800,619
Investments		3,252	-	3,252	3,452
<b>Total income</b>		<b>194,737</b>	<b>822,129</b>	<b>1,016,866</b>	<b>952,820</b>
<b>Expenditure on:</b>					
Raising funds	5	(91,336)	-	(91,336)	(85,871)
Investment management		(521)	-	(521)	(436)
<i>Charitable activities</i>					
Accommodation and community projects	6	(83,398)	(784,581)	(867,979)	(913,528)
<b>Total expenditure</b>		<b>(175,255)</b>	<b>(784,581)</b>	<b>(959,836)</b>	<b>(999,835)</b>
Net gains/(losses) on investments	11	(1,986)	-	(1,986)	12,886
<b>Net income/(expenditure)</b>	8	<b>17,496</b>	<b>37,548</b>	<b>55,044</b>	<b>(34,129)</b>
Transfers between funds	17	6,221	(6,221)	-	-
Other recognised gains/(losses)		-	-	-	-
<b>Net movement in funds</b>		<b>23,717</b>	<b>31,327</b>	<b>55,044</b>	<b>(34,129)</b>
<b>Reconciliation of funds:</b>					
Fund balances at 1 April 2017		543,107	155,176	698,283	732,412
<b>Fund balances at 31 March 2018</b>	17	<b>566,824</b>	<b>186,503</b>	<b>753,327</b>	<b>698,283</b>

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

## Balance Sheet

as at 31 March 2018

	Notes	2018 £	£	2017 (as restated) £	£
<b>Fixed assets</b>					
Tangible assets	10		145,744		148,558
Investments	11		113,232		115,289
			<u>258,976</u>		<u>263,847</u>
<b>Current assets</b>					
Stocks		714		361	
Debtors	12	60,737		16,514	
Cash at bank and in hand		522,085		478,221	
		<u>583,536</u>		<u>495,096</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(73,554)</u>		<u>(43,063)</u>	
<b>Net current assets</b>			<u>509,982</u>		<u>452,033</u>
<b>Total assets less current liabilities</b>			<u>768,958</u>		<u>715,880</u>
<b>Pension deficit liability</b>	14		<u>(15,631)</u>		<u>(17,597)</u>
<b>Net assets</b>			<u><u>753,327</u></u>		<u><u>698,283</u></u>
<b>Funds</b>					
Restricted funds	17		186,503		155,176
General funds		582,455		560,704	
Less: Pension deficit liability		<u>(15,631)</u>		<u>(17,597)</u>	
	17		<u>566,824</u>		<u>543,107</u>
			<u><u>753,327</u></u>		<u><u>698,283</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.

The notes at pages 14 to 29 form part of these accounts.

Approved by the Management Committee for issue on 24 October 2018

Martin Barnicoat  
Director

Margaret Jane Robertson  
Director

Company Registration No. SC145621



## Statement of Cash Flows

for the year ended 31 March 2018

	Notes	Total Funds 2018 £	Prior Year 2017 (as restated) £
<b>Net cash used in operating activities</b>	24	<u>51,169</u>	<u>(43,381)</u>
<b>Cash flows from investing activities:</b>			
Interest and dividends		3,252	3,452
Purchase of furniture and equipment		(1,861)	-
Purchase of motor vehicle		(8,767)	(14,896)
Proceeds from sale of investments		44,470	26,567
Purchase of investments		(44,399)	(25,836)
<b>Net cash provided by investing activities</b>		<u>(7,305)</u>	<u>(10,713)</u>
<b>Cash flows from financing activities:</b>			
		-	-
<b>Net cash used in financing activities</b>		<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		43,864	(54,094)
Cash and cash equivalents at the beginning of the reporting period		<u>478,221</u>	<u>532,315</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>522,085</u></u>	<u><u>478,221</u></u>

## Notes to the Financial Statements

### 1 Accounting policies

#### 1.1 Basis of preparation

The financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Bulletin 1 published on 2 February 2016), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Churches Action for the Homeless meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.2 Company information

Churches Action for the Homeless is a charitable company registered in Scotland and limited by guarantee. The charity is governed by the Directors, who are Trustees for the purpose of Charity Law, under its Memorandum and Articles of Association. The registered office is 5 Whitefriars Crescent, Perth, PH2 0PA.

#### 1.3 Preparation of the accounts on a going concern basis

The majority of the charity's income comes from the Scottish Government through the Local Authority. This funding has been received on an annual basis through Service Level Agreements. There is a move from the Local Authority to move on to commissioning services in the future.

CATH has been in regular contact and involved in positive discussions with the Local Authority and has been reviewing services and the commissioning processes. In addition, CATH has been looking at other longer term funding sources and is carrying out a restructuring of operations.

The management committee consider that the charity is in a position to continue as a going concern.

#### 1.4 Tangible fixed assets and depreciation

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

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

#### 1.5 Operating leases

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

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## Notes to the Financial Statements (continued)

### 1.6 Fixed asset investments

Fixed asset investments are stated at market value.

### 1.7 Stock

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

### 1.8 Pensions

Employees of the charity are entitled to join The Pensions Trust Scheme. The Pensions Trust scheme is a multi-employer defined benefit scheme. The management committee is unable to obtain sufficient information to identify the charity's share of the underlying assets and liabilities of the scheme and therefore the scheme is accounted for as a defined contribution scheme.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

In order to comply with auto-enrolment requirements, since 1 January 2016, new and existing employees who are not in The Pensions Trust scheme were automatically enrolled into a scheme operated by Creative Pensions Trust unless they exercised their right to opt out of scheme membership.

### 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 Income

All income is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. 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.

It is impractical to measure reliably the fair value of donated items for resale in the charity shop. This is due to the volume of low value items and the cost implications of introducing a detailed stock control system. Donated items for resale are recognised in the financial statements when they are sold and the income is included within 'Income from other trading activities'.

Investment income is included when receivable.

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## Notes to the Financial Statements (continued)

### 1.11 Expenditure and irrecoverable VAT

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.

### 1.12 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 1.14 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## Notes to the Financial Statements (continued)

### 2 Donations and legacies

	2018	2018	2018	2017
	Unrestricted	Restricted	Total	Total
	£	£	£	£
CATH 500/gift aid donations including tax reclaim	16,951	-	16,951	11,562
Other donations	35,896	-	35,896	20,398
Membership	10	-	10	-
Bequests, legacies & trust income	-	-	-	-
	<u>52,857</u>	<u>-</u>	<u>52,857</u>	<u>31,960</u>

The organisation benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

### 3 Trading activities

	2018	2018	2018	2017
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Shop income	124,625	-	124,625	113,373
Fundraising	1,002	-	1,002	3,416
	<u>125,627</u>	<u>-</u>	<u>125,627</u>	<u>116,789</u>

## Notes to the Financial Statements (continued)

### 4 Incoming resources from charitable activities

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Total (as restated) £
<b>Accommodation Projects</b>				
Perth & Kinross Council - contract	-	391,059	391,059	345,409
Organisations - grants	-	5,893	5,893	129
Housing Benefit	-	93,381	93,381	104,133
Client rent contributions	-	13,080	13,080	15,035
Miscellaneous income	354	-	354	150
	<u>354</u>	<u>503,413</u>	<u>503,767</u>	<u>464,856</u>
<b>Community Projects</b>				
Perth & Kinross Council - contract	-	239,797	239,797	248,085
Organisations - grants	-	78,919	78,919	75,588
Rental income	6,750	-	6,750	6,750
Kitchen and laundry donations	1,799	-	1,799	2,260
Big Issue commission	1,081	-	1,081	898
Miscellaneous income	3,017	-	3,017	2,182
	<u>12,647</u>	<u>318,716</u>	<u>331,363</u>	<u>335,763</u>
<b>Total</b>	<u>13,001</u>	<u>822,129</u>	<u>835,130</u>	<u>800,619</u>

### 5 Costs of raising funds

	2018 Charity Shop £	2018 Community £	2018 Total £	2017 Total £
Salaries	48,650	-	48,650	43,161
Staff costs	859	-	859	614
Property costs	30,071	-	30,071	27,617
Property maintenance	3,248	-	3,248	2,062
General operating costs	4,351	313	4,664	8,880
Support costs	3,519	-	3,519	3,537
Depreciation	325	-	325	-
	<u>91,023</u>	<u>313</u>	<u>91,336</u>	<u>85,871</u>

## Notes to the Financial Statements (continued)

### 6 Analysis of charitable expenditure

	2018 Accommodation £	2018 Community £	2018 Total £	2017 Total £
<b>Resources expended</b>				
Salaries	346,227	185,621	531,848	595,704
Staff costs (travel, training, recruitment)	11,521	6,263	17,784	22,828
Property costs (rent, insurance, utilities)	53,875	19,657	73,532	63,983
Property maintenance	11,128	7,852	18,980	20,294
Food costs	9,965	10,144	20,109	16,443
Client support	1,758	4,415	6,173	5,235
General operating costs	14,232	17,598	31,830	31,381
Depreciation	591	12,526	13,117	10,490
Support costs (see note 7)	75,884	45,532	121,416	114,966
	525,181	309,608	834,789	881,324
<b>Governance costs</b>				
Salaries	15,698	10,464	26,162	25,250
Insurance	622	415	1,037	1,037
Audit fees	4,542	1,449	5,991	5,917
	20,862	12,328	33,190	32,204
<b>Total</b>	546,043	321,936	867,979	913,528

### 7 Analysis of support for charitable activities

Support costs are generally allocated in line with turnover and/or usage (Accommodation 60%, Community 40%). In some instances, support costs are wholly attributed to a specific category.

	2018 Accommodation £	2018 Community £	2018 Total £	2017 Total £
<b>Resources expended</b>				
Salaries	60,780	34,546	95,326	90,893
IT costs	5,185	3,924	9,109	13,154
General operating costs	1,572	1,266	2,838	3,112
Professional fees	8,347	5,796	14,143	7,807
	75,884	45,532	121,416	114,966

## Notes to the Financial Statements (continued)

8 Net income/(expenditure) for the year	2018 £	2017 £
This is stated after charging:		
Depreciation of tangible assets	13,073	10,490
Loss on sale of assets	369	-
Auditor's remuneration	6,628	6,630
	<u>6,628</u>	<u>6,630</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	Motor Vehicles	Plant and machinery	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2017	273,176	14,896	16,855	304,927
Additions	-	8,767	1,861	10,628
Disposals	-	-	(1,183)	(1,183)
At 31 March 2018	<u>273,176</u>	<u>23,663</u>	<u>17,533</u>	<u>314,372</u>
<b>Depreciation</b>				
At 1 April 2017	136,381	3,724	16,264	156,369
On disposals	-	-	(814)	(814)
Charge for the year	6,470	5,916	687	13,073
At 31 March 2018	<u>142,851</u>	<u>9,640</u>	<u>16,137</u>	<u>168,628</u>
<b>Net book value</b>				
At 31 March 2018	<u>130,325</u>	<u>14,023</u>	<u>1,396</u>	<u>145,744</u>
At 31 March 2017	<u>136,795</u>	<u>11,172</u>	<u>591</u>	<u>148,558</u>



## Notes to the Financial Statements (continued)

### 11 Fixed Asset Investments

#### Listed investments

	2018 £	2017 £
Market value at 1 April 2017	115,289	103,135
Additions	44,399	25,836
Disposals	(44,470)	(26,568)
Net gain/(loss) on revaluation	(1,986)	12,886
	<u>113,232</u>	<u>115,289</u>

#### Investment holdings

	2018 £	2017 £
UK (Govt) 1.25% Indx Linked 22/11/27	-	39,970
UK (Govt) 4.25% Treasury Stock 2032	-	2,776
City of London Inv Trust	17,842	18,308
Kames Capital	16,099	16,088
Murray Income Trust	-	2,485
Temple Bar Inv Trust	3,830	3,875
Henderson Far East Income Ltd	17,433	16,981
Foreign & Colonial Inv Trust	5,000	4,512
Marlborough Fund Managers Multi Cap	10,475	10,294
Polar Capital Funds	37,828	-
3I Group	4,725	-
	<u>113,232</u>	<u>115,289</u>

### 12 Debtors

	2018 £	2017 £
Trade debtors	13,732	2,422
Income tax recoverable	1,126	2,619
VAT recoverable	445	124
Other debtors, prepayments and accrued income	45,434	11,349
	<u>60,737</u>	<u>16,514</u>

## Notes to the Financial Statements (continued)

### 13 Creditors: amounts falling due within one year

	2018	2017
	£	(as restated) £
Perth & Kinross Council funds (see below)	8,000	-
Other creditors	65,554	43,063
	<u>73,554</u>	<u>43,063</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 Pension deficit liability

	2018	2017
	£	£
Pension deficit funding obligation	<u>15,631</u>	<u>17,597</u>

### 15 Pension

Churches Action for The Homeless (CATH) participates in the Pension Trust's Growth Plan (the Scheme).

CATH participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

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## Notes to the Financial Statements (continued)

### 15 Pension (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

#### Deficit contributions

From 1 April 2016 to 30 September 2025	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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## Notes to the Financial Statements (continued)

### 15 Pension costs (continued)

Present values of provision	31 March 2018 £	31 March 2017 £	31 March 2016 £
Present value of provision	<u>15,631</u>	<u>17,597</u>	<u>18,585</u>

### Reconciliation of opening and closing provisions

	Period ending 31 March 2018 £	Period ending 31 March 2017 £
Provision at start of period	17,597	18,585
Unwinding of the discount factor (interest expense)	218	364
Deficit contribution paid	(1,956)	(1,899)
Remeasurement - impact of any change in assumptions	(228)	547
Provision at end of period	<u><u>15,631</u></u>	<u><u>17,597</u></u>

### Income and expenditure impact

	Period ending 31 March 2018 £	Period ending 31 March 2017 £
Interest expense	218	364
Remeasurements - impact of any change in assumption	(228)	547
Costs recognised in income and expenditure account	<u><u>(10)</u></u>	<u><u>911</u></u>

Assumptions	31 March 2018 % per annum	31 March 2017 % per annum	31 March 2016 % per annum
Rate of discount	<u>1.71</u>	<u>1.32</u>	<u>2.07</u>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

## 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 2018 are represented by:				
Tangible fixed assets	52,911	-	92,833	145,744
Investments	113,232	-	-	113,232
Current assets	106,297	375,569	101,670	583,536
Creditors: amounts falling due in one year	(65,554)	-	(8,000)	(73,554)
Pension deficit liability	(15,631)	-	-	(15,631)
	<u>191,255</u>	<u>375,569</u>	<u>186,503</u>	<u>753,327</u>

### 17 Movement in funds

	Opening balance (as restated)	Incoming resources	Outgoing resources	Transfers	Closing balance
	£	£	£	£	£
<b>Unrestricted funds:</b>					
General funds	189,684	174,737	(174,387)	1,221	191,255
<b>Designated funds:</b>					
Buildings	29,478	-	-	-	29,478
Client Welfare	8,709	-	-	-	8,709
Client Activities	-	20,000	-	-	20,000
Contingency fund	270,000	-	-	(10,000)	260,000
Development	30,000	-	-	-	30,000
IT/IS	10,132	-	(2,854)	10,000	17,278
Vehicles	5,104	-	-	5,000	10,104
	<u>543,107</u>	<u>194,737</u>	<u>(177,241)</u>	<u>6,221</u>	<u>566,824</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.
Client Activities:	This fund is to provide our service user group with opportunities to access specific activities and programmes 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 (as restated) £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
<b>Restricted funds:</b>					
Capital replacement fund	97,094	-	(4,261)	-	92,833
Accommodation projects					
- PKC grants	21,050	391,059	(378,036)	-	34,073
- Housing Benefit	-	93,381	(93,381)	-	-
- Other Accommodation projects	1,303	18,973	(15,454)	-	4,822
Community projects					
- PKC contract	17,728	239,797	(222,445)	-	35,080
- Other Community projects	18,001	78,919	(71,004)	(6,221)	19,695
	<u>155,176</u>	<u>822,129</u>	<u>(784,581)</u>	<u>(6,221)</u>	<u>186,503</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 Tayview and Floating Support.
- Perth & Kinross Council contract funding for CATH House and then Tayview.
- Housing Benefit received for residents at CATH House and then Tayview.

**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.
- Other Community Projects includes funding from Aspiring Communities Fund for Employability Research Project.

## Notes to the Financial Statements (continued)

### 17 Movement in funds (continued)

	Opening balance (as restated) £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
<b>Summary of funds:</b>					
General funds	543,107	194,737	(177,241)	6,221	566,824
Restricted funds	155,176	822,129	(784,581)	(6,221)	186,503
	<u>698,283</u>	<u>1,016,866</u>	<u>(961,822)</u>	<u>-</u>	<u>753,327</u>

### 18 Lease commitments

At 31 March 2018 the company had annual commitments under non-cancellable leases as follows:

	Land and buildings	
	2018 £	2017 £
Expiry date:		
Not later than one year	66,484	62,800
Later than one year and not later than five years	165,936	16,800
Later than five years	55,200	59,400
	<u>287,620</u>	<u>139,000</u>

### 19 Capital commitments

The company had capital commitments for the upgrade of the IT system of £17,740 (2017 - nil)

### 20 Trustees remuneration and related party transactions

During the year no members of the Management Committee received any remuneration (2017 - none). Travel costs reimbursed to two (2017 - one) members of the Management Committee amounted to £762 (2017 - £189) in the year.

The cost of trustees' indemnity insurance to the charity amounted to £1,075 (2017 - £1,037) 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 (2017 - nil).

## Notes to the Financial Statements (continued)

### 21 Employee costs and numbers

Employment costs	2018 £	2017 £
Wages and salaries	632,775	699,486
Redundancy payments	19,777	-
Social security costs	43,077	47,885
Other pension costs	6,357	7,637
	<u>701,986</u>	<u>755,008</u>

No employee received emoluments of more than £60,000 (2017 - nil).

#### Number of employees

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

	2018 Number	2017 Number
Directors	-	-
Accommodation Projects - full time	12	13
Accommodation Projects - part time	6	8
Community Projects - full time	5	5
Community Projects - part time	10	12
	<u>33</u>	<u>38</u>

The key management personnel of Churches Action for the Homeless comprise the management committee and the senior management team - the Chief Executive, Finance Manager and HR & Compliance Manager. The total employee benefits of the key management personnel of the charity were £92,154 (2017 - £87,865).

### 22 Control

The charitable company is controlled by the directors.

### 23 Prior year adjustment

Adjustments have been made to prior year figures in relation to deferred income.

	£
Opening reserves at 1 April 2016 (as previously stated)	643,327
Prior year adjustment:	
Deferred income adjustment	89,085
Opening reserves at 1 April 2016 (restated)	<u>732,412</u>

In accordance with the Statement of Recommended Practice on 'Accounting and Reporting by Charities, income received in advance of performance, where there are no specific timing restrictions or contractual obligations, should be recognised in the Statement of Financial Activities on the date of receipt.

In prior years, the Charity incorrectly deferred this type of income and as a result a prior year adjustment has been processed to correct this. The adjustment has had the effect of increasing closing restricted funds at 31 March 2016 by £89,085.

The impact on the 2017 financial period was to reduce incoming resources from charitable activities by £50,307 and reduce closing creditors by £38,778.



## Notes to the Financial Statements (continued)

### 24 Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 (as restated) £
Net movement in funds	55,044	(34,129)
Add back depreciation charge	13,073	10,491
Add back/(deduct) losses/(gains) on assets	369	-
Add back/(deduct) losses/(gains) on investments	1,986	(12,886)
Deduct interest income shown in investing activities	(3,252)	(3,452)
Decrease/(increase) in stock	(353)	279
Decrease/(increase) in debtors	(44,223)	2,955
Increase/(decrease) in creditors	28,525	(6,639)
	<u>51,169</u>	<u>(43,381)</u>