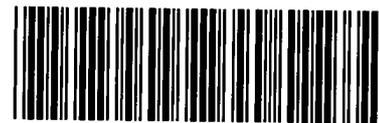




**Annual report & financial statements
for the year ended 31 March 2023**

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

WEDNESDAY



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COMPANIES HOUSE

www.cath-org.co.uk



Charity Information

Management Committee

Fiona Hogg – Chair
Michael Westall (resigned 14/02/2023)
Mark Thomson
Andrew Philip
John Shedden (resigned 14/02.2023)
Daniel Byrne
Gwendolynn van Vuuren (appointed 28/06/2022)
Kamaljit Chander (appointed 28/06/2022)

Senior Management Team

Chief Executive Richard Howat
Finance Manager Janice Spencer
Human Resources & Compliance Manager Elaine Lamb
Head of Services Graham Taylor (left 21/04/2023)
Head of Operations & Development Alisa Artiukh (started 29/05/2023)

Company number SC145621

Registered office & Business Address 188-190 High Street
Perth PH1 5PA

Auditors Morris & Young CA
Statutory Auditor
6 Atholl Crescent
Perth
PH1 5JN

Solicitors Elliot & Company, WS
8 Charlotte Street
Perth PH1 5LL

Bankers The Royal Bank of Scotland CAF Bank
12 Dunkeld Road 25 Kings Hill Avenue
Perth Kings Hill
PH1 5RB West Malling
Kent ME19 4JQ

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

Investment Managers Evelyn Partners
206 St. Vincent Street
Glasgow
G2 5SG



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Report of the Management Committee

for the year ended 31 March 2023

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 2023.

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 objectives 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 the 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 eight 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 rests with the Senior Management Team. The Service Co-ordinators 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 2023

Members of the Management Committee

Those who served during the period and since the year end were:

Fiona Hogg	Michael Westall	Mark Thomson
Andrew Philip	John Shedden	Daniel Byrne
Gwendolynn van Vuuren	Kamaljit Chander	

Gwendolynn van Vuuren (Lynn Erasmus) and Kamaljit Chander were appointed on 28 June 2022. CATH would like to thank John Shedden and Michael Westall who resigned at the AGM on 14 February 2023 for their faithful commitment to CATH over the past 4 years and 10 years respectively.

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.



Report of the Management Committee (continued)

for the year ended 31 March 2023

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 (Tayview House and Floating Housing Support) and Community Projects (Day Centre, Adult Literacy and Outreach), together with our Volunteer programme. In addition, the organisation operates a Charity Shop.

Accommodation

Tayview

Tayview House is a 24/7 supported accommodation unit. The residents stay for about two years to prepare for their own tenancies. Many face multiple and complex challenges and are among the most vulnerable in our communities. No two residents are the same. Consequently, staff work hard to provide individualised support to enable residents to work toward addressing their challenges as well as prepare practically for having their own tenancy. Wherever possible staff seek to work closely with the specialist agencies who are also in resident's lives.

Floating Housing Support

FHS continues to provide support to vulnerable residents in the Perth and Kinross area. In the past year we have continued to see a high number of referrals for people whose main presenting problem is poor mental health. This remains a challenge for staff. Mental Health services are struggling and as a result support to service users can be variable. Staff provide exceptional support under the circumstances. However, with some specialist input this could be improved.

There are minimal but ongoing referrals for people for whom English is not their first language and in addition there are people who continue to have no recourse to public funds (NRPF). Translation can be challenging for everyone and staff have had to be very creative in response. For those with NRPF we now have established partnerships with the British Red Cross (Scotland) who provide financial aid to those with NRPF for a period of up to 3 months. The limited supply of social housing is also having an impact on those with Housing issues making it more difficult to find solutions to individual challenges.

Self-Directed Support

Our Self-Directed-Support service, which started in December 2020, was not financially viable and was closed down over the first six months of the financial year.

Community

Community Hub

The Community Hub (previously Day Centre) provides a crisis intervention service which has become increasingly relevant over the past year. As well as accessing hot food people can shower and use laundry facilities. In addition, workers have also helped people to access food parcels, assistance with energy bills and maintain contact digitally by providing phones and SIM cards. Staff have also supported people to deal with immediate issues affecting health, income or housing and facilitated them into other agencies for longer-term support where possible.



Report of the Management Committee (continued)

for the year ended 31 March 2023

The Community Hub has also provided a range of groups and activities with a recovery focus. It has been a challenge to maintain both aspects of the service but staff have been working hard to achieve that goal. Group numbers are increasing and CATH is looking to develop this further next year.

The Community Hub has offered a supportive environment to help service users on their recovery journey. The team have been working with partner agencies to meet the individual needs of service users. Agencies are now working in the community Hub on a regular basis and staff are offering Smart Recovery Groups and a Recovery Cafe.

Adult Literacy

Literacy have continued to offer groups and 1-1 sessions as part of a wider partnership in Perth and Kinross. The work has been very important as many people who have experienced multiple periods of homelessness and other associated chronic conditions can struggle with numeracy and literacy. It is important to have our own resource that can respond quickly when the window of opportunity opens. Additionally the ESOL (English for Speakers of Other Languages) plays an important part in the support CATH offers.

Outreach

The Outreach team have continued to reach out across Perth and Kinross this past year. Through a mix of walkabouts and collaborating with local hubs, they have raised awareness of the service and continued to provide much needed assistance. Similarly to the FHS Team, Outreach have worked with a number of foreign nationals some of whom have had no recourse to public funds meaning that our involvement is mainly signposting and ongoing crisis support. Mental health and poverty are the biggest challenges faced by people accessing the service this year, the cost of living crisis in particular really starting to bite. Staff have been assisting with energy costs, mobile phones and SIM cards where and when they can.

Throughcare

Throughcare is a newly created pilot project working with ex-offenders and others prior to and on release from HMP Perth. Although very new this year the service has already provided much needed assistance both inside and outside the prison. In particular they have helped to highlight the problems arising from the number of people on remand who have been detained for longer periods resulting in mounting issues awaiting their release. The Pilot is provided in partnership with Perth and Kinross CJS, the Perth and Kinross ADP and HMP Perth.

Starter Packs

CATH continued to work in partnership with Starter Packs Perth throughout the year. CATH provides administrative support, manages the referral process and delivers the much-needed packs to many new residents in need throughout Perth & Kinross. This service works in conjunction with many referral agencies, assisting them to give their service users a better start in their new tenancies.

CATH

Charity Shop

Our encouraging sales figures reflect a year of trading without COVID restrictions. Perth city centre is still very much feeling the impact of changes to shopping habits with many more High Street names disappearing and far fewer people in the town. We have continued to increase our average sale, and with less customers, and less sales, increased our overall sales figure for this financial year. Our low prices are definitely a factor with customers wanting more for their money but also a growing number, especially younger shoppers, wanting to shop more unique reuse options.

We have benefited from employment schemes with a young man joining us for 6 months on the Kickstart scheme. He has since gone on to find permanent employment in retail. In September 2022 we offered a placement on the Long Term Unemployed scheme to a previous CATH service user. It has been really satisfying to be able to



Report of the Management Committee (continued)

for the year ended 31 March 2023

CATH (continued)

offer someone who has used the services of the charity and been a volunteer across several different services, the opportunity to work for CATH. The individual on placement, the shop and our volunteers benefit hugely from these schemes.

The shop has supported sales from various groups across CATH. The Women's Group, the Art Group and On the Mend have supported and promoted themselves through sales of items they have made and sold through the shop. This really demonstrates what individuals can achieve through involvement in CATH activities and the range of support available. We would really like to extend this visibility on the High Street by making a permanent base for On the Mend in the shop and have offered craft activities for customers and organisations, extending what our shop offers and demonstrating we are part of the circular economy.

As a shop team we are always learning. We are selling online through eBay and have developed our shop social media. Shop staff and volunteers have completed a First Aid for Mental Health qualification. We have been hands on in improving the display areas at the front of the shop and creative in what we can do on a limited budget.

Volunteering

The organisation has seen a steadier pace of volunteer enquiries compared with last year. Currently we have 38 volunteers in various roles such as Community Hub Kitchen, Front of House, Driving, Group Activities, Charity Shop Retail, Fundraising & Communications and Trustees.

Our thank you celebrations this year, were held for Volunteers' Week on the 1st June at our Enterprise Hub where everyone thoroughly enjoyed an afternoon tea and a stroll around our garden project. Our CEO gave special thanks to 2 volunteers who had achieved 5 years volunteering and another 10 years with the shop.

Our Christmas volunteer get together has become a regular fixture at the Salutation Hotel, Perth who put on a great Christmas spread for all our volunteers – a perfect way to end the year.

It is great to see that we can offer a supportive working environment to individuals who have been disadvantaged in finding paid employment, but are able to build structure and self-esteem through volunteering.

Corporate volunteering played a big part this year with 15 AVIVA staff volunteering in our new Warm Winter clothing project, where they held a pre-loved clothing drive for good condition adult clothing items to be made into packs for distribution throughout Perth & Kinross. This proved a very beneficial partnership.

From April 2022 – March 2023 we recorded 3,695.75 volunteer hours across all projects, the financial equivalent would be £40,283.68 (based on the RLW £10.90)

Financial review

Income

The organisation's core work continued to operate with funding from our principal funder, Perth & Kinross Council (PKC), through service level agreements and contracts. Several individual grants and donations were received too for various community initiatives and in general support of the charity.

The net losses on investments in the year was £8,675, resulting from the revaluation of investments at the year end.

CATH once again continued to benefit from a great number of donations from our supporters. We are grateful to our regular donors, some of whom have given for many years, and also want to thank the following organisations for their support: Ogilvie Ross, SSE, Baker Incorporation, Perth Ladies Bridge Club, Anglo Beef, Durris Charitable Trust, RJ Larg Family Trust, Arnold Clark, Brunel Professions, Morrisons Academy and Pilkington Family Trust as well as various churches: Tenantry Kirk, Perth North, Collace, Forgandenny, Kinclaven, Craigie & Moncrieff, Abernyte, St Matthews, Caputh & Clunie, Cargill & Burrelton, Foss & Rannoch, Blairgowrie, Ardoch and Gateway.

Report of the Management Committee (continued)

for the year ended 31 March 2023

Financial review (continued)

We are glad to report that the income from the CATH Charity Shop has almost recovered to pre-COVID levels.

The overall result is a £165,339 increase in income when compared with the previous year.

Expenditure

During the year some capital expenditure was incurred to purchase a storage container and some conference / training room furniture in addition to some equipment replacement and computer purchases.

Expenditure has increased by £128,332 this year when compared with the previous year.

The overall deficit for the year is £4,045 (2022 – Deficit of £33,312). Total funds are £1,092,644 (2022 - £1,096,689), made up of unrestricted funds of £900,838 (2022 - £887,829) and restricted funds of £191,806 (2022 - £208,860). Unrestricted funds are reduced by a pension deficit liability of £1,009 (2022 - £1,582).

Funding from our principal funding source PKC will be increased in 2023-24 by 3.8%. This increase is awarded on the provision that all support staff are paid least £10.90. This intervention, whilst welcome for those who benefitted, once again caused a disruption in the organisation's wage structure as the increase did not include all staff. However, CATH is also committed to paying all other staff at a rate which is at least in line with the Real Living Wage (currently £10.90) and we have managed to achieve this.

Each year the Service Level Agreements provide a contribution toward central costs. Over time this contribution has been eroded as more of the funding has been used to cover the direct cost of the services we deliver. This situation is not unique to CATH but we will continue to closely monitor the impact of this.

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 2023-24, the minimum unrestricted funds required is fully covered by the contingency provision of £222,800. The unrestricted funds relating to tangible fixed assets at 31 March 2023 were £44,365. This results in a total figure of £267,165 of unrestricted funds being maintained for 2022-23.

The level of contingency reserves is reviewed annually to ensure that 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 2023

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

There was definitely a collective holding of breath prior to the announcement of the Perth and Kinross Council Budget for 23/24. CATH had been preparing for cuts and had made plans accordingly. The decision not to reduce funding was welcome as was the uplift, which helped CATH provide a salary increase across the organisation. The Trustees made the decision to include all staff to avoid any disparity. This meant that we funded the balance from reserves. However, as the Council did not address their deficit we remain concerned for the future. CATH remains reliant on Service Level Agreements and Contracts with the Local Authority for a significant part of the organisation's income.

CATH will continue to focus on diversifying and growing its income over the next year. An improved social media presence along with increased community fundraising will be a priority. However, CATH will also seek to develop social enterprise and have plans for further service development.

Many people still regard CATH as a homeless charity. They are not wrong but CATH is also so much more. For example, we offer support and assistance to people affected by poverty, mental health problems, addictions, offending behaviour, trauma and abuse.

Next year will see the launch of a potentially ground breaking project operating out of the CATH Community Hub. The Positive Pathways Project started in April 2023. The aim in essence is to enable service users to change their mind set. Too often people we support have a negative perception of themselves and their ability. Arguably, they have learned to accept that their life is what it is and they have no real sense of self-efficacy. Positive Pathways will seek to change that view and enable people to recognise that they can learn new skills, they can achieve and that they can sustain change in their lives.

Poverty remains a significant challenge in our communities. As we move forward into next year, we are concerned that more people than ever will be affected. In particular living in poverty can have a long-standing detrimental impact on children's life chances. CATH will continue to focus part of our prevention and early intervention work on offering support and assistance to those households struggling in light of the cost of living crisis. Wherever possible we will seek to work in partnership to reach out across our communities and help as many people as possible.

Promoting and supporting Recovery in practical terms, as well as a concept, remains a priority for CATH. It is reflected in how we work across the organisation. In particular, we are seeking to build on our existing SMART Recovery Groups and increase the number of Recovery Cafes on offer. Importantly we are also seeking to develop further the involvement of people who use our services in their delivery and development.

CATH are also planning to carryout research into rural homelessness in Perth and Kinross this year.



Report of the Management Committee (continued)
for the year ended 31 March 2023

Auditors

In accordance with the charitable company's articles, a resolution proposing that Morris & Young 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 on 7th September 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read "Fiona Hogg".

Fiona Hogg
Director

Independent Auditor's Report to the Members of Churches Action for the Homeless

Opinion

We have audited the financial statements of Churches Action for the Homeless Limited for the year ended 31 March 2023, which comprise the Statement of Financial Activities, Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Charity Statement of Cash Flows and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK) applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 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 (as amended).

Basis for opinion

We 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 group 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, 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 conclusion thereon. 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 inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

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

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.

Opinion 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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 for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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.

Auditor's responsibilities for the audit of the financial statements

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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. Misstatements 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the regulated sector, control environment and understanding of the entity including, but not restricted to, the understanding that the trustees are not remunerated, and the prevalence of fraud in the sector especially in the current uncertain economic environment;
- results of our enquiries of trustees about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for irregularities to occur is in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the charity's Articles of Association, Companies Act 2006 and various charity-specific legislation, including The Charities and Trustee Investment (Scotland) Act 2005.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of Trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;



Independent Auditor's Report to the Members of Churches Action for the Homeless

- testing a sample of income for understatement and consideration given to revenue recognition accounting policies. Also reviewed the minutes of meetings for completeness of income.
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity company 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 charity company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander J Fyfe, M.A.A.T., C.A., DChA (Senior Statutory Auditor)

For and on behalf of Morris & Young, Statutory Auditor

Morris & Young

Chartered Accountants

6 Atholl Crescent

PERTH

PH1 5JN

25 OCTOBER 2023

Statement of Financial Activities (Including Income & Expenditure Account)

for the year ended 31 March 2023

	Notes	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Income from:					
Donations and legacies	2	26,033	-	26,033	40,833
Other trading activities	3	137,948	14,331	152,279	134,006
<i>Charitable activities</i>					
Accommodation and community projects	4	4,410	1,072,596	1,077,006	919,327
Investments		8,922	-	8,922	4,735
Total income		177,313	1,086,927	1,264,240	1,098,901
Expenditure on:					
Raising funds	5	(119,139)	(14,331)	(133,470)	(109,490)
Investment management		(792)	-	(792)	(997)
<i>Charitable activities</i>					
Accommodation and community projects	6	(1,077)	(1,124,271)	(1,125,348)	(1,020,791)
Total expenditure		(121,008)	(1,138,602)	(1,259,610)	(1,131,278)
Net gains/(losses) on investments	11	(8,675)	-	(8,675)	(935)
Net income/(expenditure)	8	47,630	(51,675)	(4,045)	(33,312)
Transfers between funds	17	(34,621)	34,621	-	-
Other recognised gains/(losses)		-	-	-	-
Net movement in funds		13,009	(17,054)	(4,045)	(33,312)
Reconciliation of funds:					
Fund balances at 1 April 2022		887,829	208,860	1,096,689	1,130,001
Fund balances at 31 March 2023	17	900,838	191,806	1,092,644	1,096,689

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

The notes on pages 16 to 33 form part of these financial statements.



Balance Sheet

as at 31 March 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10	115,893		125,421	
Investments	11	104,948		113,623	
		<u>220,841</u>		<u>239,044</u>	
Current assets					
Debtors	12	45,943		8,732	
Cash at bank and in hand		874,841		897,744	
		<u>920,784</u>		<u>906,476</u>	
Creditors: amounts falling due within one year	13	<u>(47,972)</u>		<u>(47,249)</u>	
Net current assets		<u>872,812</u>		<u>859,227</u>	
Total assets less current liabilities		<u>1,093,653</u>		<u>1,098,271</u>	
Pension deficit liability	14	(1,009)		(1,582)	
Net assets		<u><u>1,092,644</u></u>		<u><u>1,096,689</u></u>	
Funds					
Restricted funds	17	191,806		208,860	
General funds		901,847		889,411	
Less: Pension deficit liability		<u>(1,009)</u>		<u>(1,582)</u>	
	17	<u>900,838</u>		<u>887,829</u>	
		<u><u>1,092,644</u></u>		<u><u>1,096,689</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 on pages 16 to 33 form part of these financial statements.

Approved by the Management Committee on 7th September 2023 and signed on their behalf by

Fiona Hogg
Director

Gwendolynn van Vuuren
Director

Company Registration No. SC145621

Statement of Cash Flows

for the year ended 31 March 2023

	Notes	Total Funds 2023 £	Prior Year 2022 £
Net cash used in operating activities	23	<u>(20,775)</u>	<u>(31,355)</u>
Cash flows from investing activities:			
Interest and dividends		8,922	4,735
Purchase of Fire System		(2,394)	-
Purchase of furniture and equipment		(7,852)	(2,324)
Purchase of IT equipment		(804)	(953)
Net cash provided by investing activities		<u>(2,128)</u>	<u>1,458</u>
Cash flows from financing activities:			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year		(22,903)	(29,897)
Cash and cash equivalents at the beginning of the reporting period		<u>897,744</u>	<u>927,641</u>
Cash and cash equivalents at the end of the reporting period		<u><u>874,841</u></u>	<u><u>897,744</u></u>

The notes on pages 16 to 33 form part of these financial statements.

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 188-190 High Street, Perth, PH1 5PA.

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.

One of CATH's services was put out to tender and CATH was successful in winning the three year contract. CATH continues to be in regular contact and involved in positive discussions with the Local Authority with the review of other services and the commissioning processes. In addition, CATH has been looking at other longer term funding sources and is continuing to look at a restructuring of the organisation.

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	20% on cost
Fixtures, fittings & equipment	25% on cost
Motor vehicles	25% on cost

Notes to the Financial Statements (continued)

1.5 Operating leases

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

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.

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 6 and 7 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

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
CATH 500/gift aid donations including tax reclaim	7,058	-	7,058	13,407
Coronavirus Job Retention Scheme	-	-	-	5,704
Other donations	18,975	-	18,975	21,722
	<u>26,033</u>	<u>-</u>	<u>26,033</u>	<u>40,833</u>
<i>Total 2022</i>	<u>40,833</u>	<u>-</u>	<u>40,833</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

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Shop income	137,236	-	137,236	117,811
PKC Coronavirus Grants	-	-	-	7,000
Employment Scheme	-	14,331	14,331	5,866
Fundraising	712	-	712	3,329
	<u>137,948</u>	<u>14,331</u>	<u>152,279</u>	<u>134,006</u>
<i>Total 2022</i>	<u>128,140</u>	<u>5,866</u>	<u>134,006</u>	

Notes to the Financial Statements (continued)

4 Incoming resources from charitable activities

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Accommodation Projects				
Perth & Kinross Council - contract	-	545,961	545,961	532,574
Housing Benefit	-	107,892	107,892	99,839
Client rent contributions	-	12,012	12,012	11,704
Miscellaneous income	3,060	-	3,060	-
	<u>3,060</u>	<u>665,865</u>	<u>668,925</u>	<u>644,117</u>
Community Projects				
Perth & Kinross Council - contract	-	390,286	390,286	263,994
Organisations - grants	-	16,445	16,445	3,037
Rental income	-	-	-	3,550
Kitchen and laundry donations	329	-	329	141
Big Issue commission	382	-	382	450
Miscellaneous income	639	-	639	4,038
	<u>1,350</u>	<u>406,731</u>	<u>408,081</u>	<u>275,210</u>
Total	<u>4,410</u>	<u>1,072,596</u>	<u>1,077,006</u>	<u>919,327</u>
<i>2022 Total</i>	<u>8,179</u>	<u>911,148</u>	<u>919,327</u>	

5 Costs of raising funds

	2023 Charity Shop £	2023 Community £	2023 Total £	2022 Total £
Salaries	67,843	8,056	75,899	57,176
Staff costs	3,072	410	3,482	1,938
Property costs	30,025	-	30,025	26,084
Property maintenance	4,531	-	4,531	3,181
General operating costs	7,574	-	7,574	10,899
Support costs	11,959	-	11,959	10,212
	<u>125,004</u>	<u>8,466</u>	<u>133,470</u>	<u>109,490</u>
<i>2022 Total</i>	<u>109,490</u>	<u>0</u>	<u>109,490</u>	

Notes to the Financial Statements (continued)

6 Analysis of charitable expenditure

	2023 Accommodation £	2023 Community £	2023 Total £	2022 Total £
Resources expended				
Salaries	445,530	256,088	701,618	650,936
Staff costs (travel, training, recruitment)	27,312	7,532	34,844	29,939
Agency costs	22,222	-	22,222	13,391
Property costs (rent, insurance, utilities)	55,690	13,685	69,375	67,847
Property maintenance	8,120	9,927	18,047	20,949
Food costs	7,387	6,490	13,877	12,112
Client support	715	20,968	21,683	6,286
General operating costs	29,057	22,060	51,117	53,704
Depreciation	5,986	7,910	13,896	12,154
Support costs (see note 7)	88,045	49,913	137,958	114,321
	<u>690,064</u>	<u>394,573</u>	<u>1,084,637</u>	<u>981,639</u>
Governance costs				
Salaries	21,483	12,174	33,657	31,081
Insurance	791	449	1,240	1,122
Audit fees	3,611	2,203	5,814	6,949
	<u>25,885</u>	<u>14,826</u>	<u>40,711</u>	<u>39,152</u>
Total	<u>715,949</u>	<u>409,399</u>	<u>1,125,348</u>	<u>1,020,791</u>
<i>2022 Total</i>	<u>689,918</u>	<u>330,873</u>	<u>1,020,791</u>	

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.

	2023 Accommodation £	2023 Community £	2023 Total £	2022 Total £
Resources expended				
Salaries	62,529	35,433	97,962	80,957
Other staff costs	1,313	745	2,058	4,651
Property costs	9,420	5,345	14,765	6,756
IT costs	3,866	2,194	6,060	6,211
General operating costs	9,808	5,566	15,374	14,068
Professional fees	1,109	630	1,739	1,678
	<u>88,045</u>	<u>49,913</u>	<u>137,958</u>	<u>114,321</u>
<i>2022 Total</i>	<u>72,974</u>	<u>41,347</u>	<u>114,321</u>	

Notes to the Financial Statements (continued)

8 Net income/(expenditure) for the year	2023	2022
	£	£
This is stated after charging:		
Depreciation of tangible assets	20,578	18,150
Loss on sale of assets	-	-
Auditor's remuneration	5,814	6,949
	<u>5,814</u>	<u>6,949</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
	£	£	£	£
Cost				
At 1 April 2022	276,453	23,663	73,223	373,339
Additions	2,394	-	8,656	11,050
Disposals	-	-	-	-
At 31 March 2023	<u>278,847</u>	<u>23,663</u>	<u>81,879</u>	<u>384,389</u>
Depreciation				
At 1 April 2022	172,009	23,663	52,246	247,918
On disposals	-	-	-	-
Charge for the year	6,950	-	13,628	20,578
At 31 March 2023	<u>178,959</u>	<u>23,663</u>	<u>65,874</u>	<u>268,496</u>
Net book value				
At 31 March 2023	<u>99,888</u>	<u>-</u>	<u>16,005</u>	<u>115,893</u>
At 31 March 2022	<u>104,444</u>	<u>-</u>	<u>20,977</u>	<u>125,421</u>

Notes to the Financial Statements (continued)

11 Fixed Asset Investments

Listed investments

	2023 £	2022 £
Market value at 1 April 2022	113,623	114,558
Additions	-	-
Disposals	-	-
Net gain/(loss) on revaluation	(8,675)	(935)
	<u>104,948</u>	<u>113,623</u>

Investment holdings

	2023 £	2022 £
City of London Inv Trust	12,420	12,480
Scottish Mortgage Investment Trust	3,393	5,130
Liontrust Fund Partners	2,732	3,168
Henderson Far East Income Ltd	8,588	9,735
Foreign & Colonial Inv Trust	7,280	6,952
Marlborough Fund Managers Multi Cap	8,377	10,222
Polar Capital Funds	23,622	25,606
3I Group	9,267	7,637
John Laing Environmental Asset	13,156	12,408
RIT Cap Partners	9,888	13,132
Baillie Gifford & Co	6,225	7,153
	<u>104,948</u>	<u>113,623</u>

12 Debtors

	2023 £	2022 £
Trade debtors	36,040	4,948
Income tax recoverable	-	1,644
VAT recoverable	3	727
Other debtors, prepayments and accrued income	9,900	1,413
	<u>45,943</u>	<u>8,732</u>

Notes to the Financial Statements (continued)

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	3,221	4,931
Accruals & deferred income	22,834	23,252
Social security & other taxes	21,217	18,611
Other creditors	700	455
	<u>47,972</u>	<u>47,249</u>

14 Pension deficit liability

	2023 £	2022 £
Pension deficit funding obligation	<u>1,009</u>	<u>1,582</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 638 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.

Notes to the Financial Statements (continued)

15 Pension (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
---------------------------------------	----------------------	-------------------

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. 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 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each year on 1st April)
---------------------------------------	---

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.

Notes to the Financial Statements (continued)

15 Pension costs (continued)

Present values of provision	31 March 2023 £	31 March 2022 £	31 March 2021 £
Present value of provision	1,009	1,582	9,656

Reconciliation of opening and closing provisions

	Period ending 31 March 2023 £	Period ending 31 March 2022 £
Provision at start of period	1,582	9,656
Unwinding of the discount factor (interest expense)	30	56
Deficit contribution paid	(576)	(2,444)
Remeasurements - impact of any change in assumptions	(27)	(36)
Remeasurements - amendments to the contributions schedule	-	(5,650)
Provision at end of period	1,009	1,582

Income and expenditure impact

	Period ending 31 March 2023 £	Period ending 31 March 2022 £
Interest expense	30	56
Remeasurements - impact of any change in assumption	(27)	(36)
Remeasurements - amendments to the contributions schedule	-	(5,650)
Costs recognised in income and expenditure account	3	(5,630)

Assumptions	31 March 2023 % per annum	31 March 2022 % per annum	31 March 2021 % per annum
Rate of discount	5.52	2.35	0.66

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

Analysis of net assets between funds - current year

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances as at 31 March 2023 are represented by:				
Tangible fixed assets	44,365	-	71,528	115,893
Investments	104,948	-	-	104,948
Current assets	155,728	644,778	120,278	920,784
Creditors: amounts falling due in one year	(47,972)	-	-	(47,972)
Pension deficit liability	(1,009)	-	-	(1,009)
	<u>256,060</u>	<u>644,778</u>	<u>191,806</u>	<u>1,092,644</u>

Analysis of net assets between funds - prior year

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances as at 31 March 2022 are represented by:				
Tangible fixed assets	49,632	-	75,789	125,421
Investments	113,623	-	-	113,623
Current assets	198,389	575,016	133,071	906,476
Creditors: amounts falling due in one year	(47,249)	-	-	(47,249)
Pension deficit liability	(1,582)	-	-	(1,582)
	<u>312,813</u>	<u>575,016</u>	<u>208,860</u>	<u>1,096,689</u>

Notes to the Financial Statements (continued)

17 Movement in funds

Movement in funds - current year

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Unrestricted funds:					
General funds	312,813	177,313	(129,683)	(104,383)	256,060
Designated funds:					
Buildings	219,478	-	-	-	219,478
Client Welfare	8,709	-	-	1,291	10,000
Client Activities	6,614	-	-	3,386	10,000
Contingency fund	222,800	-	-	-	222,800
Development	72,500	-	-	-	72,500
IT/IS	19,811	-	-	10,189	30,000
Vehicles	25,104	-	-	54,896	80,000
	<u>887,829</u>	<u>177,313</u>	<u>(129,683)</u>	<u>(34,621)</u>	<u>900,838</u>

Movement in funds - prior year

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Unrestricted funds:					
General funds	261,520	181,887	(121,901)	(8,693)	312,813
Designated funds:					
Buildings	219,478	-	-	-	219,478
Client Welfare	8,709	-	-	-	8,709
Client Activities	6,614	-	-	-	6,614
Contingency fund	222,800	-	-	-	222,800
Development	72,500	-	-	-	72,500
IT/IS	19,811	-	-	-	19,811
Vehicles	15,104	-	-	10,000	25,104
	<u>826,536</u>	<u>181,887</u>	<u>(121,901)</u>	<u>1,307</u>	<u>887,829</u>

Notes to the Financial Statements (continued)

17 Movement in funds (continued)

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.
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.

Movement in funds - current year

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Restricted funds:					
Capital replacement fund	75,789	-	-	(4,261)	71,528
Accommodation projects					
- PKC contracts	74,872	531,584	(581,536)	-	24,920
- Self-Directed Support	-	14,377	(14,377)	-	-
- Housing Benefit	-	107,892	(107,892)	-	-
- Other Accommodation projects	4,822	12,012	(12,012)	-	4,822
Community projects					
- PKC contracts	27,466	289,610	(355,958)	38,882	-
- Other Community projects	25,911	131,452	(66,827)	-	90,536
	<u>208,860</u>	<u>1,086,927</u>	<u>(1,138,602)</u>	<u>34,621</u>	<u>191,806</u>

Notes to the Financial Statements (continued)

17 Movement in funds (continued)

Movement in funds - prior year

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Restricted funds:					
Capital replacement fund	80,050	-	(4,261)	-	75,789
Accommodation projects					
- PKC grants	121,695	503,982	(550,805)	-	74,872
- Self-Directed Support	-	28,592	(28,592)	-	-
- Housing Benefit	-	99,839	(99,839)	-	-
- Other Accommodation projects	4,822	11,704	(11,704)	-	4,822
Community projects					
- PKC contract	64,817	263,994	(301,345)	-	27,466
- Other Community projects	32,081	8,903	(13,766)	(1,307)	25,911
	<u>303,465</u>	<u>917,014</u>	<u>(1,010,312)</u>	<u>(1,307)</u>	<u>208,860</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 contract funding for Tayview and Floating Housing Support
- Housing Benefit received for residents at Tayview.
- Perth & Kinross Council funding for Self-Directed Support

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.

Summary of funds - current year

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
General funds	887,829	177,313	(129,683)	(34,621)	900,838
Restricted funds	208,860	1,086,927	(1,138,602)	34,621	191,806
	<u>1,096,689</u>	<u>1,264,240</u>	<u>(1,268,285)</u>	<u>-</u>	<u>1,092,644</u>

Notes to the Financial Statements (continued)

17 Movement in funds (continued)

Summary of funds - prior year

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance £
Summary of funds:					
General funds	826,536	181,887	(121,901)	1,307	887,829
Restricted funds	303,465	917,014	(1,010,312)	(1,307)	208,860
	<u>1,130,001</u>	<u>1,098,901</u>	<u>(1,132,213)</u>	<u>-</u>	<u>1,096,689</u>

18 Lease commitments

At 31 March 2023 the company had annual commitments under non-cancellable leases as follows:

	Land and buildings	
	2023 £	2022 £
Expiry date:		
Not later than one year	67,034	54,306
Later than one year and not later than five years	168,136	17,563
Later than five years	37,683	37,067
	<u>272,853</u>	<u>108,936</u>

19 Capital commitments

The company had no capital commitments at 31 March 2023. (2022 - none).

20 Trustees remuneration and related party transactions

During the year no members of the Management Committee received any remuneration (2022 - none). No travel costs were reimbursed to any members of the Management Committee in the year (2022 - none).

The cost of trustees' indemnity insurance to the charity amounted to £1,240 (2022 - £1,122) 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 (2022 - nil).

Notes to the Financial Statements (continued)

21 Employee costs and numbers

Employment costs	2023	2022
	£	£
Wages and salaries	838,409	766,552
Redundancy payments	-	-
Social security costs	63,982	53,442
Other pension costs	15,146	7,308
	<u>917,537</u>	<u>827,302</u>

No employee received emoluments of more than £60,000 (2020 - nil).

Number of employees

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

	2023	2022
	Number	Number
Directors	-	-
Accommodation Projects - full time	17	17
Accommodation Projects - part time	10	12
Community Projects - full time	4	2
Community Projects - part time	9	11
	<u>40</u>	<u>42</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, HR & Compliance Manager and Head of Services. The total employee benefits of the key management personnel of the charity were £177,816 (2022 - £166,875).

22 Control

The charitable company is controlled by the directors.

Notes to the Financial Statements (continued)

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

	2023 £	2022 £
Net movement in funds	(4,045)	(33,312)
Add back depreciation charge	20,578	18,150
Add back/(deduct) losses/(gains) on investments	8,675	935
Deduct interest income shown in investing activities	(8,922)	(4,735)
Decrease/(increase) in debtors	(37,211)	6,524
Increase/(decrease) in creditors	150	(18,917)
	<u>(20,775)</u>	<u>(31,355)</u>