

Charity Registration No. 1074401

Company Registration No. 3686284 (England and Wales)

CHESTER AID TO THE HOMELESS
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CHESTER AID TO THE HOMELESS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R G Rudd	
	Mr N D Wallace	
	Mr J F C Arnold	
	Dr J Carroll	
	Mr A Melia	
	Miss S Worger	
	Prof E Rees	
	Dr J Gresham	
	Mrs J Webb	(Appointed 13 November 2020)
	Mrs J Davies	(Appointed 26 February 2021)
Secretary	Mr R Bisset	
Charity number	1074401	
Company number	3686284	
Registered office	The Bluecoat Upper Northgate Street Chester CH1 2EE	
Independent examiner	Mitchell Charlesworth LLP 24 Nicholas Street Chester CH1 2AU	
Bankers	Lloyds Bank plc National Clubs Charities and Societies Centre Sedgemoor House Deansgate Avenue Taunton TA1 2UF	
Solicitors	Cullimore Dutton Solicitors Limited 20 White Friars Chester CH1 1XS	
Investment advisors	Ludlow Wealth Management Group Ltd 172 Lord Street Southport PR9 0QA	

CHESTER AID TO THE HOMELESS

CONTENTS

	Page
Trustees' report	1 - 6
Statement of trustees' responsibilities	7
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10 - 11
Notes to the financial statements	12 - 22

CHESTER AID TO THE HOMELESS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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) (effective 1 January 2019)".

Objectives and activities

Chester Aid to the Homeless (CATH) primarily exists to meet the needs of the homeless community in the Chester region. As a long - standing service provider of day services and supported accommodation, the charity works with other partner agencies to ensure the best available service options for clients

The charity seeks to inspire clients to believe that moving forward to achieve independent living accommodation is realisable for all. CATH structures client support plans that encourage positive outcomes, counter chaotic lifestyles, thereby increasing pathway opportunities to success.

Increased self – esteem for clients emanates through positive staff engagement techniques which form the basis of development programmes. Work based volunteer opportunities underpin those development programmes giving clients clear insight into the benefits associated with settled routine living.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding the activities that should be undertaken as part of the service model.

Achievements and performance

The past year proved to be more than challenging. COVID 19 changed working protocols and practices beyond anything CATH could have previously imagined. That said all staff were physically present at their work - stations. throughout the period. The team did a tremendous job of supporting clients in the shared houses, visiting them everyday up to the present.

The Harold Tomlins Centre with its day service suffered the most. CATH was unable to operate the daily open access for the street homeless community. However, not to be deterred, the charity very quickly developed an outreach service that effectively took the day services out onto the streets. This way CATH managed to keep up to date with street happenings, enabling the charity to continue to foster critical client/staff support relationships and invite those most in need back to the centre on an individual basis.

The December sleep out took place against all odds, albeit on a 'sleep – in at home' basis with electronic updates throughout the evening from staff and participants. Remarkably the event raised more than £11,000.

Donations for the year once again hit six figures £123,211 which was a fantastic endorsement from CATH's cherished support base of many years standing. People continue to come forward generously donating money throughout these difficult times. The charity remains indebted to each and every one of them, whether they be community or corporate, CATH salutes them all.

CHESTER AID TO THE HOMELESS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

COVID 19 has had an impact and is set to change many things. Street homeless figures are still worryingly high with little indication that they will reduce anytime soon.

The charity will re – imagine its services to align to a changing landscape delivered courtesy of COVID. The charity will launch a new website alongside a COVID winter outreach programme. The aim will be to build a digital platform combining website, face book and twitter to engage more readily with the local community and attract more support.

The outreach programme will take the day service onto the streets. The aim will be to contact the harder to reach clients to ensure they are supported to come in and access available services.

Street homelessness remains a blight on the city, therefore CATH will work harder and smarter, to halt the direction of travel of rising rough sleeper numbers. The charity will endeavour to engage with evermore partners, as well as seeking to raise the levels of community support, necessary to make a difference in people's lives.

Financial review

Financial support for CATH's work for the homeless continued to benefit from generous public and corporate donations, totalling £123,211 plus an additional £175,434 from an unexpected legacy (total for 2020-21 £298,645).

During the year our investment portfolio changed again as bonds matured, as presaged in last year's report. We continue to hold a portfolio managed by an Aviva Platform, although the oversight of it by an investment advisor was changed from Letton Percival to Ludlow Wealth Management through a buyout of the former by the latter, in December 2020.

At the start of the year we benefitted from the Cambridge Building Society holding becoming payable, amounting to £106,647, which was deposited in our current account. The Hampshire Bank bond also became payable, amounting to £106,530, of which £71,000 was reinvested with the bank into a one year fixed bond at 1.61%, maturing in June 2021 and the balance of £35,530 reverting to our current account. The Aviva platform holding at the start of the year was £194,781 and at the year end was £225,437. The ASL fund was moved within that holding to another plan during December 2020.

The 2020-21 financial year resulted in a surplus over operating costs of £215,062 (2019-20 £30,213), which was another welcome addition to our reserves, built up over many years, amounting to £746,692. The Board has plans for using a significant portion of these reserves to purchase an HMO type property in Chester, when the property market conditions are more favourable.

CHESTER AID TO THE HOMELESS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Reserves policy

There has been a small change to the unrestricted reserves policy this year. The Board decided that we should ideally hold a minimum of 75% of an average one year's operating costs in reserve amounting to £262,500.

The remaining restricted reserve of £4,100 was spent as per legacy requirement to update our CCTV coverage of some properties (due to persistent non-resident incursions) and also to upgrading one property.

The aim is to maintain a suitable level of reserves consistent with the ongoing activities of the Charity, such that negative fluctuations in funding do not have an immediate adverse impact on clients or staff. In addition, reserves are provided to make good any deficits arising from duly authorised projects. The unrestricted reserves of £746,692 as at 31 March 2021 represents approximately two years of current expenditure of the charity.

Designated funds

Care and development fund

This is the principal reserve fund for supporting the ongoing general activities of CATH.

IT/IS Fund

A fund to ensure that CATH can obtain and run efficient and effective administration processes as required by the regulatory authorities and to the ultimate benefit of the client group.

Contents Replacement Reserve

The nature of the CATH services and client groups results in a short life and heavy utilisation of furniture and effects in the hostels, houses and the Harold Tomlins Centre, This reserve facilitates replacement of this equipment to maintain an adequate, if basic, standard of accommodation.

Redundancy Reserve

With no guarantee of ongoing funding for some of the activities of CATH this reserve is necessary to protect the interests of staff in the event of redundancies.

Development Fund

The fund permits the expansion of CATH activities where consistent with the aims of the charity.

Dilapidations Reserve

CATH does not own any of the properties it uses. This fund is necessary to provide any dilapidation payments that may arise for which CATH is responsible under the terms of the lease should buildings be returned to the landlords.

There was no spend from this fund during 2020-21.

Legacies Fund

There is currently one potential legacy, which is long-standing and showing no signs of producing further income. The legacy fund is therefore reduced to a more realistic value and the balance added to the new property purchase fund.

CHESTER AID TO THE HOMELESS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Buildings Reserve

As all of the buildings occupied by CATH are relatively old this fund is necessary to provide for any costs that may arise in connection with any significant repairs maintenance or upgrading of the buildings or their facilities for which CATH is responsible under the terms of the lease.

During 2020-21 all repairs were funded from general reserves.

Contingency Reserve

A reserve fund for unexpected events or other adverse financial situations.

New property purchase fund

This fund is being created to enable the Charity to purchase a house designated as a "house in multiple occupation". Until now all our properties have been rented from landlords, which has been a very beneficial model over the years, but the Board believes it would be prudent to have at least one property owned outright when market conditions for purchase are more favourable in the future.

Investment policy

Cash reserves are held in two investment funds with Aberdeen Standard Life and Aviva, with another account held with Hampshire Trust Bank that matures in June 2021, plus a current account with Lloyds Bank. The three investment funds can be made available within a short lead time should the need arise.

Risk policy

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The year ahead will be challenging with the continued risk of COVID 19 likely to be with us for some time yet. The charity is well placed with sufficient reserves but is working hard to develop strategies that will offset any possible COVID impact.

Lack of sufficient credible emergency accommodation is still an issue in the city. CATH increased its bed spaces by ten in 2019/20 and will consider a similar increase in the coming year.

Day services will continue to be vital during the coming year, COVID permitting. Covid has impacted over the last year but in many ways, it was offset through the introduction of an outreach programme.

COVID 19 has changed the world in which we operate and no less so than the homeless sector. CATH has three big challenges: the reopening of the Harold Tomlins Centre, the recreation of a vibrant volunteer force and the development of a digital platform that will underpin the much - needed fundraising drive going forward.

The day centre will re – open for drop – in access as soon as is practically possible considering infection rates. Staff and client safety remains paramount, but the drive is on to get the charity back into full functioning mode. The timetables are in place, the client participation programmes will be triggered, and then hopefully the centre will be back to playing a hugely pivotal role in the life of CATH.

CHESTER AID TO THE HOMELESS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

An immediate consequence of the first lockdown was that we ceased all volunteer activity as a means of safeguarding them and their futures with CATH. The situation going forward is that some are keen to get back and for some that will now not be possible. In anticipation of that the charity has seconded some staff time to overhaul the volunteer recruitment processes and develop increased volunteer opportunities across the breadth of the charity.

The charity is developing a revised strategic plan to focus the mind and create the necessary purpose to survive in a post Covid world. A big part of that will be to re – imagine a vibrant digital platform reaching out to clients, supporters, and funders. The charity is currently engaged digitally through its website, face book page and twitter account but CATH feels it needs to upscale this through the deployment of additional resources and expertise.

Although we had planned to increase the number of properties under management by one, there was no change to the number of properties due to the Covid-19 pandemic preventing acquisition and refurbishment. The Board decided to withhold this property increase to a future date.

Structure, governance and management

The charity is a company limited by guarantee, incorporated on the 21 December 1998 and is therefore governed by a Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr R M G Bolton	(Resigned 9 October 2020)
Mr R G Rudd	
Mr N D Wallace	
Mr J F C Arnold	
Mr P J Sharman	(Resigned 1 May 2020)
Dr J Carroll	
Mr A Melia	
Miss S Worger	
Prof E Rees	
Dr J Gresham	
Mrs J Webb	(Appointed 13 November 2020)
Mrs J Davies	(Appointed 26 February 2021)

Most trustees have worked for CATH as volunteers, usually in the Harold Tomlins Centre. Prior to appointment as a trustee, CATH endeavours to ensure that the board has a wide range of skills and experience such as Finance, Human Resources, Fundraising etc.

The trustees are collectively responsible for the governance of the organisation. The CEO reports directly to the Chair at monthly supervision sessions and to the full Board at quarterly meetings. Additionally, the Board hold strategic planning away days which all trustees attend. A strong commitment prevails in respect of the Trustee development programme which manifests itself through training in areas such as trustee responsibilities, internal audit, information security and any other topical areas of governance.

The CEO works with one operational manager to deliver services and accommodation with support. Continuous improvement of service delivery remains key to CATH's success. The operational teams work to outcome measures to ensure the economy, efficiency and effectiveness of service. Performance indicators, client feedback mechanisms and peer-to-peer review ensure true client engagement becomes a priority.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

CHESTER AID TO THE HOMELESS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The remuneration of key management personnel is determined annually by the Trustees. Traditionally the level of remuneration has been determined by reference to the annually revised pay scales of the union Unison for workers in similar positions to CATH's employees. For the last few years the Trustees has considered key economic indicators such as performance of RPI and average level of pay increases in the previous 12 months.

The trustees' report was approved by the Board of Trustees.

Mr R Bisset

Company Secretary

Dated: 3 September 2021

CHESTER AID TO THE HOMELESS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Chester Aid To The Homeless for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHESTER AID TO THE HOMELESS

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CHESTER AID TO THE HOMELESS

I report on the financial statements of the charity for the year ended 31 March 2021, which are set out on pages 9 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of Chester Aid To The Homeless for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of Association of Chartered Certified Accountants (ACCA).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Mitchell Charlesworth LLP

Robert Hall FCA
24 Nicholas Street
Chester
CH1 2AU

Dated: 27 September 2021

CHESTER AID TO THE HOMELESS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
Income from:							
Donations and legacies	3	298,645	-	298,645	159,107	-	159,107
Charitable activities	4	234,120	-	234,120	220,420	-	220,420
Investments	5	3,102	-	3,102	1,429	-	1,429
Total income		535,867	-	535,867	380,956	-	380,956
Expenditure on:							
Charitable activities	6	347,361	4,100	351,461	337,392	-	337,392
Other		-	-	-	987	-	987
Total resources expended		347,361	4,100	351,461	338,379	-	338,379
Net gains/(losses) on investments	11	30,656	-	30,656	(12,364)	-	(12,364)
Net movement in funds		219,162	(4,100)	215,062	30,213	-	30,213
Fund balances at 1 April 2020		527,530	4,100	531,630	497,317	4,100	501,417
Fund balances at 31 March 2021		746,692	-	746,692	527,530	4,100	531,630

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHESTER AID TO THE HOMELESS

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		12,723		9,868
Investments	13		225,437		194,781
			<u>238,160</u>		<u>204,649</u>
Current assets					
Debtors	15	82,332		71,000	
Cash at bank and in hand		448,220		268,997	
		<u>530,552</u>		<u>339,997</u>	
Creditors: amounts falling due within one year	16	(22,020)		(13,016)	
Net current assets			<u>508,532</u>		<u>326,981</u>
Total assets less current liabilities			<u>746,692</u>		<u>531,630</u>
Income funds					
Restricted funds	17		-		4,100
<u>Unrestricted funds</u>					
Designated funds	18	481,400		301,400	
General unrestricted funds		<u>265,292</u>		<u>226,130</u>	
			<u>746,692</u>		<u>527,530</u>
			<u>746,692</u>		<u>531,630</u>

CHESTER AID TO THE HOMELESS

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 3 September 2021

Mr N D Wallace

Trustee

Company Registration No. 3686284

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Chester Aid To The Homeless is a private company limited by guarantee incorporated in England and Wales. The registered office is The Bluecoat, Upper Northgate Street, Chester, CH1 2EE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The accounts have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised when a liability is incurred.

Charitable activities include expenditure associated with the operation and managed residential accommodation and welfare support services.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	None
Fixtures and fittings	33% Straight line
Computers	33% Straight line
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Capital expenditure that does not in reality produce a saleable asset or an increase in value of an existing asset will be written off totally in the year the expenditure is incurred.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Defined contribution pension scheme

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	288,158	159,107
Grants	10,487	-
	<u>298,645</u>	<u>159,107</u>
Donations and gifts		
Donations	100,724	159,107
Corporate donation	12,000	-
Legacies	175,434	-
	<u>288,158</u>	<u>159,107</u>

4 Charitable activities

	Homeless support 2021	Homeless support 2020
	£	£
Sales within charitable activities	<u>234,120</u>	<u>220,420</u>

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	3,102	1,429

6 Charitable activities

	Homeless support 2021 £	Homeless support 2020 £
Staff costs	164,676	154,302
Food and household goods	8,019	11,103
Rent	80,924	79,723
Rates and water	10,396	6,838
Light and heat	22,184	20,154
Repairs and maintenance	21,961	19,184
TV and recreation	4,211	3,735
Client education and training	786	1,601
Travel and motor expenses	4,369	5,845
Staff training	-	340
Other staff costs	350	-
	317,876	302,825
Share of support costs (see note 8)	27,082	27,808
Share of governance costs (see note 8)	6,503	6,759
	351,461	337,392
Analysis by fund		
Unrestricted funds	347,361	337,392
Restricted funds	4,100	-
	351,461	337,392

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7	Net movement in funds	2021 £	2020 £
	Net movement in funds is stated after charging/(crediting)		
	Depreciation of owned tangible fixed assets	6,102	3,357
	Loss on disposal of tangible fixed assets	-	987
		<u>6,102</u>	<u>3,357</u>

8	Support costs	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£	£
	Depreciation	6,102	-	6,102	3,357	-	3,357
	IT equipment	3,604	-	3,604	5,805	-	5,805
	Health and Safety	2,215	-	2,215	3,102	-	3,102
	Insurance	7,054	-	7,054	5,965	-	5,965
	Hospitality	78	-	78	200	-	200
	Office costs	7,885	-	7,885	9,379	-	9,379
	Support costs heading 7	144	-	144	-	-	-
	Accountancy	-	2,880	2,880	-	2,754	2,754
	Legal and professional	-	3,573	3,573	-	3,956	3,956
	Bank charges	-	50	50	-	49	49
		<u>27,082</u>	<u>6,503</u>	<u>33,585</u>	<u>27,808</u>	<u>6,759</u>	<u>34,567</u>
	Analysed between						
	Charitable activities	<u>27,082</u>	<u>6,503</u>	<u>33,585</u>	<u>27,808</u>	<u>6,759</u>	<u>34,567</u>

Governance costs includes payments to the auditors of £nil (2020- £nil) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Management	2	2
Charitable staff	4	4
	<u>6</u>	<u>6</u>

Employment costs

	2021 £	2020 £
Wages and salaries	148,503	141,339
Social security costs	9,228	9,491
Other pension costs	6,945	3,472
	<u>164,676</u>	<u>154,302</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Revaluation of investments	<u>30,656</u>	<u>(12,364)</u>

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2020	139,000	-	630	12,594	152,224
Additions	-	2,628	6,329	-	8,957
At 31 March 2021	139,000	2,628	6,959	12,594	161,181
Depreciation and impairment					
At 1 April 2020	138,999	-	208	3,149	142,356
Depreciation charged in the year	-	657	2,296	3,149	6,102
At 31 March 2021	138,999	657	2,504	6,298	148,458
Carrying amount					
At 31 March 2021	1	1,971	4,455	6,296	12,723
At 31 March 2020	1	-	422	9,445	9,868

The leasehold property recognised at £1 in the accounts relates to Crispin House, 56 Nicholas Street, Chester was bought and refurbished with the help of a grant of £139,000 from the Resettlement Agency. Certain covenants and restrictions were imposed and in particular, the grant will be repayable should the usage of the building be other than for the existing resettlement activities. In addition, the Resettlement Agency has a first charge over the property.

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020	194,781
Valuation changes	30,656
At 31 March 2021	225,437
Carrying amount	
At 31 March 2021	225,437
At 31 March 2020	194,781

Fixed asset investments revalued

The historical cost of the investments was £199,000 (2019 - £199,000) and all investments are valued at the traded market value at the year end.

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13	Fixed asset investments	(Continued)	
14	Financial instruments	2021	2020
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	225,437	194,781
15	Debtors	2021	2020
		£	£
	Amounts falling due within one year:		
	Trade debtors	458	-
	Other debtors	72,143	71,000
	Prepayments and accrued income	9,731	-
		82,332	71,000
16	Creditors: amounts falling due within one year	2021	2020
		£	£
	Other taxation and social security	16,575	3,228
	Trade creditors	1,433	6,489
	Other creditors	962	539
	Accruals and deferred income	3,050	2,760
		22,020	13,016
17	Restricted funds		

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2019	Incoming resources	Balance at 1 April 2020	Resources expended	Balance at 31 March 2021
	£	£	£	£	£
Donations	4,100	-	4,100	(4,100)	-

The restricted donation of £15,600 was reduced to £4,100 by the end of the previous year and to zero by the end of the current year, following expenditure on several properties upgraded with CCTV and further updating of our property in Bouverie Street.

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020	Movement in funds		Transfers	Balance at 31 March 2021
	£	Incoming resources £	Resources expended £	£	£
IT/IS reserve	15,000	-	-	-	15,000
Contents replacement	50,000	-	-	-	50,000
Redundancy	20,000	-	-	-	20,000
Development	30,000	-	-	-	30,000
Dilapidations	15,000	-	-	-	15,000
Buildings	47,811	-	-	-	47,811
Legacies fund	39,557	-	-	(30,000)	9,557
Contingency	84,032	-	-	-	84,032
New property fund	-	-	-	210,000	210,000
	<u>301,400</u>	<u>-</u>	<u>-</u>	<u>180,000</u>	<u>481,400</u>

Legacies

The charity is a co-beneficiary of some land in Cheshire. This has not been included in the financial statements as no notification of further distribution has been received. The charity does not yet have a reliable estimate of the value of the legacy. Costs associated with bringing the legacy income to fruition are allocated to a designated fund (see note 18) as they fall due.

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	-	17,270
Between two and five years	-	51,192
In over five years	-	77,960
	<u>-</u>	<u>146,422</u>

CHESTER AID TO THE HOMELESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	75,273	74,640
	<u> </u>	<u> </u>