



**Annual Report and  
Financial Statements  
2021**



# Patrons, trustees and advisors as of September 2021

<b>Patrons</b>	Bishop of Manchester, The Rt Revd Dr David Walker Sir Martin Berthoud KCVO CM Susie Briscoe David Cade W Peter Cooke CBE Ian Hay Davison CBE William Guthrie The Rt Revd Michael Turnbull CBE The Ven David Woodhouse
<b>Trustee directors</b>	Elizabeth Wilson (Chair) Christopher Daws (Treasurer) John Glenton Trevor Morris Sally Nicholson Anne Parker CBE Rev. Grace Thomas Elizabeth Toher
<b>Executive director and secretary</b>	Miriam Morris
<b>Registered and principal office</b>	Can Mezzanine 49 - 51 East Road London N1 6AH  info@churchhomelesstrust.org.uk www.churchhomelesstrust.org.uk
<b>Company registration number</b>	2453957 (England and Wales)
<b>Charity registration number</b>	802801
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London, EC2V 6DL
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street London, EC1M 6HR
<b>Principal bankers</b>	Barclays Bank plc PO Box 294 Peterborough, PE1 1EZ

# Welcome from the Chair of trustees

This year I am particularly proud to be Chair of Church Homeless Trust. The past eighteen months have been difficult for everyone, most especially for the vulnerable and homeless people we help.

In spite of the challenges for the team, who had to adapt very quickly (and successfully) to new ways of working, we have increased our income this year. And more importantly we have been able to give away 34% more in grants than we did the previous year.

We are very grateful to our supporters who have made this possible. And to our partners, who through all the restrictions and risks have adapted their services and remained faithful to the vulnerable and homeless people they support.

Our role has been to provide funding for the essential support and items that no-one else will fund, and that homeless people cannot afford to buy. As our grants are tailored to individual needs, we have adapted our funding to help people who have nothing to self isolate and keep safe.

This year was the final one of our five-year strategic plan, and in this report we look back on what we have achieved, and look forward to what we want to do in the future. These are uncertain times, and we know that sadly there will always be homeless people who need help to rebuild their lives.

We are extremely grateful that there will also always be people who care about homelessness and who are prepared to give their time and money so generously. Our task is to ensure that we use the money entrusted to us to make a life-changing difference to the people who need it most.

Liz Wilson 

Chair of the Board of Trustees



## Contents

4	The growing problem of homelessness
5	Introduction from the Executive Director
6	Jerry's Story
7	Our history and prupose
8	The Journey Home...
10	Therapeutic gardening
11	Review of our strategic plan
12	Our partners
14	Rob's story
15	Governance
18	Financial review
19	Impact of our grants
20	Risk management
21	Independent auditor's report
24	Financial statements
27	Principal accounting policies
30	Notes to the financial statements
40	Grant giving organisations

# The growing problem of homelessness

There are many reasons people become homeless.

Some people have a difficult start in life, and experience abuse, trauma or poverty as a child. Just under 400,000 children in England are in the social care system at any one time. More than 78,000 of these children are in care, and at 18 have nowhere to call home (Government statistics England 2020).

Other people struggle to survive on low and insecure incomes, and increasing debts lead to rent arrears and eviction.

For others, life is good until some unforeseen circumstances change everything: a death, an illness, a divorce, the loss of a job.

Since the 2008 financial crisis inequality in the UK has increased, and this was laid bare in the pandemic. As we emerge from lockdown the figures show that without radical government action we are likely to see an enormous increase in people without homes over the coming year.

Even before the pandemic a fifth of our population - 14 million people - lived in poverty. Four million of them are more than 50% below the poverty line, and 1.5 million are destitute, unable to afford basic essentials. (Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights 2018).

And a third of all our children - 4.3 million – are living in poverty (CPAG May 2021)

Currently one in ten renters is in arrears, and 400,000 tenants are expecting to be served eviction orders this year. Potentially this could make a million people homeless. (Joseph Rowntree Foundation May 2021)

At the end of 2020, 100,000 households in England were living in temporary accommodation funded by Local Authorities. A further 200,000 people are estimated to be sleeping on sofas and in cars. (Shelter April 2021)

During the financial year covered in this report more than two million people in England used a food bank run by the Trussell Trust, an increase of 33% on the previous year. There are hundreds of other food banks not included in this figure. (Trussell Trust, end of year stats 2021)



## Introduction from the Executive Director

This has been a tough and uncertain time. The staff team has had to cope with home-schooling, cramped shared houses and inadequate online systems, in order to keep providing support for homeless people through the pandemic. We did not shut down our operations as we knew that the difficulties we faced were simply minor irritations in comparison with the difficulties facing the people we help.

Homeless people who were just beginning to rebuild their lives had their support networks taken away, and were having to self-isolate alone, with nothing to do, and in some cases no food. Many of them had underlying health conditions which put them at risk, making their situation very frightening for them.

In the early days of the pandemic we saw an increase in the number of people becoming street homeless, many because they had lost their jobs in hospitality. A little later on, there were many fleeing abuse and family breakdown, which had been exacerbated by lockdown. Now we are beginning to see the result of the eviction ban being lifted, and tenants with no foreseeable way of paying their arrears. It is heartbreaking.

Due to the restrictions some of the fantastic organisations we partner with had to reduce or even suspend the support that they were able to provide to homeless people. However, we were able to work with existing and new partners to help the services adapt to the difficult circumstances.

We want to acknowledge the incredible support workers and volunteers who have kept working on the front line through the pandemic.

At the time of writing (September 2021) we are hopeful that in the UK we have got through the worst of the pandemic. This is not the case for most of the world and, whatever happens, we will all feel the global repercussions and suffer the effects of our national lockdowns. Come what may, we will continue working closely with our partners to help homeless people overcome the enormous challenges they face on their journey to finding a home.

**Miriam Morris**

Executive Director



## Our Mission

Church Homeless Trust helps people who are homeless to establish a home by giving them grants to meet their particular needs. We give grants to homeless people of all ages, backgrounds, nationalities, and faiths.

We do this because we believe that everybody has a unique contribution to make to society, and that we all benefit when everybody is able to participate fully in life.

We are a small, independent charity. We do not have an endowment, nor do we receive statutory, or any other institutional funding. We are entirely reliant on the continuing generosity of our supporters.



“Thank you, this is going to make a massive difference to me.”

When Jerry’s relationship with his partner broke down, he took nothing with him so as not to disrupt his young son who was still living in the family home.

Living in an unfamiliar city at the time, he had no friends or family he could fall back on. Jerry quickly ended up on the street; he was homeless and sleeping rough in the cold for three weeks before he found a place in a homeless project. He remained there for several months, and throughout much of the pandemic.

Now Jerry is starting to get back on his feet again and staying in supported accommodation. As he owns nothing of his own, Church Homeless Trust supported him by purchasing an electric cooker and a set of pans. Jerry can finally cook proper meals for himself, for the first time in months. He is looking forward to being able to have his son over to stay again!

# Our History and Purpose

Our roots go back to 1882 when Rev Wilson Carlile began to help the people who were sleeping rough on the Thames Embankment. At first he paid for lodgings for people, and then set up his own dormitory-style hostels for both men and women (separately). He recognised that they needed support, and in particular regular paid work in order to get off the streets.

Carlile formalised his work by setting up Church Army Housing in 1924, and in the period between the two world wars Church Army Housing became the main provider of services for homeless people across England. There were many men returning from the war with no homes to go to, and at one point the Church Army was housing around 300,000 people, including in large tents in public gardens along the Embankment.

To begin with the work was funded entirely by donations, but over the years as the welfare state was established it was increasingly state-funded. In order to access statutory funding Church Army Housing became independent from the Church Army and after several mergers became English Churches Housing Group. In 2006 it merged with Riverside Housing Group to become Riverside Care and Support. Riverside is still the largest provider of services for homeless people in England.

Church Housing Trust, as we were, was set up in 1984 to raise funds to support people living in the hostels. We are a small, independent charity, and in spite of our name we receive no direct funding from the Church, nor do we have a trust endowment. We have to raise all the money we give away.

Our charitable objects were updated in 2016 - to promote social inclusion and support of the homeless for the public benefit by relieving the needs of those people who are or have been homeless or socially excluded and assisting them to integrate into society including by means of:

1. providing funding to support such people who need help to establish a home and reintegrate into society, and such people who need ongoing help due to disability and/or illness;
2. funding support for such individuals which is not provided by statutory services or government funding;
3. funding support for such individuals in need by working with service providers with charitable purpose, in particular Riverside Care and Support in the first instance, and other service providers with charitable objects similar to those of the charity; and
4. challenging, encouraging and enabling the Church of England, and the wider Christian community, to continue the Christian tradition of helping homeless and socially excluded people.



The Westminster women's 'open all night' project at the back of Peterhouse, 1911.

## The Journey Home...

The journey from sleeping rough to finding a home is often long and difficult.

Each homeless person has individual needs, abilities, and dreams. We fund the specific support that helps them to rebuild their lives and establish a home.

We know the names and hear the stories of all the people that we help. The grants we give them are often quite small, but they make a big difference to people's lives.

### Getting off the streets

Sleeping rough, even for a short while, has a devastating effect on a person's mental and physical health. It is also very hard not to get sucked in to a culture of substance misuse, exploitation and abusive relationships.

This is why it is very important to get people off the streets as quickly as possible. However rough sleepers are often traumatised and mistrusting of 'officials'. We support an initiative called Street Buddies, funding an outreach worker who has experience of rough sleeping, who is able to support entrenched rough sleepers on their individual route off the streets.

We also support winter night shelters, mostly run by church and community groups, that provide a safe place to sleep and food in the cold winter months for those who are unable to get off the streets, for example those who are not eligible for Local Authority support.



### Building Confidence

As you can imagine, becoming and being homeless completely ruins your self confidence. Before people can establish a home of their own they need to regain their sense of self-esteem and purpose. Much of the funding we provide goes towards helping people do just that.

We pay for one-to-one counselling sessions; for transport to NHS appointments; for gym membership; for new well-fitting clothes; for toiletries; for identity papers; for musical instruments, cameras, drawing materials and journals; and for anything else that might help someone to rebuild their self-confidence and hope for their future.



## Developing skills

Many people who have been homeless, particularly those who have been on the street for while, lack the necessary skills to rejoin society.

Our partners put together plans with the people they help and we provide funding for the particular items and support they need.

We pay for laptops and smart phones so that people can learn to use digital technology. We fund courses for qualifications and certificates leading to work or further education. And we provide money for travel and specialist clothing or equipment needed for training and finding a job.

We also fund group activities within the schemes we support which help people to develop life skills and build positive relationships. We pay for cooking lessons; gardening sessions; breakfast clubs; book and film clubs; music studios; hiking expeditions and fishing trips; and any other activities which help to develop the friendships, interests and skills we all need in order to thrive.

Finally, we help people to reconnect with their families. We provide funding for smart phones for on-line contact, and for transport for face to face meetings. We pay for activities that parents can do with their estranged children, for example a trip to the cinema. And sadly sometimes we are asked for clothing and transport to attend the funeral of a loved one.

## Making a home

Moving in to a new home can be a daunting experience, with new responsibilities and expenses. The people we help have very little money, and few possessions. Without financial assistance it can be difficult for them to create and maintain a long-term home.

Often the homes they move in to have no furniture, no white goods, curtains or floor coverings. So we provide grants to help them buy what they need to set up a home. If there is a furniture reuse charity nearby we will buy furniture packs from them so that our funding goes further.

We also provide rent deposits, pay utility bills and will pay rent arrears where doing so enables someone to access or keep a home.





## “It’s not just plant growth; it’s human growth”

A gardening project that Church Homeless Trust supports has borne (literal) fruit. Residents at Queen Mary’s hostel have been busy in the garden since last summer, and the results have been incredible.

Residents pruned and watered the garden, sowed seeds and have recently been planting vegetables before it’s too late. The garden has always been an area for peace and reflection for residents at the all-female hostel, but was described by staff as a “God-send to both customer and staff during the lockdown periods”.

Adapting their gardening work to include government guidelines during early 2021 was not without difficulties, but they managed and their navigation of this difficult period has been a testament to the hard work of the staff. Although the purpose of the garden is to benefit the mental and physical well-being of the residents, the beautiful strawberries were certainly a bonus.

# Review of our Strategic Plan (2016-21)

Below we set out our progress on the four objectives in our strategic plan.

## **To fund essential and life-changing support which helps to fill the gaps in statutory services**

Our board made a decision to focus our funding on providing the particular support individuals need to get off the streets, and for which there is no other funding available. We have seen over the past five years that the gaps in statutory services have widened, as local authority budgets have been slashed, mental health and rehab services have been overwhelmed and Universal Credit delays and sanctions have pushed people into debt.

We have adapted our grants to meet these needs, increasingly being called upon to pay rent arrears, utility bills and rent deposits. We have also formed new partnerships (see below) so that we are able to help those who are not eligible for local authority housing support (most young people and single men are not eligible) and those with no recourse to public funds (migrants and asylum seekers).

During the pandemic we provided funding for PPE and for electronic devices and drawing materials to keep people occupied while self-isolating. We also funded food for those who had previously been reliant on charities or street begging for their food.

Looking forward we are concerned about the long-term effects of the pandemic on those who were already struggling to get by. In particular the reduction in benefits and the lifting of the ban on evictions at a time when 10% of renters (350,000 people) are in arrears. We will use our grants flexibly to help as many people as we are able, in the most effective way.

## **To increase the number of people we are able to help, by increasing our income**

In 2016 our total income was £488k and in 2021 it was £939k an increase of 92%. Discounting legacy income we have seen a steady increase of 40% in income, coming particularly from the new streams we have invested in, such as corporate partners, major donors and on-line donations. We are also very pleased that our support base of regular givers has grown over the past five years, and that our trust income has been maintained. Income from churches and donor mailings is gradually declining, as it is across the sector.

We will continue to invest in the areas of growth, while continuing with our mailings and profile-raising in churches as these remain a source of new donors and legators.

The total amount that we have given away in grants has grown by 25% over the period of the strategic plan, and that given from our unrestricted reserves has grown by 50%. With the substantial increase in our income this year we are planning to double the amount we give from our unrestricted reserves in the coming year.

## **To strengthen our partnerships with a diverse range of service providers and other organisations**

As part of our strategy we have built new partnerships with grass-roots organisations and initiatives in order to reach people who are not eligible for government help. At the same time we have strengthened our partnership with Riverside through whom we reach most of our beneficiaries.

We have also built relationships with corporate partners, which was a completely new venture for the charity. Pages 12 and 13 give more information on our partnerships and our future plans.

## **To build the capacity of our team, our governance, processes and systems**

Over the course of the strategic plan we have introduced a new post to manage our corporate partnerships and major donors. We have recruited and trained three graduates in communications and trust fundraising. We have recruited new board members, including our chair of trustees, and updated our memorandum and articles of association. We have introduced a new CRM database, an online grant application process, and new financial systems. We have also relaunched our website (twice) and changed our logo and name.

Looking forward after a difficult year, we aim to establish new digital systems, and flexible ways of working which will enable us to be creative and work effectively as a team, while maintaining a healthy work/life balance.

## **To reduce our carbon emissions**

We are adding this aim to our 2021-26 strategic plan in recognition of the urgent need to address the causes and effects of climate change. We will measure our current carbon footprint and work with our landlord and our delivery partners to set targets so that we can monitor our progress.

## Our Partners

**It is through working closely with our service-delivery partners that we are able to reach the people who need our help.**

### Riverside Care and Support

Riverside manages more than a hundred supported housing schemes across England, making it the largest provider of services for homeless people. Some of these schemes were originally established by Church Army Housing, so we share a history with Riverside as described on page 7. Our continuing partnership with Riverside enables us to reach over 3,000 homeless people who are on a journey off the streets and into a home of their own.

Riverside Care and Support specialises in helping people with complex needs, those who are entrenched rough sleepers and those who are hard to reach. This means that often the route to a settled home takes some time and a lot of support. Through working with Riverside we provide funding for the particular support and items people need on every step of their journey, as described on pages 8 and 9.

Over the past two years Riverside staff have raised funds for us through on-line challenges. They also voted to donate their Christmas party allowances to us. We used this funding to give over 3,000 people in their supported housing schemes a Christmas lunch and gift.

We are delighted that we have now been chosen as one of the Riverside Group's corporate charities of the year. The picture below shows Riverside staff climbing Snowdon in order to raise funds for us.

### Community-based initiatives

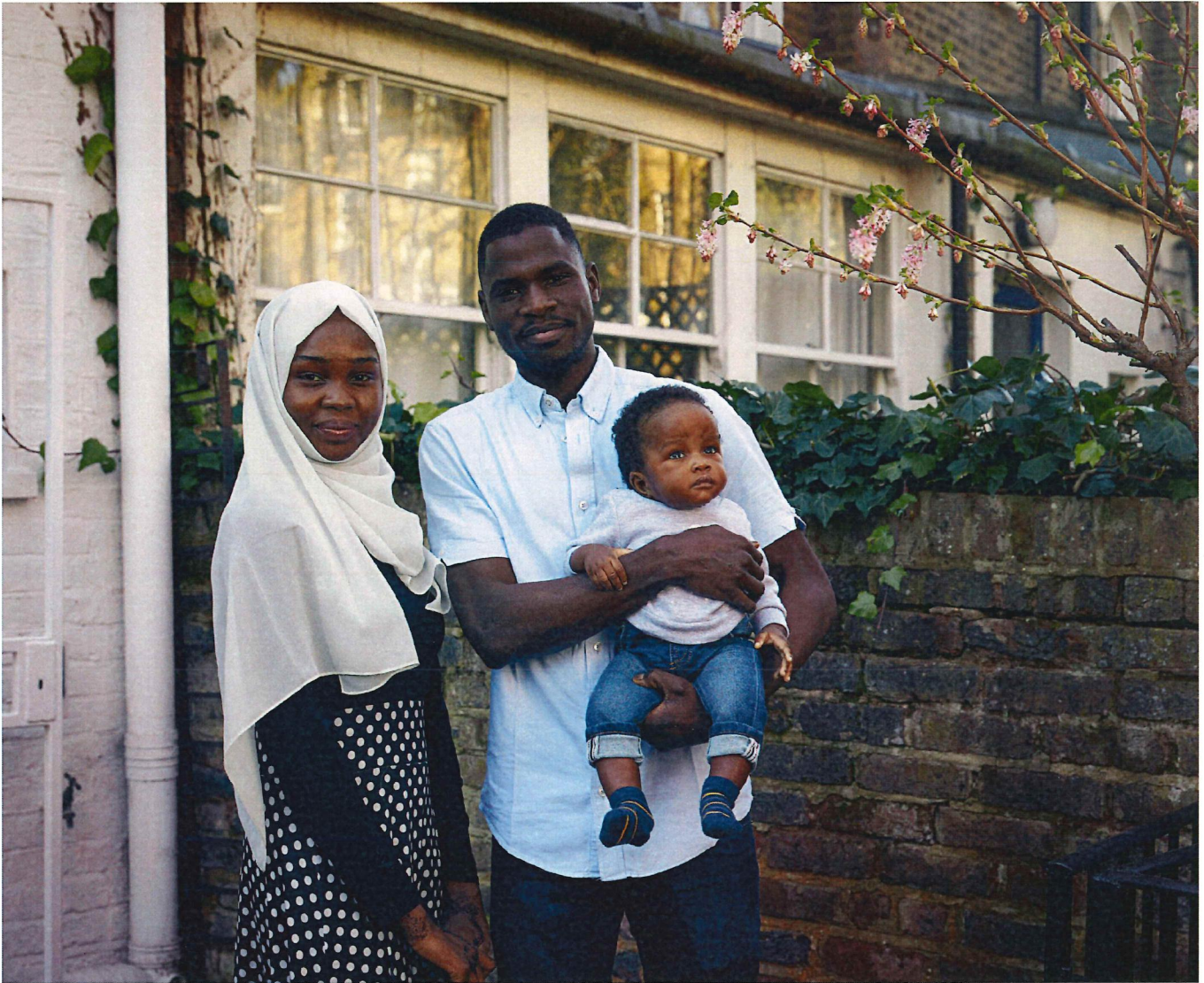
Thousands of homeless people who are not eligible for government help – including most homeless single men and young people - are kept alive by local winter night shelters, drop-in centres and food banks. In order to help these people, we have been building relationships with local community-based initiatives across the country, over the past five years.

During the pandemic many of the initiatives we were supporting were unable to operate because of social distancing rules. However, others adapted and even expanded their activities. For example, St Peter's in Brighton moved the guests in their night shelter which we had been supporting, into temporary accommodation as part of the government's 'Everyone In' scheme. We provided funding for a support worker to help the homeless people who had been relocated, and we also funded a new initiative to collect, prepare and deliver food to them, and other vulnerable people in Brighton.

We will continue to work closely with community-based initiatives across the country to help them respond flexibly to the needs created in the wake of the pandemic.



Riverside colleagues climb Mount Snowdon to raise money for Church Homeless Trust, 2021.



A young family hosted through the C4WS scheme.

### **Hosting schemes for destitute people**

Migrants who are waiting for decisions on their immigration status, and asylum seekers who are appealing decisions are not eligible for any government assistance, nor are they allowed to work, or rent property. By definition, they are destitute. We have been working with organisations such as Housing Justice, Ledas and C4WS who place destitute migrants with host families. We provide a weekly allowance for the migrants so that they are not entirely reliant on their hosts, but can buy their own food, toiletries and transport.

### **Corporate Partners**

Once again we are extremely grateful to 3i for their continuing partnership with us. They made a significant donation to our work, and they gave us additional funding to help homeless people through the pandemic. The BGL Group and Travers Smith Foundation also kindly donated to our COVID fund.

We are also thankful to Fair oak Estates, The Blakemore Foundation and Screwfix for their generous donations.

### **Supporters**

We receive no statutory funding, and we do not have an endowment, so we are entirely reliant on donations in order to be able to help homeless people. We are humbled by the generosity of our supporters, especially those who have been giving to us loyally over decades. We are also very pleased to be getting an increasing number of donations from new donors online.

### **Legacies**

We were honoured to receive legacies from the estates of the Rev'd Carole Jean Copland, Richard John King, and Janet Margaret Cazenove Waddams, as well as legacies from the estates of David Price Godwin, Jean Margaret Mist and Janet Isabel Trevelyan following the year end, which have been accrued in these financial statements as they met the income recognition criteria at 31 March 2021.



**“Please thank the people who donate the money. Without them, I wouldn’t have this washing machine and things would be a lot harder.”**

Like many people, Rob was thrust into homelessness when his relationship with his partner broke down. What followed were years on and off the streets, living in everything from hostels to a bin shed. After his benefits ran out, he survived only by relying on charities and churches, who provided food and shelter when he couldn’t get support elsewhere. Rob had developed a drug addiction, and it was destroying his life. He was unable to see his two young children and had very little to fall back on.

Following his father’s death however, Rob demonstrated a fantastic strength of character. Instead of letting grief destroy him, he took the loss as a signal to change his life. Things are changing for Rob now. He’s been clean of drugs for several months and has temporary accommodation of his own. His children are back in his life after attending their grandfather’s funeral, which has made staying clean and rebuilding his life much easier.

Church Homeless Trust supported Rob by purchasing a washing machine. The washing machine saved him time and money, but most importantly has given him some much-needed independence.

## Governance

### Trustee directors

The trustees are directors of the charitable company for the purposes of the Companies Act 2006. New trustees are appointed by those trustees who are already in office at the time with up to one-third being nominated by Riverside Care and Support. At any one time there must be a minimum of three trustees and a maximum of 15.

Two trustees resigned in the year. The trustees who served during the year were:

Trustees	Appointed/Resigned/Retired
Elizabeth Wilson (chair)	
Mark Bolton	Resigned October 2020
Christopher Daws	
John Glenton (Riverside Care and Support nominee)	
Trevor Morris	
Sally Nicholson (Riverside Care and Support nominee)	
Anne Parker CBE (Riverside Care and Support nominee)	
Philip Raw	Resigned December 2020
Rev Grace Thomas	
Elizabeth Toher	

No trustee had any beneficial interest in any contract with Church Homeless Trust during the year.

Brief biographical details of each of the trustees currently serving are given below:

**Elizabeth Wilson** leads Liz Wilson Consultancy: a coaching and leadership development organisation whose aim is to build purposeful leaders and outstanding teams in organisations who want to make a difference. She also works with young people, helping them build resilience and achieve strong positive mental health and has been a school governor and Prince's Trust mentor. She is also on the Board of Mae and Mitchell, a not for profit organisation providing bespoke social care in the community.

**Christopher Daws** is a chartered accountant and a member of the Chartered Institute of Taxation and the Association of Corporate Treasurers. He was the Financial and Deputy Secretary of the Church Commissioners for England until his retirement at the end of 2006. He has been a trustee of Action for Children, Chairman of the Action for Children Pension Fund, a member of the Board for Actuarial Standards and the independent member of the audit committee of the Charity Commission. He is a trustee of The Share Foundation and Friends of Malmesbury Abbey.

**John Glenton** is the Executive Director of Care and Support at The Riverside Group. John shares a long history with Church Homeless Trust as his career working within the homeless sector began in 1987 with Church Housing Association. He has held various front line and management roles over the years covering business development, strategy, and operations. John is currently the chair of the National Housing Federation Homelessness Steering Group, the group aims to bring housing associations together to share best practice and lobby the Government to help end homelessness.

**Trevor Morris** is a former Area Manager at Riverside Care and Support who retired in May 2018. Prior to working at Riverside he served in the Armed Forces. Trevor is passionate about helping homeless veterans with their housing needs. While at Riverside he co-founded the Single Persons Accommodation Centre for the Ex Services (SPACES). Trevor became central in the development of a further five services for homeless veterans across the country and, at the time of his retirement, these services had helped 16,000 veterans.

**Sally Nicholson** Head of Operations Riverside, Sally has worked in care and supported housing services for 25 years, having extensive experience of managing a range of varied services and working with a diverse range of customers. Sally also has a specialism around developing Extra Care housing, and is the Nominated lead for Care Quality Commission for the Riverside Group.

**Anne Parker CBE** was Director of Social Services for Berkshire before becoming the independent case examiner for the Child Support Agency. After chairing the National Care Standards Commission, she renewed her interest in social housing by joining the board of Riverside Care and Support, during which she saw the value of the work of Church Homeless Trust. Anne joined our board when she retired from the Riverside Care and Support board.

**Rev'd Grace Thomas** is the Assistant Curate at two churches in Manchester. Prior to ordination Grace worked as a family support worker, a youth and children's coordinator and as a nurse. Her interests centre around care for creation - which includes care for self and wellbeing, care for our neighbour through justice, belonging and inclusion, and care for our planet.

**Elizabeth Toher** is a Senior Programme Manager and Director with Toher Associates, and has worked across a number of organisations including The Cooperative Bank, Lloyds Banking Group and KPMG. She is experienced in the development and deployment of business information systems, especially in the finance industry.

## Statement of trustees' responsibilities

The trustees (who are also directors of Church Homeless Trust for the purposes of company law) are responsible for preparing the trustees' report and 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 charitable company and of the income and expenditure of the charitable company for that period. 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 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 United Kingdom and Republic of Ireland (FRS 102);
- 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 charitable company will continue in business.

The trustees are responsible for keeping proper 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. They are 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.

So far as each of the trustees is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

## Structure and management reporting

The overall responsibility for the charity lies with the trustees who have delegated the day to day management of the charity to the executive director. The trustees meet four times a year to review progress, discuss policy issues and agree strategy. The chair meets with the executive director every week to discuss strategic and operational matters.

A group of trustees undertakes an annual appraisal of the executive director, and sets targets for the coming year; the remuneration committee consisting of three trustees sets the pay for all members of staff.

## Key management personnel

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the executive director of the charity. The remuneration of the executive director is agreed annually by the trustees and is benchmarked against the sector.

## Management

The Executive Director, Miriam Morris, is also company secretary. Miriam is supported by a Communications Officer, Trust Fundraiser, Trust Administrator, Supporter Relations Manager and part-time Financial Accountant. We also benefit enormously from the support given by our volunteers.

Church Homeless Trust is an equal opportunities employer and applies objective criteria to assess merit. We employ the people we consider to be best for the job regardless of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation and disability.

## Fundraising and data protection policies

Church Homeless Trust takes great care over its communications with supporters, making sure that the frequency and tone of our communications do not put pressure on supporters, but at the same time keep them informed and engaged. We ensure that supporters can change the way we communicate with them at any time.

We are registered with the Fundraising Regulator and adhere to the Code of Fundraising Practice. We manage our own fundraising activities and do not employ the services of any third-party 'professional fundraisers'.

We have processes for responding to complaints regarding our fundraising activities. Over the past year we have received no complaints about our fundraising activities.

We apply best practice to protect supporters' data We never sell data or swap data with other organisations. We regularly monitor and update our data protection policy to ensure that we are compliant with regulations.



CHT Ambassador Lee Bailey with his daughter, baking for a World Homeless Week fundraiser.

## Financial Review

### Results for the year

Total income (including from investments and accrued legacies) for the year amounted to £930,764 which is nearly double the amount raised in the previous year (2020 £467,830).

Unrestricted income increased from £341,719 in 2020 to £791,064. This is largely due to legacy income of £389,330 which is more than twenty-five times the amount raised in the previous year, which was a particular poor one for legacy income (2020 £13,125). Included within the legacy figure is accrued legacy income of £316,000.

Non-legacy income also increased. Unrestricted donations rose by nearly 25% from £316,277 in 2020 to £390,812 in 2021. And restricted income was £139,700 an increase of 11% on the previous year when £126,111 was raised.

Total expenditure for the year amounted to £597,331 (2020 £568,021). During the year, we spent £505,447 on charitable activities (2020 £465,311) and £91,884 on raising funds (2020 £102,710).

In response to demand we increased our grant giving by 34% (£307,471 in 2021 compared to £229,353 in 2020). In spite of this increased expenditure the exceptional level of legacy income meant that we finished the year with a surplus before other gains and losses on unrestricted funds of £380,072 (In 2020 we had a deficit of £83,195 on unrestricted funds).

### Reserves policy and financial position

The trustees believe that the charity is a going concern, due to our level of reserves and the continuing and increasing generosity of our supporters.

On 31 March 2021 we held £184,467 of restricted reserves (2020 £228,360). These reserves are restricted in that they arise from specific bequests and grants which have not yet been expended. The trustees will disburse such funds in accordance with the conditions of the bequest or grant.

We also hold unrestricted reserves of £682,922 (2020 £287,379) for disbursement to meet our charitable aims.

The value of the defined pension scheme liability at 31 March 2021 was £152,000 (2020 £92,000). This liability for our share of the deficit does not fall due immediately, and the expectation is that it will be met annually from income earned. Therefore, the pension provision is regarded as part of our free reserves, which exclude the net book value of tangible assets and stand at a total of £676,387 (2020 £283,939).

The trustees revised the charity's reserves policy in 2016 from a target level of six months' general fund expenditure, excluding grants, to eight months'. This is to make some provision against future pension deficit contributions.

Our unrestricted reserves exceed eight months' expenditure of £273,995 (2020 £283,276). We are committed to spending the excess on grants and we will spread this extra funding over a few years. We have budgeted to double the amount of unrestricted reserves we spend on grants in the coming year.

### Investment performance

Our aim is to maximise the total return (capital appreciation and income combined) within an acceptable level of risk while ensuring that the projected needs for cash can be met. We invest in ethical funds which are in keeping with the values of Church Homeless Trust. We do not put our restricted funds into investments where the capital is at risk.

During the year, the charity's investments performed in line with the world stock markets, achieving an income yield of 2.7% (2020 3.8%) and a capital appreciation of 17.4% (2020 depreciation of 1.1%). At the end of the year, the charity's investments comprised 100% UK common investment funds.

# The impact of our grants



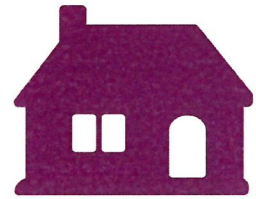
## COVID support

During the pandemic we provided face-masks, food, electronic devices, TVs, drawing materials, etc. for homeless people who were self-isolating.



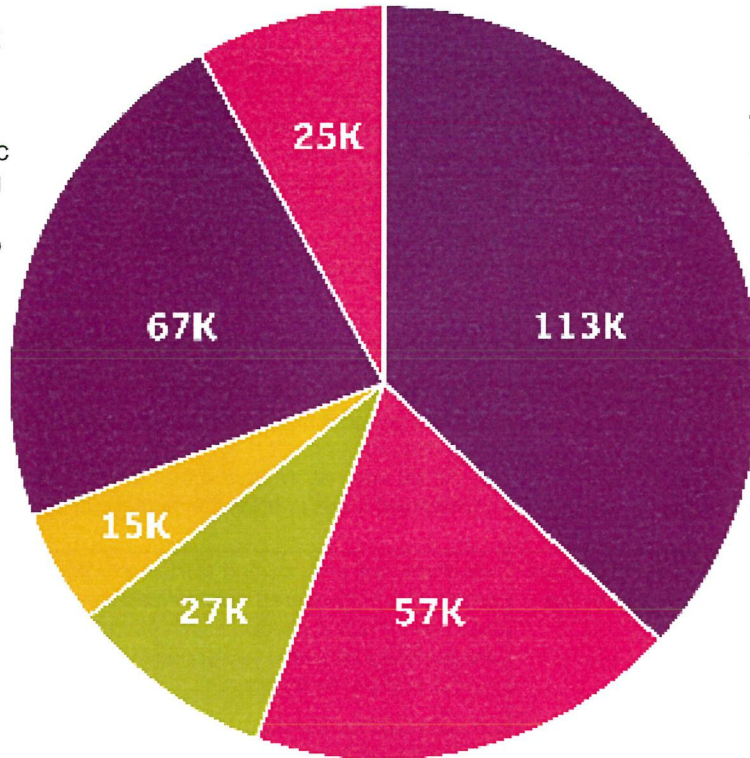
## Christmas Gifts

3,192 homeless individuals received a Christmas meal and gift.



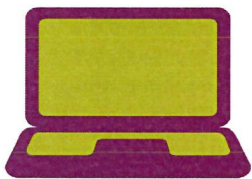
## Resettlement

753 homeless people were helped to move into their own home.



## Personal Support

1,140 homeless people received grants for training, travel, clothing, identity papers, toiletries etc.



## Digital Inclusion

We bought 250 devices to enable homeless people to get online.



## Therapeutic Activities

More than 1,300 hours of arts, gardening and cooking.

Thanks to the generosity of our supporters, this year we were able to give more grants than ever before - 34% more than the previous year. And we are budgeting another 30% increase in grant giving next year.

We have an online application process and we award funding on a weekly basis, meaning that we can respond quickly to people's urgent needs.

## Risk management

Church Homeless Trust has a comprehensive register of risks and mitigating actions, which we review at each board meeting.

The main risk facing us, as with most organisations, is the pandemic. COVID has affected the physical and mental health of our team, our colleagues in other organisations, and the homeless people we help. It will also influence the social and economic context in which we will operate for many years to come.

Below is an abbreviated version of our risk matrix, outlining the mitigating actions we have taken. The trustees have assessed the major risks to which the charity is exposed, and believe that they have established effective systems to mitigate those risks.

Risks	Mitigating actions
A sudden and irreversible drop in our income due to the health, social and economic effects of the pandemic.	We ran a very successful COVID emergency fundraising campaign for individuals, trusts and companies, which has increased our income. We continued, and expanded our events fundraising on line. We increased our communications with our regular supporters and major donors during lockdown, to keep them up to date with our work. We have increased our social media presence and relaunched our website. As a consequence we have seen an increase in our income over the past year.
An increase in demand from people who become homeless in the wake of the lockdown.	We are working closely with partners to ensure that our funding is being used in the most effective ways. We have secured new funding from trusts and companies to meet this extra demand. As our income has increased we have released more of our unrestricted funds to meet the increase in demand.
The health and wellbeing of our staff team and trustees is adversely affected by the pandemic	We made preparations and started remote working before lockdown began. We have offered mental health and IT support to staff, and the executive director checks in with each team member every week. We are gradually returning to working in the office, and will continue with hybrid working arrangements.
The productivity of our staff team and trustees is reduced through remote working	We have continued to process grant applications every week, so there has been no delay in funding. We have purchased new cloudbased software to help us share documents and process invoices. The team has regular on-line meetings.
An interruption in the services provided by our partners	We have been working closely with partners who have increased the services they are providing and we have funded the particular support which is needed at this difficult time.
The decline in church attendance, and the consequent reduction in income and engagement	We are moving our engagement with churches online, and reaching individuals rather than congregations.

Trustees report signed for and on behalf of the trustees:



Liz Willson  
Chair of Trustees  
22 September 2021

# Independent auditor's report to the members of Church Homeless Trust

## Opinion

We have audited the financial statements of Church Homeless Trust (the 'charitable company') for the year ended 31 March 2021, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of 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.

## 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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 Charity'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 and Financial Statements, 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 work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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

In the light of the 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures in respect to the remuneration of Trustees specified by law are not made; or
- we have not received all the information and explanations we require for our audit

## Trustees' responsibilities

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006) and those that relate to the Code of Fundraising Practice issued by the Fundraising Regulator.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed substantive testing of expenditure including the authorisation thereof;
- tested journal entries to identify unusual transactions; and
- assessed whether the judgements and the assumptions made in determining accounting estimates for the valuation of the defined benefit pension scheme deficit reduction plan liability, the useful economic lives of tangible fixed assets and the estimations of future income and expenditure flows were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from

financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

## Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, or the opinions we have formed.

Buzzacott LLP

Amanda Francis (Senior Statutory Auditor)

1 October 2021

For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

# Statement of financial activities Year to 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income from:</b>							
Donations, grants and legacies	1	780,142	139,700	919,842	329,402	126,111	455,513
Investment income and interest receivable	2	10,922	—	10,922	12,317	—	12,317
<b>Total income</b>		<b>791,064</b>	<b>139,700</b>	<b>930,764</b>	<b>341,719</b>	<b>126,111</b>	<b>467,830</b>
<b>Expenditure on:</b>							
Raising funds	3	91,884	—	91,884	102,710	—	102,710
Charitable activities							
Assisting homeless people and those in housing need	4	319,108	186,339	505,447	322,204	143,107	465,311
<b>Total expenditure</b>		<b>410,992</b>	<b>186,339</b>	<b>597,331</b>	<b>424,914</b>	<b>143,107</b>	<b>568,021</b>
<b>Net income (expenditure) before investment gains (losses) and transfers</b>							
		<b>380,072</b>	<b>(46,639)</b>	<b>333,433</b>	<b>(83,195)</b>	<b>(16,996)</b>	<b>(100,191)</b>
Net gains (losses) on investment assets	12	50,217	—	50,217	(3,585)	—	(3,585)
<b>Net income (expenditure) before transfers</b>							
		<b>430,289</b>	<b>(46,639)</b>	<b>383,650</b>	<b>(86,780)</b>	<b>(16,996)</b>	<b>(103,776)</b>
Gross transfers between funds	16	(2,746)	2,746	—	—	—	—
<b>Net income (expenditure)</b>							
	7	<b>427,543</b>	<b>(43,893)</b>	<b>383,650</b>	<b>(86,780)</b>	<b>(16,996)</b>	<b>(103,776)</b>
<b>Other recognised (losses) gains</b>							
Actuarial (losses) gains	20	(92,000)	—	(92,000)	135,000	—	135,000
<b>Net movement in funds</b>							
	18	<b>335,543</b>	<b>(43,893)</b>	<b>291,650</b>	<b>48,220</b>	<b>(16,996)</b>	<b>31,224</b>
<b>Reconciliation of funds:</b>							
Funds brought forward at 1 April 2020		195,379	228,360	423,739	147,159	245,356	392,515
Funds carried forward at 31 March 2021	19	530,922	184,467	715,389	195,379	228,360	423,739

## Continuing activities

All the charity's activities derived from continuing operations during the above two financial periods.

# Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	11		6,535		3,440
Investments	12		338,612		238,395
			<u>345,147</u>		<u>241,835</u>
<b>Current assets</b>					
Debtors	13	350,590		53,395	
Short term deposits		55,500		5,500	
Cash at bank and in hand					
. Interest bearing accounts		91,858		155,134	
. Other accounts and cash		58,518		95,527	
		<u>556,466</u>		<u>309,556</u>	
<b>Creditors: amounts falling due within one year</b>	14	<b>(34,224)</b>		<b>(35,652)</b>	
<b>Net current assets</b>			<u>522,242</u>		<u>273,904</u>
<b>Total assets less current liabilities</b>			<u>867,389</u>		<u>515,739</u>
<b>Provision for liabilities</b>	15/20		<b>(152,000)</b>		<b>(92,000)</b>
<b>Total net assets</b>			<u>715,389</u>		<u>423,739</u>
<b>Funds and reserves</b>					
<b>Income funds</b>					
Restricted funds	16		184,467		228,360
Unrestricted funds					
. General fund		682,922		287,379	
. Pension reserve fund	20	(152,000)		(92,000)	
			<u>530,922</u>		<u>195,379</u>
			<u>715,389</u>		<u>423,739</u>

Approved by the trustees of Church Homeless Trust, company registration number 02453957 (England and Wales), and signed on their behalf by:



Elizabeth Wilson  
Chair of the board of trustees  
22 September 2021

## Statement of cash flows Year to 31 March 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(4,199)	(97,323)
<b>Cash flows from investing activities:</b>			
Investment income and interest received		10,922	12,317
Proceeds from the sale of listed investments		—	84,000
Purchase of listed investments		(50,000)	—
Purchase of tangible fixed assets		(7,008)	(2,180)
<b>Net cash (used in) provided by investing activities</b>		<b>(46,086)</b>	<b>94,137</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(50,285)</b>	<b>(3,186)</b>
<b>Cash and cash equivalents at 1 April 2020</b>	B	<b>256,161</b>	<b>259,347</b>
<b>Cash and cash equivalents at 31 March 2021</b>	B	<b>205,876</b>	<b>256,161</b>

### Notes to the statement of cash flows for the year to 31 March 2021

#### Reconciliation of net movement in funds to net cash used in operating activities

	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>291,650</b>	<b>31,224</b>
<b>Adjustments for:</b>		
Depreciation charge	3,913	2,234
(Gains) losses on investments	(50,217)	3,585
Investment income and interest receivable	(10,922)	(12,317)
(Increase) decrease in debtors	(297,195)	55,229
Decrease in creditors	(1,428)	(15,278)
(Increase) decrease in pension provision	60,000	(162,000)
<b>Net cash used in operating activities</b>	<b>(4,199)</b>	<b>(97,323)</b>

#### Analysis of changes in net debt

	2020 £	Cash flow £	2021 £
Short term deposits (less than three months)	5,500	50,000	<b>55,500</b>
Cash at bank and in hand:			
Interest bearing accounts	155,134	(63,276)	<b>91,858</b>
Other accounts and cash	95,527	(37,009)	<b>58,518</b>
<b>Total cash and cash equivalents</b>	<b>256,161</b>	<b>(50,285)</b>	<b>205,876</b>

# Principal accounting policies 31 March 2021

**The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.**

## **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2021 with comparative information provided for the year to 31 March 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes which follow.

The financial statements have been 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard 102 (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

## **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- determining whether legacy income should be accrued for based on the probability of receipt;
- determining the basis for allocating support costs;
- estimating the liability for multi-year grant commitments;
- estimating the useful economic life of tangible fixed assets;
- the underlying assumptions used in the actuarial valuation of the pension scheme; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

## **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements. Since the end of the financial year 2021 the charity has received two substantial unrestricted donations, and has sufficient unrestricted reserves. The trustees therefore believe that the charity is a going concern.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. In reaching this opinion they have assumed that the future pension commitments referred to in note 20 to these financial statements and for which there is a provision on the balance sheet as at 31 March 2021 will be met out of future income as contributions become payable. The most significant areas of judgement that affect items in the financial statements are detailed above.

With regard to the next accounting period, the year ending 31 March 2022, the most significant areas that affect the carrying value of the assets held by the charity remain the impact of the pandemic on economic conditions, the charity's ability to attract donations and grants and its level of investment return (please see the investment policy section of the trustees' report for more information).

## Income recognition

Income comprises donations and grants, legacies, investment income and interest receivable. In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income is recognised when the charity has become entitled to the income, it is probable that the income will be received and the amount can be measured reliably.

Entitlement to legacies is recognised when the charity has sufficient evidence that a gift has been left to it and the executor is satisfied that the gift will not be required to satisfy claims on the estate

Where legacies have been notified to the charity or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

In the event that a gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

## Expenditure recognition

Expenditure comprises the following:

- a) Raising funds includes the salaries, direct costs and overheads associated with generating voluntary income.
- b) Charitable activities comprises expenditure on the charity's primary charitable purposes, including grants payable.

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Grants payable are recognised when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and satisfied all related conditions. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not recognised but are disclosed as financial commitments in the notes to the financial statements.

All expenditure is stated inclusive of VAT.

## Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, provision of office services and equipment and a suitable working environment.

Governance costs are the costs associated with the governance of the charity and its assets.

Support costs and governance costs are allocated as described in note 5.

## Tangible fixed assets

All computers costing more than £500 and all other assets costing more than £1,000 with an expected life exceeding one year are capitalised. Other assets include office equipment and website development cost.

Tangible fixed assets are stated at cost less depreciation.

All assets are depreciated at 25% on the straight line basis in order to write off each asset over its estimated useful life.

## Fixed asset investments

Listed investments and units in common investment funds are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above, one of the financial risks faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Gains and losses on investment assets are calculated as the difference between disposal proceeds or the fair value at the year end and their opening carrying value or purchase value if acquired during the financial year. Investment gains (or losses) are credited (or debited) in the statement of financial activities in the year in which they arise .

## Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They are discounted to the present value of the future cash receipt where such discounting is material.

## Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Deposits for more than three months but less than one year are disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

## Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They are discounted to the present value of the future cash payment where such discounting is material.

## Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The pension reserve fund represents the amount set aside to represent the charity's share of the Social Housing Pension Scheme's deficit as calculated by the scheme actuary.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

## Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

## Pension costs

The charity contributes to a defined benefit pension scheme which is funded by contributions from the employer and the employee. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expense category within the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

# Notes to the financial statements 31 March 2021

## 1. Donations, grants and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Legacies	389,330	—	389,330	13,125	—	13,125
Other donations and grants	390,812	139,700	530,512	316,277	126,111	442,388
	<b>780,142</b>	<b>139,700</b>	<b>919,842</b>	<b>329,402</b>	<b>126,111</b>	<b>455,513</b>

## 2. Investment income and interest receivable

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from listed investments						
· UK listed investments	9,146	—	9,146	10,523	—	10,523
· Bank interest	1,776	—	1,776	1,794	—	1,794
	<b>10,922</b>	<b>—</b>	<b>10,922</b>	<b>12,317</b>	<b>—</b>	<b>12,317</b>

## 3. Raising funds

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Staff costs (note 8)	59,210	—	59,210	62,591	—	62,591
Advertising	17,461	—	17,461	21,762	—	21,762
Allocated support costs (note 5)	15,213	—	15,213	18,357	—	18,357
	<b>91,884</b>	<b>—</b>	<b>91,884</b>	<b>102,710</b>	<b>—</b>	<b>102,710</b>

## 4. Assisting homeless people and those in housing need

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Grants payable	121,132	186,339	307,471	86,246	143,107	229,353
Staff costs (note 8)	129,762	—	129,762	139,795	—	139,795
Publicity	17,032	—	17,032	34,547	—	34,547
Allocated support costs (note 5)	51,182	—	51,182	61,616	—	61,616
	<b>319,108</b>	<b>186,339</b>	<b>505,447</b>	<b>322,204</b>	<b>143,107</b>	<b>465,311</b>

## 5. Support costs

Support costs incurred during the year ended 31 March 2021 and the bases of their allocation were as follows:

	Raising funds £	Charitable activities £	Total £	Basis of allocation
Office costs	12,212	36,637	48,849	Pro rata by expenditure
Legal and professional fees	261	1,471	1,732	Pro rata by expenditure
Bank charges and finance costs	1,024	5,758	6,782	Pro rata by expenditure
Governance costs (note 6)	1,716	7,316	9,032	Pro rata by expenditure
	<b>15,213</b>	<b>51,182</b>	<b>66,395</b>	

Support costs incurred during the year ended 31 March 2020 and the bases of their allocation were as follows:

	Raising funds £	Charitable activities £	Total £	Basis of allocation
Office costs	13,875	41,625	55,500	Pro rata by expenditure
Legal and professional fees	394	1,831	2,225	Pro rata by expenditure
Bank charges and finance costs	1,880	8,746	10,626	Pro rata by expenditure
Governance costs (note 6)	2,208	9,414	11,622	Pro rata by expenditure
	<b>18,357</b>	<b>61,616</b>	<b>79,973</b>	

## 6. Governance costs

	Unrestricted funds £	Restricted funds £	Total 2021 £	Unrestricted funds £	Restricted funds £	Total 2020 £
Auditor's remuneration	9,032	—	9,032	8,930	—	8,930
Other professional costs	—	—	—	2,692	—	2,692
	<b>9,032</b>	<b>—</b>	<b>9,032</b>	<b>11,622</b>	<b>—</b>	<b>11,622</b>

## 7. Net income (expenditure)

This is stated after charging:

	2021 £	2020 £
Staff costs (note 8)	188,972	202,386
Auditor's remuneration: statutory audit services	9,032	8,930
Depreciation	3,913	2,234

## 8. Staff costs

	2021 £	2020 £
Wages and salaries	165,911	174,721
Social security costs	11,120	13,757
Other pension costs	11,941	13,613
	<b>188,972</b>	202,091
Other staffing costs	—	295
	<b>188,972</b>	202,386

Staff costs (including other related costs) by function were as follows:

	2021 £	2020 £
Raising funds	59,210	62,591
Charitable activities	129,762	139,795
	<b>188,972</b>	202,386

The average number of employees, analysed by function, was as follows:

	2021	2020
Raising funds	3	3
Charitable activities	3	3
	<b>6</b>	6

No employees were paid more than £60,000 during the year (including taxable benefits but excluding employer pension contributions).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the Executive Director of the charity. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £54,298 (2020 £55,307).

## 9. Trustees' remuneration

None of the trustees received any remuneration from the charity during the year (2020 none). No travelling and accommodation expenses were reimbursed to trustees during the year (2020 five trustees were reimbursed £2,407 for travel and accommodation expenses).

As of March 2021 three of the serving trustees were nominated by Riverside Care and Support, two of whom are employees of Riverside Care and Support.

## 10. Taxation

Church Homeless Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

## 11. Tangible fixed assets and website

	Computers and equipment	Fixtures and fittings	Website	Total
<b>Cost</b>	£	£	£	£
At 1 April 2020	5,177	4,764	5,400	15,341
Additions	1,008	-	6,000	7,008
At 31 March 2021	6,185	4,764	11,400	22,349
<b>Depreciation</b>				
At 1 April 2020	3,597	2,904	5,400	11,901
Charge for year	1,346	1,067	1,500	3,913
At 31 March 2021	4,943	3,971	6,900	15,814
<b>Net book values</b>				
At 31 March 2021	1,242	793	4,500	6,535
At 31 March 2020	<b>1,580</b>	<b>1,860</b>	-	<b>3,440</b>

## 12. Fixed asset investments

	Total £
<b>Listed investments</b>	
Market value at 1 April 2020	238,395
Additions during the year	50,000
Net gains for the year	50,217
Market value at 31 March 2021	<b>338,612</b>
Historical cost at 31 March 2021	<b>261,099</b>

At 31 March 2021 all investments comprised units in the COIF Charities Investment Fund.

## 13. Debtors

	2021 £	2020 £
Income tax recoverable	17,500	15,500
Prepayments and accrued income	14,598	35,774
Legacies receivable	316,000	—
Investment income receivable	2,492	2,121
	<b>350,590</b>	53,395

## 14. Creditors: amounts falling due within one year

	2021 £	2020 £
Expense and other creditors	21,503	23,256
Social security and other taxes	3,629	3,607
Accruals and grants in advance	9,092	8,789
	<b>34,224</b>	<b>35,652</b>

## 15. Provision for liabilities

	2021 £	2020 £
Provision for Social Housing Pension Scheme liabilities (note 21)	152,000	92,000

## 16. Restricted funds

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

	Balance at 31 March 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Support funds (note 17)	150,358	129,700	(150,013)	2,716	<b>132,761</b>
Queen Mary's Garden	2,561	10,000	(9,249)	—	<b>3,312</b>
Wakefield Marie House Garden	77	—	(710)	633	—
Catterick Veteran Artisan Bakery	24,908	—	(14,732)	—	<b>10,176</b>
Huddersfield Grow & Cook	1,620	—	—	—	<b>1,620</b>
London Street Buddies	10,000	—	—	—	<b>10,000</b>
Hull Terry Street Training Kitchen	1,000	—	—	—	<b>1,000</b>
Wakefield Marie House Garden	5,000	—	(1,600)	—	<b>3,400</b>
Veteran Scheme	28,328	—	(3,415)	(2,715)	<b>22,198</b>
Sittingbourne Beat Project	4,508	—	(6,620)	2,112	—
	<b>228,360</b>	<b>139,700</b>	<b>(186,339)</b>	<b>2,746</b>	<b>184,467</b>

The transfers between funds represent amounts transferred between related funds and transfers to unrestricted funds to reimburse expenditure charged to such funds.

The above restricted funds are funds held to support service users in specific schemes or regions across England.

## 17. Support funds

Support funds are used to enhance the lives of residents in over 100 supported housing schemes throughout England by providing 'added value' activities and equipment for which no other funding is available. The amounts payable during the year are shown in note 4 as grants payable.

## 18. Movements in funds

	Note	General fund £	Pension reserve fund £	Restricted funds £	Total £
Funds brought forward at 1 April 2020		287,379	(92,000)	228,360	423,739
Net income (expenditure) per statement of financial activities		432,543	(5,000)	(43,893)	383,650
Defined benefit scheme deficit contribution paid	20	(37,000)	37,000	—	—
Actuarial gains (losses)	20	—	(92,000)	—	(92,000)
Funds carried forward at 31 March 2021		<b>682,922</b>	<b>(152,000)</b>	<b>184,467</b>	<b>715,389</b>

## 19. Analysis of net assets between funds

	General fund £	Pension reserve fund £	Restricted funds £	Total 2021 £
Tangible fixed assets	6,535	—	—	<b>6,535</b>
Investments	338,612	—	—	<b>338,612</b>
Net current assets	337,775	—	184,467	<b>522,242</b>
Provision for liabilities	—	(152,000)	—	<b>(152,000)</b>
Total net assets	<b>682,922</b>	<b>(152,000)</b>	<b>184,467</b>	<b>715,389</b>

## 20. Pension commitments

### Social Housing Pension Scheme: Background and information about the Scheme

Until 31 March 2013, the charity participated in the Defined Benefits Section of the Social Housing Pension Scheme (the Scheme). Church Homeless Trust ceased to have any active members of the defined benefit scheme on 31 March 2013.

The Scheme is a multi-employer Scheme which provides benefits to some 400 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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, sets 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 charity 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.

## Present values of defined benefit obligation, fair value of assets and defined benefit assets (liability)

	31 March 2021 £'000	31 March 2020 £'000
Fair value of plan assets	1,035	948
Present value of defined benefit obligation	(1,187)	(1,040)
Deficit in plan	(152)	(92)
Defined benefit liability to be recognised	(152)	(92)

In 2020, sufficient information became available to allow the actuary to the Social Housing Pension Scheme (the Scheme) to calculate the share of the Scheme's deficit applicable to each of the participating employers.

## Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Defined benefit obligation at start of period	1,040	1,192
Expenses	3	3
Interest expense	25	26
Actuarial gains due to scheme experience	(7)	(14)
Actuarial losses (gains) due to changes in demographic assumptions	6	(13)
Actuarial losses (gains) due to changes in financial assumptions	174	(102)
Benefits paid and expenses	(54)	(52)
Defined benefit obligation at end of period	1,187	1,040

## Reconciliation of opening and closing balances of the fair value of plan assets

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Fair value of plan assets at start of period	948	938
Interest income	23	20
Experience on plan assets (excluding amounts included in interest income) - gains	81	6
Contribution by the employer	37	36
Benefits paid and expenses	(54)	(52)
Fair value of plan assets at end of period	1,035	948

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £104,000 (2020 £26,000).

## Defined benefit costs recognised in the statement of financial activities:

### Included in expenditure on charitable activities

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Expenses	3	3
Net interest expense	2	6
Defined benefit costs recognised in statement of financial activities	5	9

### Included in other recognised (losses) gains

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Experience on plan assets (excluding amounts included in net interest costs) - gain	81	6
Experience gains and losses arising on the plan liabilities - gain	7	14
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(6)	13
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(174)	102
Total actuarial gains and losses - net gain (loss)	(92)	135

### Defined benefit deficit recovery plan

Under the recovery plan, effective from 1 April 2019, the deficit contributions that are required from Church Homeless Trust are £33,410 a year until September 2026.

These payments will increase annually by 2% from 1 April 2020 and on each 1 April thereafter.

### Estimated debt on withdrawal from the defined benefit scheme

As a result of pension scheme legislation, there is a potential debt (section 75 liability) on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

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

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

Church Homeless Trust has been notified by the Pensions Trust of its estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2020. As of this date the estimated employer debt or Section 75 liability for Church Homeless Trust was £744,365 (30 September 2019 - £803,215).

## Assets

The charity's share of assets held within the Scheme at 31 March 2021 is as follows:

	<b>31 March 2021 £'000</b>	31 March 2020 £'000
Global Equity	165	139
Alternative Asset Classes	601	490
Liabilities Driven Investment	263	315
Net Current Assets	6	4
<b>Total assets</b>	<b>1,035</b>	<b>948</b>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

## Key Assumptions

	<b>31 March 2021 % per annum</b>	31 March 2020 % per annum
Discount Rate	2.00%	2.44
Inflation (RPI)	3.36%	2.74
Inflation (CPI)	2.80%	1.74
Salary Growth	3.80%	2.74
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted imply the following life expectancies:

	<b>March 2021 Life expectancy at age 65 (Years)in</b>	March 2020 Life expectancy at age 65 (Years) in
Male retiring in 2021	21.6	21.5
Female retiring in 2021	23.5	23.3
Male retiring in 2041	23.5	22.9
Female retiring in 2041	25.1	24.5

## 21. Related parties

Riverside Care and Support has the right to nominate up to one third of the trustees of Church Homeless Trust.

During the year Church Homeless Trust awarded grants to homeless individuals referred by Riverside Care and Support, making payments which in aggregate amounted to £284,834 (2020 £211,461). These monies were for the direct benefit of homeless individuals providing funds for purposes for which there is no government funding available.

Total donations from trustees were £1,090 (2020 £1,800). There are no other related party transactions requiring disclosure in 2021 (2020 none).

## 22. Members' liability

The charity is constituted as a company limited by guarantee. In the event of the company being wound up, company members are required to contribute an amount not exceeding £1.

## 23. Operating leases

At 31 March 2021 the charity had the following future minimum commitments under non-cancellable operating leases in respect of:

	Office equipment	Office equipment
	2021	2020
	£	£
Operating lease payments due:		
Within one year	1,439	2,202
Between two and five years	—	1,439
	<b>1,439</b>	<b>3,641</b>

## We are very grateful for the support we have received from the following organisations:

3i Group  
Abbot - Midlands  
Aldershot Church of England Services Trust  
Annie Tranmer Charitable Trust  
Armed Forces Covenant Fund Trust  
Beatrice Laing Trust  
Bedhampton Charitable Trust  
Benham Charitable Settlement  
Bennett Family Grantmaking Charity  
Bernays Charitable Trust  
BGL Group  
Borrows Charitable Trust  
Bramble Charitable Trust  
Bridgewater Charitable Trust  
Charles & Elsie Sykes Trust  
Chrimes Family Charitable Trust  
City & Metropolitan Welfare Charity  
D M Charitable Trust  
Deo Gratias Charitable Trust  
Duchy of Lancaster Benevolent Fund  
(Manchester)  
Eleanor Rathbone Charitable Trust  
Essex Trust  
Evan Cornish Foundation  
F P Finn Charitable Trust  
Fulmer Charitable Trust  
Ganzoni Charitable Trust  
Guildford Poyle Charities  
Hamilton Wallace Trust  
Henry Oldfield Trust  
Hull Aid in Sickness Trust  
Hull and East Riding Charitable Trust  
Hyde Park Place Estate Charity  
Jack Brunton Charitable Trust  
John James Bristol Foundation  
John Lewis Partnership - Victoria  
Joseph & Annie Cattle Trust  
Lalonde Trust  
Mills & Reeve Charitable Trust  
Minos Trust  
Mollie Croysdale Charitable Trust  
Nathaniel Reyner Trust Fund  
Ogilvie Charities  
Proven Family Trust  
R G Hills Charitable Trust  
RBM Quayle Charitable Trust  
Sabina Sutherland Charitable Trust  
Sir George Martin Trust  
Sir James and Lady Scott Trust  
Sir James Reckitt Charity  
Sir James Roll Charitable Trust  
Strand Parishes Trust  
The Ashley Family Foundation

 **THE ARMED FORCES  
COVENANT FUND TRUST**

  
**VETERANS FOUNDATION**