

Charity Registration No. 1027832

Company Registration No. 2708334 (England and Wales)

**WORTHING CHURCHES HOMELESS PROJECTS
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012**

WORTHING CHURCHES HOMELESS PROJECTS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P Delamere (Chair) T Wolstenholme (Vice Chair) Fr J Eldridge C Fletcher (Appointed 6 September 2011) J Harker M Hodson A Ledger A Maggs B McCurdie (Resigned 24 May 2011) N O'Dwyer L Rockall S Roff J Saunders M Webber
Chief Executive	C Lucey
Secretary	P Delamere
Charity number	1027832
Company number	2708334
Registered office & principal address	13 Grafton Road Worthing West Sussex BN11 1QP
Auditors	Russell New Limited The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
Bankers	HSBC Worthing 16 Goring Road Worthing West Sussex BN12 4AW

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WORTHING CHURCHES HOMELESS PROJECTS

TRUSTEES' REPORT

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees of Worthing Churches Homeless Projects (WCHP), who are also directors of the charity for the purposes of the Companies Act 2006, are delighted to present their annual report and the audited financial statements for the year ended 31st March 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities". The number of Trustees on the Board is currently twelve, but can rise to fifteen. Trustees must be Members paying £1 membership fee annually. In addition there are six non-Trustee members; who are long term supporters of the organisation.

The trustees run the charity and meet bi-monthly, with additional meetings as needed. Trustees are selected to reflect the community and on the basis of personal competences and specialist skills as required by WCHP subject to local availability. Trustees must be elected by at least 75% of the Members to serve for a three year term. They can then stand again for an unlimited number of times until they reach the age of eighty years old. They must attend meetings regularly and be part of the decision making process at Board meetings. They are expected to undertake voluntary tasks suited to their skills in support of the Board or the staff. Trustees should comply with the National Operating Standards for Trustees and undertake training as required. Trustees all receive a copy of 'Governance' magazine six times a year to keep up-to-date with relevant charity sector issues.

Staff, volunteers, clients or members, according to their particular skills and the skills gaps on the Board of Trustees, may identify potential Trustees. Prior to co-option or election all potential trustees are required to attend a meeting with the Chair of Trustees or their representative, undertake basic volunteer induction, obtain enhanced disclosure records from the Criminal Records Bureau and attend a Board Meeting as an Observer.

New Trustees are provided with induction and training programmes appropriate to their experience and knowledge of WCHP and to their expected role. Training is made available to all serving Trustees. The Trustees have appointed: Internal Audit, Finance, Property and Local Fund-Raising sub-committees of the board, on which trustees sit with other co-opted individuals with relevant skills. These sub-committees operate under specific terms of reference and they report back at the Trustees' meetings.

The Chair of Trustees meets at least monthly for supervision purposes with the Chief Executive.

OBJECTIVES AND ACTIVITIES

The objects of WCHP are the relief of poverty by the provision of emergency and other accommodation, advice and assistance for persons who are deemed homeless and/or in need of such accommodation, advice or assistance.

WCHP continually reassesses its current strategy, whilst the vision and mission driving and guiding the organisation remain constant.

Vision - Our vision for the Worthing area is a community where no local person needs to sleep out and everyone has the opportunity to fulfil their potential.

Mission - WCHP was founded by Christians joining together to help homeless people in Worthing. It continues to be based on Christian values. WCHP works with the whole community to provide for homeless people:

- a non judgmental approach;
- an environment where everyone is known and valued as an individual;
- practical help and emotional support;

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- opportunities and challenges that enable homeless people to take responsibility and fulfil their potential.

Public benefit statement

Our object is the relief of poverty through the provision of accommodation and advice to those who find themselves homeless or at risk of homelessness.

Although we are a charity with a strong Christian background and ethos we provide our services to any adult member of the general public regardless of whether they have a personal faith in any religion or denomination or have none. The services are provided in the Worthing and surrounding areas in West Sussex. This geographical area is limited by some of our current funding streams and the work being done by similar charities in neighbouring districts.

Historically we only accommodate single homeless people but we do offer advice and support to couples and families as and when required. The opportunity to provide accommodation for couples and families is kept under review by the Trustees.

Worthing Churches Homeless Projects asks for no membership or other fees from individuals in order to benefit from our assistance.

Reserves policy and risk management

The trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. The trustees will continue to review the financial affairs of the charity with the aim to increase income, cut costs and to improve overall control of its operations. The trustees consider that the present level of funding will be adequate to support the continuation of the charity and for it to fulfil its obligations.

The trustees have established a policy whereby the net current assets less any restricted or designated funds, 'working capital reserves,' held by the charity should be between 3 to 6 months of core running costs. Budgeted running costs for 2012/13 is £1,532k and therefore the target is £383k - £766k. At 31st March 2012 the actual working capital reserves figure was £ 325k which equates to 2.55 months running costs. The trustees consider this to be satisfactory at the present time but will work to improve the position over the next twelve months to at least 3 months running costs.

The Trustees review the financial status of the charity to identify any risk to that status on a monthly basis. In addition, they have a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and the likelihood of occurrence and identifying means of mitigating risks. As part of this process, the Trustees review the adequacy of the charity's internal controls. Risk assessments are carried out before fundraising events as a matter of course. The Property Committee or relevant skilled professionals assess property risks. New contingency procedures have been drawn up in the event of a major emergency e.g. fire or flood happening in one of our projects. The Finance Committee review the financial risk register at every meeting.

Cash reserves are split between several business bonds covered under the UK government compensation scheme with no more than £85,000 being invested in any one bank, to minimise the risk to the charity in the event of a bank going bankrupt. Also a working cash balance for day to day use is held with HSBC.

Property valuation

The Trustees valued the freehold land and buildings as at 31st March 2012 and considered the open market value to be £3,800,000 (Book value £2,637,900). This is made up as Short Term Assessment Hostel £625,000, Stepping Stones Project £575,000, Recovery Project £795,000, St Clare's Day Centre £310,000 and the Congregational Houses £1,495,000. This valuation was

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provided by a Trustee who is a registered estate agent in Worthing. The charity does not have a policy of revaluing freehold land and buildings, therefore the open market value is not reflected in these accounts.

Project Summary

The Short Term Assessment Hostel

The Short Term Assessment Hostel (opened 1993) is located at Rupert Bacon House. It has 14 beds and provides clients with a place of safety, security and an opportunity to take stock of their situation. The initial length of residency is 28 days which can be extended to two further stays of 28 days. No one is allowed on-site under the influence of drugs and there is a unit limit (in line with Government recommendations) on alcohol. All meals are provided and an assigned staff member works with each client to help them set and achieve realistic goals towards the return to an independent life. During the year 2011-12, 84 men and 20 women stayed at the Short Term Assessment Hostel accounting for a total of 104 residencies (including 61 new residencies). 58 residents left the Short Term Assessment Hostel: 21 went on to the Stepping Stones Project; 11 moved out to other accommodation; and the remainder left for unknown destinations. 19 clients (31% of all leaving) had their residencies terminated due to a breach of contractual terms and conditions.

The Stepping Stones Project

The Stepping Stones Project (opened 1998) is located at Cornerstone House. It accommodates up to 14 people at a time. Residencies can last up to 9 months and are reviewed on a three month basis, depending upon each client's individual needs. Clients with appropriate further needs are referred to the Project from The Short Term Assessment Hostel and the Recovery Project. As is the case across WCHP, clients work with staff members in the setting and fulfilment of individual support plans to achieve their goals. In 2011-12, 13 residents left the Stepping Stones Project: 10 moved out to independent accommodation; 3 moved out to other accommodation types including the Move On Project accounting for a total of 100% planned moves. The average length of stay was 142 days.

St Clare's Day Centre

The Community Link Team is a multi disciplinary team that works out of St Clare's Day Centre (opened 2002). The Team provides information, assistance and specialist support services according to the range of challenges facing the local homeless and insecurely housed population including resettlement, mental health and substance misuse. The Team works with individuals across WCHP and in the wider community (including on the street, in private accommodation and in social housing). The St Clare's Day Centre provides morning drop-in services and hot and cold breakfasts seven days a week. People having cooked meals and using the laundry facilities are invited to make a small financial contribution. Hot showers and new and second-hand clothes are freely available. A Needle Exchange is also on site. Counselling, chiropody, haircuts, benefit advice, access to medical services, general advice and information and signposting are provided as part of an integrated approach to working in partnership with key local stakeholders. The centre is strongly supported by the volunteering community. Waiting lists for two of WCHP's hostels are kept at St Clare's. A programme of afternoon activities is delivered including First Aid training for clients, general life skills, board games and art & crafts. Groupwork involving music, acupuncture and hearing voices is also on offer.

The Outreach Project Worker also runs a drop in Café every Monday afternoon in a local hall for clients who have moved into independent accommodation to provide a networking opportunity.

During an average year the Team engages with approximately 430 individuals which includes all those who visit St Clare's, the clients of the Outreach Project Worker and also some of those in our residential projects. In the fiscal year of 2011/12 there were 229 new registrations at the Centre and it was accessed 7,523 times. Primary needs continued to be around accommodation, physical and mental health, social exclusion and social capital.

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The Recovery Project

The Recovery Project opened 2006 and is located at Delaney House. It provides residential treatment for clients with current issues with alcohol and/or drug misuse. Referrals are made through WCHP's Community Link Team. Would-be residents must demonstrate a commitment to their individual recoveries to maximise their chances of building fulfilling and independent lives through the completion of mutually agreed support plans. Once clients move into the Recovery Project, they continue to receive structured and specialist support through their key worker and additional 24 hour a day staff support. Individual and group work is delivered by the staff team to assist residents in building positive coping strategies and other life skills based on residents' strengths and development areas. Residents are supported through the process of accessing drug and/or alcohol related treatment as well as opportunities such as cultural activities, physical exercise, training, volunteering and employment in the wider community.

The project provides 17 bed spaces for those in early recovery and 6 bed spaces in the second stage part of the project where residence are more stable in their recovery.

During 2011/12 the Recovery Project helped 57 people, 46 men and 11 women.

The project has received renewed funding in 2012/13 from West Sussex DAAT (Drug and Alcohol Action Team) with a slight uplift over the previous year to £104,000 which provides a contribution towards the costs of registering with the Care Quality Commission and additional reporting requirements required from the National Drug Treatment Agency.

Move On project

This property is leased on a peppercorn rent from St Andrew's Church, Clifton Road, Worthing. A maximum of 5 clients occupy a house in individual rooms with shared kitchen and bathrooms. A far lower level of support is offered to clients compared to the Short Term Assessment Hostel and the Stepping Stones project. The Move on Project continues to maintain a good rate of occupancy, with current occupants making use of the extra flexibility to overcome personal challenges by rehearsing skills in a more realistic setting. The superb physical environment adds value in terms of feeding back into an individual's self-esteem and responsibility for their surroundings. The one bedroom flat has been refurbished and occupied since August 2011.

Service User Involvement

Service User involvement is a priority focus in WCHP's strategy. WCHP works with Service Users in the continuous improvement of existing and development of future services including policies and recruitment.

Congregational Houses

These houses transferred in March 2009 from Worthing & Goring Congregational Housing Societies (a non profit making housing trust) set up in 1960 to provide accommodation for working spinsters at the time of their retirement. There are five properties (four in Worthing and one in Goring) totalling 21 flatlets especially for use by vulnerable people. Each tenant has an assured short hold tenancy agreement. Three properties in Grafton Road are overseen by a part time Warden who carries out cleaning of the public ways and offers low level assistance to tenants. Occupancy levels remain very high and no support is provided for these tenants.

ACHIEVEMENTS AND PERFORMANCE

Fundraising and Publicity

As in previous years, we have secured regular publicity for events, appeals and newsworthy articles. We have issued three newsletters and a Christmas Catalogue, each used as a vehicle to communicate the work we do and the help given to clients. During the year 71 talks were delivered

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to schools, groups and organizations, outlining ways people become homeless, the effects this has on the people concerned, promoting our work and the need for the local community to support us. Worthing Churches Homeless Projects rely heavily on the support of local people in many ways including financially, volunteering and by donation of items. Without their continued support we would be unable to continue to provide the service to the current level.

We were very pleased that despite the economic climate we saw an increase in the amount for individual donations and community income. It has continued to be a struggle to secure support for many of our Fundraising Activities.

The Harvest Appeal was a huge success following the theme of a jigsaw using the items we receive to rebuild lives. Over 24,000 items were received, which was a little down on the previous year, but the estimation of the value of the goods remained similar at just over £25,000.

There were 59 Trust / Statutory Fundraising applications submitted. Of which 13 were successful.

Our first ever Charity Shop in Central Worthing returned a healthy profit in the second year of trading. We were very pleased to open our Bike Recycling and Charity Shop in Strand Parade in Worthing. So far we have trained 12 people in bike repair and maintenance. The clients really enjoy having something meaningful to fill their days. Many bikes have been donated and we are building a very good reputation at the shop. Regular donations are being received, despite initial concerns the second shop has in fact increased the number of donations we receive. To help with collections and deliveries a van was purchased and currently goes out three times a week manned by volunteers. We have also rented a storage unit which is packed with donations of bikes and furniture awaiting transfer to our shops.

The PR & Fundraising Team continue to seek new and inventive ways in which to reach out to the local community. We undertake many networking opportunities with local businesses and contacts. At the forefront of our work is the necessity to secure the funding to enable Worthing Churches Homeless Projects to continue to provide our services, at the same time enabling us to develop them to better suit the needs of our clients.

Human Resources

The main priorities this year have been the completion of a grading structure following the evaluation of all jobs, a review of WCHP's salaries taking account of the outcome of the job evaluation and market rates of pay and the communication to individual staff of the outcome of the evaluation of the job they occupy and the decision on pay. Although the number of staff was just over 50, the number of jobs that required evaluating was proportionally high.

Although the whole job evaluation and pay review process was lengthy WCHP recognised the complexity of the task undertaken by the job evaluation panel and was keen to ensure that appropriate time was allowed and the risk of appeals was reduced to a minimum. The job evaluation scheme is now firmly in place and procedures have been set out for the job evaluation panel to re-evaluate existing posts and to evaluate new posts in line with the scheme's guidelines.

A decision was taken, as a result of the job evaluation exercise, to restructure the organisation in relation to Bank Workers. Additionally, building on the job evaluation work that had already been carried out, a decision was taken to review how staff salaries may progress in the future bearing in mind WCHP's priority that any adjustments should remain affordable whatever the future economic climate holds for WCHP and that any new system should be open and transparent and reflective of WCHP's culture.

Staff were invited to put themselves forward to join staff consultative committees on either the role of the Bank Worker and/or cash and non cash benefits. A good level of response was received and

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staff have now been appointed to these Committees. These Committees are due to commence their work in August 2012.

Whilst the job evaluation and pay review exercises occupied a large amount of time the recruitment of new staff to fill new vacancies created by the opening of a new bike repair and charity retail shop proceeded which enabled the shop to open fully staffed in September 2011.

Other restructuring also took place which resulted in the creation of a new Senior Project Worker post in the Short Term Assessment Hostel and Stepping Stones Project whilst extra temporary resources were recruited for the Public Relations and Fundraising Department to assist with volunteer administration work that was brought about through the opening of a new bike repair and retail charity shop and the need for new volunteers to be recruited for the shop.

Whilst the traditional sources of recruitment advertising continue to be used WCHP has sought to additionally recruit via social media and thereby keep its costs to a minimum where possible.

The end of the Default Retirement Age and the introduction of the Agency Worker Regulations has meant there was a need to consider WCHP's position in the light of these changes in legislation, make decisions and communicate them and ensure that arrangements were put in place to support the decisions.

Volunteers

Volunteers continue to do a crucial role in the work we do at Worthing Churches Homeless Projects. In the past year, 47 new volunteers were recruited (75% up on previous year): 46 general volunteers and 1 Trustee. Recently we have advertised some specific roles; applications are currently being processed to fill these.

Over the year volunteers contributed 9,118 (15% up on previous year) hours to the charity across all of our projects which we calculate (average of £7.00 per hour) give us a monetary value of £63,826. The roles they fulfilled included food preparation, cooking, cleaning, gardening, food collection, hairdressing, office help, shop assistant and much more!

We receive food donations from
Sainsbury's - one day a week
Wrights, Warwick Street - four days a week

In addition to our harvest collections, shops and individuals donate food during the year giving us a total value of food donated as £36,304.

Financial Review

Total incoming resources for the year were £1,361,773 (2011 £1,225,734) with expenditure of £1,422,093 (2011 £1,266,912). Overall, there was a deficit for the year of £60,320 (2011 deficit £41,178). Unrestricted funds were £2,681,919 (2011 £2,745,492) and restricted funds were £8,255 (2011 £4,002).

The increase in income of £136,039 from the previous year is mainly due to the opening of our second charity shop/bike workshop in September 2011 and a full year's Big Lottery funding for the St Clare's Day Centre. Apart from these two items our statutory and voluntary income largely stayed the same. Again we appreciated the financial support of the West Sussex Supporting People team, the West Sussex Drug and Alcohol Team and the Big Lottery Fund. We were also greatly blessed to receive monies from various charitable trusts including the Henry Smith charitable trust, Comic Relief, J Paul Getty charitable trust, the Joseph Rank Trust and the Garfield Weston charitable trust; without which our range of support and projects could not continue to flourish.

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The increase in expenditure of £155,181 was due in part to the job evaluation exercise, the refurbishment and running costs of the new charity shop as well as the new Lock Up/Storage Unit used for the collection and distribution of donated goods and bikes to our shops. Included in our capital expenditure is £9.5k for the Fundraising Transit Van.

During the year our employment costs increased by £96,107, mainly because our headcount increased by 4 full time equivalent staff. This included staff for the new shop, a new Senior Project Worker and an increase in fundraising administration in order to increase our voluntary income in the future.

The net deficit for the year of £60,320 includes £46,914 of depreciation (non cash item) and when this is taken out of the equation WCHP actually showed a cash deficit of £13,406.

Corporate Social Responsibility

The environmental project representatives, known as the 'Green Team' have continued to build on the successes of the previous year by increasing the amount of schemes initiated to save our carbon footprint. A rainwater harvester was installed in January 2012 at the Recovery Project, free of charge as a trial site via our contact at Southern Water and will potentially save the water usage on two washing machines and two toilets (approx £500 p.a.). New double glazed windows were fitted at 13 Grafton Road and loft insulation was installed at the Recovery Project. Photocopying paper continues to be recycled paper and our printer cartridges are refilled rather than bought new. The highlight of the year though was taking a group of clients out to see some Eco-houses in Brighton and learning more about how to incorporate environmentally friendly ideas into your home. We continue to search for funding to make our projects demonstrate even greater savings through new boilers, push button taps and intelligent radiator thermostats.

For the first time this year our management accounts separated out those costs that would improve our buildings in an Eco- friendly way, under the heading of 'Eco-improvements'. For 2011/12 this demonstrated that we had spent £7k on items such as cavity wall insulation, loft insulation and replacement double glazing in our projects to reduce our carbon footprint and therefore our on-going bills.

Plans for the future

As planned we opened our second charity shop which has not only met but exceeded targets. This initiative is particularly satisfying as it is also the hub of our bike social enterprise scheme. Clients have gained knowledge and skills through training in bike maintenance; this in turn has made a positive impact on self esteem and sense of achievement.

In line with our expectation we also identified a local lockup to support our retail and social enterprise interest. This central storage facility is a key resource in the passage of donated goods which is further enabled through the use of our van. The van has proved to be essential from a practical point of view as well as enhancing our public image by displaying our WCHP signage.

Based on the success of the staff consultative committee, formed as part of the job evaluation exercise, two further staff consultative committees are due to be launched. Investment in our staff is paramount to harness the wealth of experience, therefore, a staff consultative committee will consider the way staff salaries or incentives may progress in the future. A further committee will focus on bank workers; as indicated through the recent job evaluation exercise there is a need to review all aspects of this significant resource.

There is a fundamental need for WCHP to adopt a self financing approach to funding. Having established a successful second charity shop the spotlight for the next year is firmly fixed on retail development, coupled with nurturing our Clients through other social enterprise opportunities.

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The ongoing challenge to secure funding is no less evident despite being so familiar. Nevertheless, we continue to maintain a consistent service for our Clients who are our primary consideration.

We delight in being tools for God's work, using our God given gifts for the good of His work. We look ahead in the knowledge of God's love and pray for His blessing on the work of our Projects during the coming year.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.



On behalf of the board of trustees

P Delamere (Chair)

Trustee

Date: 3 July 2012

WORTHING CHURCHES HOMELESS PROJECTS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of Worthing Churches Homeless Projects for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts 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 accounts, 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; and
- prepare the accounts 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 accounts 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.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WORTHING CHURCHES HOMELESS PROJECTS

We have audited the accounts of Worthing Churches Homeless Projects for the year ended 31 March 2012 set out on pages 12 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Worthing Churches Homeless Projects for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF WORTHING CHURCHES HOMELESS PROJECTS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Cummins

Mr Mark Cummins FCCA (Senior Statutory Auditor)

for and on behalf of Russell New Limited

Statutory Auditors

The Courtyard

Shoreham Road

Upper Beeding

Steyning

West Sussex

BN44 3TN

Dated: *3 July 2012*

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming resources						
Incoming resources from generated funds						
Donations and legacies	2	193,832	-	249,329	443,161	362,146
Charity shop income		89,264	-	-	89,264	55,454
Bank interest		7,577	-	-	7,577	8,591
		290,673	-	249,329	540,002	426,191
Incoming resources from charitable activities	3	721,771	-	100,000	821,771	799,543
Total incoming resources		1,012,444	-	349,329	1,361,773	1,225,734
Resources expended						
Costs of generating funds						
Costs of generating donations and legacies		116,763	-	-	116,763	77,893
Charity shop expenditure		107,524	-	-	107,524	43,795
		224,287	-	-	224,287	121,688
Charitable activities						
Short term assessment hostel		243,428	-	14	243,442	248,312
Stepping stones		195,684	-	-	195,684	186,717
St Clare's day centre		75,790	-	185,500	261,290	226,097
Recovery project		206,913	-	149,312	356,225	342,773
Move-on project		27,139	1,000	-	28,139	27,266
Service User Involvement		-	-	10,250	10,250	12,139
Congregational Houses		96,493	-	-	96,493	96,371
Total charitable expenditure		845,447	1,000	345,076	1,191,523	1,139,675
Governance costs		6,283	-	-	6,283	5,549
Total resources expended		1,076,017	1,000	345,076	1,422,093	1,266,912
Net (expenditure)/income for the year/ Net movement in funds		(63,573)	(1,000)	4,253	(60,320)	(41,178)
Fund balances at 1 April 2011		2,745,492	1,720	4,002	2,751,214	2,792,392
Fund balances at 31 March 2012		2,681,919	720	8,255	2,690,894	2,751,214

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

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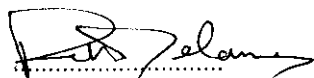
BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	8		2,645,096		2,682,416
Current assets					
Debtors	9	60,567		64,851	
Cash at bank and in hand		371,962		475,195	
		<u>432,529</u>		<u>540,046</u>	
Creditors: amounts falling due within one year	10	<u>(99,035)</u>		<u>(164,682)</u>	
Net current assets			<u>333,494</u>		<u>375,364</u>
Total assets less current liabilities			<u>2,978,590</u>		<u>3,057,780</u>
Creditors: amounts falling due after more than one year	11		<u>(287,696)</u>		<u>(306,566)</u>
Net assets			<u><u>2,690,894</u></u>		<u><u>2,751,214</u></u>
Income funds					
Restricted funds	13		8,255		4,002
Unrestricted funds:					
Designated funds	14		720		1,720
Other charitable funds			2,681,919		2,745,492
			<u>2,690,894</u>		<u>2,751,214</u>

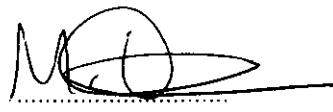
These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standards for Smaller Entities (effective April 2008).

The accounts were approved by the Board on 3 July 2012



P Delamere (Chair)

Trustee



M Hodson

Trustee

Company Registration No. 2708334

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Financial Reporting Standards for Smaller Entities (effective April 2008) and the Companies Act 2006.

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy and there is certainty over receipt of the income. Legacies are recognised when entitlement, measurement and certainty of receipt can be satisfied.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax in relation to investment income is recognised at the time the investment income is receivable.

Cash donations are accounted for on a received basis, and are grossed up for any income tax recoverable. An estimate of the value of food donated, which is collected by a charity from local supermarkets, is made and included in the financial statements.

1.3 Resources expended

Resources expended are analysed as follows:

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support the activities of the charity.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned based on estimated usage as a proportion of directly attributable expenditure. Expenditure is provided for when a legal or constructive obligation exists.

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting Policies

(continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. The charity has a policy of only capitalising assets with a value in excess of £500. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land with a cost of £683,696 (2011: £683,696) is not depreciated	
Freehold buildings	2% Straight line
Motor vehicles	25% straight line

1.5 Pensions

The charity runs a defined contribution scheme. A charge is made against expenditure for the amounts payable to the scheme in respect of the accounting period.

1.6 Voluntary Work

All the trustees donate their time spent running the charity on a voluntary basis and do not receive any remuneration for their work. The charity also relies on volunteers to assist with its activities.

1.7 Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are funds which have been earmarked by the trustees for future capital projects the aim and use of each fund is set out in the notes to the financial statements.

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Donations and gifts	139,329	500	139,829	163,717
Legacies receivable	20,228	-	20,228	18,817
Grants receivable for core activities	34,275	248,829	283,104	179,612
	<u>193,832</u>	<u>249,329</u>	<u>443,161</u>	<u>362,146</u>
Donations and gifts				
Unrestricted funds:				
Donations			111,386	99,514
Gift Aid			8,639	8,539
Events			19,304	48,997
			<u>139,329</u>	<u>157,050</u>
Restricted funds:				
Church Urban Fund			-	6,667
Donations			500	-
			<u>500</u>	<u>6,667</u>
Grants receivable for core activities				
Unrestricted funds:				
Fisherbeck Charitable Trust			30,000	30,000
Other Grants			4,275	340
			<u>34,275</u>	<u>30,340</u>
Restricted funds:				
The Henry Smith Charity			25,775	19,050
Comic Relief			10,250	12,195
The Big Lottery Fund			160,073	82,028
J Paul Getty Jnr Charitable Trust			22,731	22,731
The Joseph Rank Trust			10,000	10,000
Garfield Weston Project			10,000	-
Bridging Fund			10,000	-
Other grants			-	3,268
			<u>248,829</u>	<u>149,272</u>

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

3 Incoming resources from charitable activities

	Activity	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Housing Benefit	STAH	73,417	-	73,417	78,359
Supporting People		127,020	-	127,020	130,887
Client and other rents		15,714	-	15,714	17,630
Other income		2,880	-	2,880	2,807
Total Short Term Assessment hostel (STAH)		219,031	-	219,031	229,683
Housing Benefit	Stepping stones project	60,871	-	60,871	55,193
Supporting People		50,808	-	50,808	55,882
Client and other rents		14,125	-	14,125	9,652
Other income		-	-	-	2,858
Total Stepping stones project (SSP)		125,804	-	125,804	123,585
Breakfasts	St Clare's day centre	6,122	-	6,122	7,143
Grants		8,807	-	8,807	7,786
Other income		13,570	-	13,570	15,843
Total St Clare's day centre (SCDC)		28,499	-	28,499	30,772
Housing Benefit	Recovery project	188,041	-	188,041	165,416
Client and other rents		23,863	-	23,863	18,300
Grants		-	100,000	100,000	100,000
Other income		3,131	-	3,131	3,530
Total Recovery project (RP)		215,035	100,000	315,035	287,246
Housing Benefit	Move-on project	23,721	-	23,721	21,137
Supporting People		9,073	-	9,073	8,615
Client and other rents		3,918	-	3,918	2,900
Other income		-	-	-	6
Total Move-on project (MOP)		36,712	-	36,712	32,658
Housing Benefit	Congregational Houses	38,920	-	38,920	30,920
Client and other rents		54,219	-	54,219	60,119
Other income		3,551	-	3,551	4,560
Total Congregational Houses		96,690	-	96,690	95,599
Total incoming resources from charitable activities		721,771	100,000	821,771	799,543

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

4 Total resources expended

	Staff costs	Depreciation	Other costs	Total 2012	Total 2011
	£	£	£	£	£
Costs of generating funds					
Costs of generating donations and legacies	79,772	2,398	34,593	116,763	77,893
Charity shop expenditure	43,677	-	63,847	107,524	43,795
Total	123,449	2,398	98,440	224,287	121,688
Charitable activities					
<u>Short term assessment hostel</u>					
Activities undertaken directly	148,993	2,310	33,541	184,844	194,730
Support costs	47,416	60	11,122	58,598	53,582
Total	196,409	2,370	44,663	243,442	248,312
<u>Stepping stones</u>					
Activities undertaken directly	47,048	5,112	105,878	158,038	157,715
Support costs	28,449	300	8,897	37,646	29,002
Total	75,497	5,412	114,775	195,684	186,717
<u>St Clare's day centre</u>					
Activities undertaken directly	169,509	3,559	37,878	210,946	187,427
Support costs	37,933	400	12,011	50,344	38,670
Total	207,442	3,959	49,889	261,290	226,097
<u>Recovery project</u>					
Activities undertaken directly	285,491	9,960	4,577	300,028	290,569
Support costs	51,209	540	4,448	56,197	52,204
Total	336,700	10,500	9,025	356,225	342,773
<u>Move-on project</u>					
Activities undertaken directly	5,931	-	15,183	21,114	21,465
Support costs	5,690	-	1,335	7,025	5,801
Total	11,621	-	16,518	28,139	27,266
<u>Service User Involvement</u>					
Activities undertaken directly	10,250	-	-	10,250	12,139
Total	10,250	-	-	10,250	12,139
<u>Congregational Houses</u>					
Activities undertaken directly	10,838	22,075	37,741	70,654	77,037
Support costs	18,966	200	6,673	25,839	19,334
Total	29,804	22,275	44,414	96,493	96,371
Total charitable activities	867,723	44,516	279,284	1,191,523	1,139,675
Governance costs	-	-	6,283	6,283	5,549
Total resources expended	991,172	46,914	384,007	1,422,093	1,266,912

Governance costs include amounts due to the auditors of £5,700 (2011: £5,400) for audit fees.

5 Support costs

Within other support costs in note 4 is £44,486 (2011: £54,534) of overhead costs that have been allocated across the charitable activities.

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

6 Trustees

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

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2012 Number	2011 Number
Full time equivalent	<u>39</u>	<u>35</u>

Employment costs

	2012 £	2011 £
Wages and salaries	904,998	816,427
National Insurance costs	78,594	71,771
Other pension costs	7,580	6,867
	<u>991,172</u>	<u>895,065</u>

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

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

8 Tangible fixed assets

	Land and buildings £	Motor vehicles £	Total £
Cost			
At 1 April 2011	2,909,511	-	2,909,511
Additions	-	9,594	9,594
At 31 March 2012	2,909,511	9,594	2,919,105
Depreciation			
At 1 April 2011	227,095	-	227,095
Charge for the year	44,516	2,398	46,914
At 31 March 2012	271,611	2,398	274,009
Net book value			
At 31 March 2012	2,637,900	7,196	2,645,096
At 31 March 2011	2,682,416	-	2,682,416

9 Debtors

	2012 £	2011 £
Trade debtors	33,537	31,346
Other debtors	2,435	-
Prepayments and accrued income	24,595	33,505
	60,567	64,851

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

10 Creditors: amounts falling due within one year	2012 £	2011 £
Bank loans	19,546	19,923
Trade creditors	9,797	15,353
Taxes and social security costs	19,537	19,789
Other creditors	4,610	2,205
Accruals	11,556	23,385
Deferred income	33,989	84,027
	<u>99,035</u>	<u>164,682</u>
11 Creditors: amounts falling due after more than one year	2012 £	2011 £
Bank loans	<u>287,696</u>	<u>306,566</u>
Analysis of loans		
Wholly repayable within five years	307,242	326,489
Included in current liabilities	(19,546)	(19,923)
	<u>287,696</u>	<u>306,566</u>
Loan maturity analysis		
Debt due in one year or less	19,547	19,923
In more than one year but not more than two years	19,889	20,222
In more than two years but not more than five years	61,779	62,504
In more than five years	206,027	223,840
	<u>307,242</u>	<u>326,489</u>

The bank loan is a commercial mortgage which is secured by way of a fixed legal charge dated 22 September 2006 over the freehold property known as Delaney House, 14-16 Selden Road, Worthing, West Sussex, BN11 2LL.

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

12 Pension and other post-retirement benefit commitments

Defined contribution

There were no contributions outstanding at the year end (2011: £nil).

	2012	2011
	£	£
Contributions payable by the company for the year	7,580	6,867

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

13 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 31 March 2012
	Balance at 1 April 2011	Incoming resources	Resources expended	
	£	£	£	£
Lady of Mercy Millennium Fund	1,806	-	(474)	1,332
Rotary Clubs - Emergency Fund	165	-	(14)	151
Client employment Fund	27	-	-	27
Client activities - St Clares	-	500	-	500
Service user involvement - Comic Relief	-	10,250	(10,250)	-
Henry Smith Charity	-	25,775	(25,775)	-
Garfield Weston	-	10,000	(10,000)	-
J Paul Getty Jnr Charitable Trust	-	22,731	(22,731)	-
Bridging fund	-	10,000	(4,103)	5,897
Joseph Rank	-	10,000	(10,000)	-
Nutrition in Recovery	2,004	-	(2,004)	-
The Big Lottery Fund - St Clare's	-	151,173	(151,173)	-
The Big Lottery Fund - Relapse Prevention	-	8,900	(8,552)	348
DAAT - Recovery Project	-	100,000	(100,000)	-
	<u>4,002</u>	<u>349,329</u>	<u>(345,076)</u>	<u>8,255</u>

The Lady of Mercy Millennium Fund - is to be used specifically for vulnerable women.

The Rotary Clubs Emergency Fund - is for the provision of urgent accommodation for clients.

The Client employment Fund - is for the provision of employment related costs for the client.

Client activities - Victoria Daly gave funds in order to fund client activities at St Clare's day centre.

Service user involvement - funding was received in 2011 from Comic Relief which was spent in the year.

Henry Smith Foundation - gave funding towards the salary of the substance misuse worker based at the St Clare's day centre.

Garfield Weston - was funding secured to fund recovery project activities.

J Paul Getty Jnr Charitable Trust - is specifically for the salary costs of the recovery project.

Bridging fund - are funds being carried forward

The Joseph Rank Trust - was funding received to support salaries and running costs of the Recovery Project.

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

13 Restricted funds (continued)

Nutrition in Recovery - is funding received to enable a healthy living programme to support clients.

Big Lottery Fund - funding has been received for the Reaching Communities project at St Clare's centre, and the Relapse Prevention project.

DAAT Recovery Project - funding was received from the Drug and Alcohol Advice Team and other donations to support the advice team at the recovery project.

14 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:

	Movement in funds			Balance at March 2012
	Balance at 1 April 2011	Incoming resources	Resources expended	
	£	£	£	£
Bond Scheme	1,720	-	(1,000)	720
	<u>1,720</u>	<u>-</u>	<u>(1,000)</u>	<u>720</u>

The WCHP trustees have designated funds to be used as a bond scheme for clients moving into their own rented accommodation.

15 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2012 are represented by:				
Tangible fixed assets	2,645,096	-	-	2,645,096
Current assets	423,554	720	8,255	432,529
Creditors: amounts falling due within one year	(99,035)	-	-	(99,035)
Creditors: amounts falling due after more than one year	(287,696)	-	-	(287,696)
	<u>2,681,919</u>	<u>720</u>	<u>8,255</u>	<u>2,690,894</u>

WORTHING CHURCHES HOMELESS PROJECTS

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

16 Commitments under operating leases

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2012	2011
	£	£
Expiry date:		
Between two and five years	<u>20,500</u>	<u>11,500</u>

17 Control

The charity is under the control of the Trustees.