

Charity number: SC000783
Company number: SC280866

Home-Start Lorn
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 March 2020

Home-Start Lorn
(A company limited by guarantee)

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Legal and administrative information

Charity number SC000783

Company registration number SC280866

Business address 15 Lochside Street
Oban
PA34 4HP

Registered office 15 Lochside Street
Oban
PA34 4HP

Trustees	Helen Jordan	
	Elizabeth Carson	
	Robert Clarke	
	Susan Hutcheson	
	Angela Rose	
	Fiona Campbell	
	Val Woodman	Resigned 30/07/19
	Sarah Palmer	Resigned 24/06/19
	Jeanette Morrison	Appointed 09/12/19
	Toril Franzen	Appointed 19/12/19
Mark Feinmann	Appointed 13/01/20	
Sarah Stanley-Wright	Appointed 31/01/20	
Jane MacIntyre	Appointed 10/02/20	

Secretary Helen Jordan

Independant Examiner Jacqueline Hoey
Simmers & Co
Albany Chambers
Albany Street
Oban
PA34 4AL

Bankers TSB Scotland
Airds Crescent
Oban

Home-Start Lorn **(A company limited by guarantee)**

Report of the trustees (incorporating the directors' report) for the year ended 31 March 2020

The trustees present their report and the financial statements for the year ended 31 March 2020. The trustees, who are also directors of Home-Start Lorn for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Legal & Administrative Status

The Organisation, incorporated on 1 March 2005, is a charitable company limited by Guarantee, with no share capital and registered as a Scottish Charity with H M Revenue & Customs. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Charity number SC000783 and Company number SC280866.

Organisational Structure

The company is managed by a board of directors whose members are elected and co-opted in accordance with the Articles of Association.

Volunteers

We are greatly indebted to all of the volunteers who give up their time to keep Homestart Lorn going and thank them for their continued commitment and support.

Risk Management

The board of directors has conducted its own review of the major risks to which the company is exposed, in particular, those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate those risks. The procedures are periodically reviewed to ensure that they still meet the needs of the company.

Objectives and activities

The principal objective of the charity is to provide voluntary support, friendship and practical help to families with pre-school children in their own homes.

Achievements and performance

Home-Start Lorn continues to support families in North Argyll and Mull. During the 12 months we have continued to support families despite two staff being on Maternity Leave for part of the period.

Much has changed since January with the main attention to work being focussed around the Covid 19 situation. Very quickly new thinking has been required for the staff, volunteers and families.

The onset of Lockdown meant that staff have been working from home, volunteers have been supporting families through remote working via phones and video links rather than home-visiting, and meetings have taken place, if not over the phone, then by the means of video technology. Although family support has been difficult, it has brought about opportunities to work in new and innovative ways. Recruitment and referrals numbers have not been good.

A new database - Charitylog - has been purchased to replace to MESH system, and after preparation, the new database goes live in July 2020.

During the year we have welcomed a number of new Trustees bringing a variety of skills and abilities to strengthen the Board and help navigate the direction and way forward.

Funding continues to be a priority. The Big Lottery funding has expired however we have secured major new funding from The Henry Smith Charity and Garfield Weston Foundation.

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Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2020

Financial review

Reserves

The unrestricted funds amount to £44,670. This represent the free reserves which are required for ongoing working capital and also the funding required for employers contractual obligations, including potential pension fund deficit. The £44,670 includes £30,000 received in October from The Garfield West Foundation towards running costs for 3 years from 1st October 2019 to 30th September 2022. This has been recognised, in full, during this year in line with Charity income recognition, set out in the Charities SORP (FRS 102).

Income for the year to 31 March 2020 was £91,917 (2019 - £62,349) and expenditure £68,296 (2019 - £73,827) resulting in a surplus of £23,621 (2019 - deficit £11,478). The total funds (unrestricted and restricted) at 31 March 2020 are £45,420 (2019 - £21,799).

The expiry of the Big Lottery funding during the year has meant that the costs of running the scheme on Mull are now being met from unrestricted funds.

Funding continues to be an annual challenge and we are continually researching and applying for new funding sources. In the year we also secured 3 year funding from October 2019 of £30,000 per annum from The Henry Smith Charity and are applying for other grants. To date we have received £1,000 from Home-Start UK and £4,000 from the Corra Foundation to help cover COVID-19 expenditure. We have also been awarded £15,000 from Argyll & Bute Council.

Statement of trustees' responsibilities

The trustees (who are also directors of Home-Start Lorn for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and 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 incoming resources and application of resources, including 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 the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

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Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2020

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board

Helen Jordan
Director

Robert Clarke
Director

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Independent examiner's report to the trustees on the unaudited financial statements of Home-Start Lorn.

I report on the accounts for the year ended 31 March 2020 set out on pages 2 to 15.

Respective responsibilities of trustees and independent examiner

The charity's trustees (who are also the directors of the company for purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to state, on the basis of my examination as required under section 44(1) (c) of the Act, whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on whether the accounts present a 'true and fair view'.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the trustees have not met the requirements to ensure that:
 - proper accounting records are kept in accordance with section 44(1)(a) of the 2005 Act and Regulations 4 of the 2006 regulations; and
 - accounts are prepared which agree with the accounting records, comply with the accounting records and comply with Regulation 8 of the 2006 regulations; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....

Jacqueline Hoey
Chartered Accountant
Independent examiner
Simmers & Co
Albany Chambers
Albany Street
Oban
PA34 4AL
29 June 2020

Home-Start Lorn
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Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
Income & endowments					
Donations and Legacies	2	80,065	9,919	89,984	60,494
Other trading activities	3	1,933	-	1,933	1,662
Other income	4	-	-	-	193
Total income		<u>81,998</u>	<u>9,919</u>	<u>91,917</u>	<u>62,349</u>
Expenditure					
Fundraising costs		101	-	101	142
Car Seats		-	-	-	665
Staff costs	6	35,036	16,591	51,627	53,242
Operating leases		4,350	1,055	5,405	5,325
Repairs & maintenance		273	-	273	526
Insurance		545	100	645	820
Motor and travelling expenses		-	5,320	5,320	5,165
Legal and professional fees		1,033	100	1,133	1,458
Communications and IT		1,027	50	1,077	1,118
Other office expenses		533	77	610	1,164
Amortisation and impairment		52	-	52	51
Advertising, literature, etc...		60	-	60	1,554
General expenses		277	450	727	1,133
Subscriptions		1,187	-	1,187	1,364
Bank charges		79	-	79	100
Total expenditure		<u>44,553</u>	<u>23,743</u>	<u>68,296</u>	<u>73,827</u>
Net income/(expenditure)		37,445	(13,824)	23,621	(11,478)
Transfers between funds		(3,624)	3,624	-	-
Net movement in funds		33,821	(10,200)	23,621	(11,478)
Reconciliation of funds:					
Total funds brought forward		<u>10,849</u>	<u>10,950</u>	<u>21,799</u>	<u>33,277</u>
Total funds carried forward		<u>44,670</u>	<u>750</u>	<u>45,420</u>	<u>21,799</u>

The notes on pages 9 to 15 form an integral part of these financial statements.

Home-Start Lorn
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Balance sheet
as at 31 March 2020

	Notes	£	2020	£	2019	£
Fixed assets						
Tangible assets	10		-			52
Current assets						
Debtors	11	4,239		-		
Cash at bank and in hand		42,456		23,393		
		<u>46,695</u>		<u>23,393</u>		
Creditors: amounts falling due within one year	12	(1,275)		(1,646)		
Net current assets			45,420			21,747
Net assets			<u>45,420</u>			<u>21,799</u>
Funds	13					
Restricted income funds			750			10,950
Unrestricted income funds			44,670			10,849
Total funds			<u>45,420</u>			<u>21,799</u>

The Balance Sheet continues on the following page.

The notes on pages 9 to 15 form an integral part of these financial statements.

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Balance sheet (continued)

**Trustees statements required by the Companies Act 2006
for the year ended 31 March 2020**

In approving these financial statements as trustees of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 March 2020.

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the FRS 102 "Financial Reporting Standard applicable in the UK and the Republic of Ireland".

The financial statements were approved by the board on 29 June 2020 and signed on its behalf by

Helen Jordan
Director

Robert Clarke
Director

The notes on pages 9 to 15 form an integral part of these financial statements.

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Notes to financial statements **for the year ended 31 March 2020**

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Homestart Lorn meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment - 33% straight line

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Notes to financial statements
for the year ended 31 March 2020

1.5. Leasing

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

1.6. Defined contribution pension schemes

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	2020 Total £
Donations	3,065	-	3,065
Argyll & Bute Council	20,000	-	20,000
Roberston Trust	12,000	-	12,000
Oban Common Good Fund	-	-	-
Big Lottery	-	5,419	5,419
Cattanach Trust	-	-	-
Gannochy Trust	-	-	-
Garfield Weston Trust	30,000	-	30,000
Corra grant	-	4,500	4,500
Henry Smith	15,000	-	15,000
	<u>80,065</u>	<u>9,919</u>	<u>89,984</u>
	Unrestricted funds £	Restricted funds £	2019 Total £
<i>Donations</i>	<i>1,955</i>	<i>20</i>	<i>1,975</i>
<i>Argyll & Bute Council</i>	<i>19,000</i>	<i>250</i>	<i>19,250</i>
<i>Oban Common Good Fund</i>	<i>-</i>	<i>200</i>	<i>200</i>
<i>Big Lottery</i>	<i>-</i>	<i>21,569</i>	<i>21,569</i>
<i>Cattanach Trust</i>	<i>7,500</i>	<i>-</i>	<i>7,500</i>
<i>Gannochy Trust</i>	<i>6,000</i>	<i>-</i>	<i>6,000</i>
<i>Corra grant</i>	<i>4,000</i>	<i>-</i>	<i>4,000</i>
	<u><i>38,455</i></u>	<u><i>22,039</i></u>	<u><i>60,494</i></u>

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Notes to financial statements
for the year ended 31 March 2020

3. Other trading activities

	Unrestricted funds £	2020 Total £	2019 Total £
Fundraising events	1,933	1,933	1,662
	<u>1,933</u>	<u>1,933</u>	<u>1,662</u>

All income from other trading activities was unrestricted in 2019.

4. Other incoming resources

	2020 Total £	2019 Total £
Other income	-	193
	<u>-</u>	<u>193</u>

All other income was unrestricted in 2019.

5. Net incoming/(outgoing) resources for the year

	2020 £	2019 £
Net incoming/(outgoing) resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	52	51
	<u>52</u>	<u>51</u>

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Notes to financial statements
for the year ended 31 March 2020

6. Employees

Employment costs	2020	2019
	£	£
Wages and salaries	47,791	50,201
Social security costs	317	293
Pension costs	3,092	2,669
Other costs	427	79
	<u>51,627</u>	<u>53,242</u>

No employee received emoluments of more than £60,000 (2019 : None).

Number of employees

The average monthly numbers of employees (including the trustees) during the year, calculated on head count, was as follows:

2020	2019
Number	Number
<u>4</u>	<u>4</u>

Trustees & Key Personnel

The total cost of remuneration and benefits paid to trustees and key management personnel was £29,556 (2019: £28,375).

7. Trustees' emoluments

The directors neither received nor waived any emoluments.

Travel expenses were paid to trustees during the year:

R Clarke £99 (2019: £33), H Jordan £14 (2019: £58) and S Palmer nil (2019:£253).

8. Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by The Pension Trust. The pension charge represents contributions due from the company and are detailed below:

	2020	2019
	£	£
Pension charge	<u>3,092</u>	<u>2,669</u>

9. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

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Notes to financial statements
for the year ended 31 March 2020

10. Tangible fixed assets	Fixtures, fittings and equipment	Total	
	£	£	
Cost			
At 1 April 2019 and At 31 March 2020	1,857	1,857	
Depreciation			
At 1 April 2019	1,805	1,805	
Charge for the year	52	52	
At 31 March 2020	1,857	1,857	
Net book values			
At 31 March 2020	-	-	
At 31 March 2019	52	52	
11. Debtors	2020	2019	
	£	£	
Other debtors	4,239	-	
12. Creditors: amounts falling due within one year	2020	2019	
	£	£	
Accruals and deferred income	1,275	1,646	
13. Analysis of net assets between funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 31 March 2020 as represented by:			
Current assets	45,945	750	46,695
Current liabilities	(1,275)	-	(1,275)
	44,670	750	45,420

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Notes to financial statements
for the year ended 31 March 2020

14. Unrestricted funds	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2020 £
General unrestricted funds	10,849	81,998	(44,553)	(3,624)	44,670
	<u>10,849</u>	<u>81,998</u>	<u>(44,553)</u>	<u>(3,624)</u>	<u>44,670</u>

15. Restricted funds	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2020 £
Big Lottery	10,200	5,419	(19,243)	3,624	-
Bumps to Bundles	750	-	-	-	750
Corra Foundation	-	4,500	(4,500)	-	-
	<u>10,950</u>	<u>9,919</u>	<u>(23,743)</u>	<u>3,624</u>	<u>750</u>

Purposes of restricted funds

Big Lottery

Funding from the Big Lottery is to develop a project on the Island of Mull including employment of a part-time coordinator. The funding was for 5 years and has now come to an end.

Bumps to Bundles

NHS Highland provided a grant in the previous financial year to help set this service up. The service is to provide assistance to pregnant mothers through to birth. There has been no activity on this project, to date, and it is hoped that we will provide this in the future.

Corra Foundation

The Corra Foundation provided a grant towards training and travel costs.

16. Contingent liabilities

Homestart Lorn uses The Pension Trust to provide pension facilities for one member of staff. There is a potential deficit in the fund, should the one member of staff leave the scheme. The latest figure available puts this potential deficit at £11,089. Payments to reduce this are ongoing.

17. Controlling interest

The company is controlled by its members.

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Notes to financial statements
for the year ended 31 March 2020

18. Company limited by guarantee

Home-Start Lorn is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.