

Homestart Lorn

**Trustees' Report & Financial Statements
For the year ended
31 March 2018**

Company Registration Number – SC280866

Charity Registration Number – SC000783

Homestart Lorn
(A company limited by guarantee)

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Homestart Lorn
(A company limited by guarantee)

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	David W T Hodge Elizabeth Carson Robert Clarke Susan Hutcheson Angela Rose Fiona Campbell Val Woodman Sarah Palmer
Secretary	D W T Hodge
Independent Examiner	Simmers & Co Albany Chambers Albany Street Oban PA34 4AL
Bankers	TSB Scotland Airds Crescent Oban

Homestart Lorn
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2018

The trustees present their report and the financial statements for the year ended 31 March 2018. The trustees, who are also directors of Homestart 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 HM 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

A difficult year for Homestart Lorn. A change in Co-ordinator for Mull and a change in Scheme Administrator as well as a change of office. Despite this it was again a successful year in many ways. Grant applications were successful and Fund Raising was an all time high thanks to the Kilt Walk and the Burns Supper. This resulted in a slight deficit for the year but did not erode reserves to any great extent. These reserves will be helpful since it seems likely that obtaining ongoing revenue grants will become more difficult and decisions will have to be made in relation to the Mull operation when the Big Lottery Funding finishes next year.

Despite the trials and tribulations of the year, Homestart Lorn continues to thrive thanks to the good organisation led by the Co-ordinator and Scheme Administrator.

Financial review

Reserves

The unrestricted funds represent the free reserves which are required for ongoing working capital and also the funding required for employees contractual obligations, including potential pension fund deficit.

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Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2018

Statement of trustees' responsibilities

The trustees (who are also directors of Homestart 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:

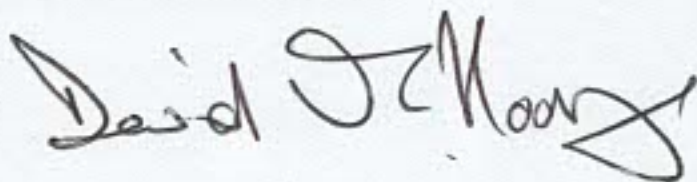
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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. 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.

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



David W T Hodge
Director



Robert Clarke
Director

11 June 2018

Homestart Lorn
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Independent examiner's report to the trustees on the unaudited financial statements of Homestart Lorn.

I report on the accounts for the year ended 31 March 2018 set out on pages 2 to 13.

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.

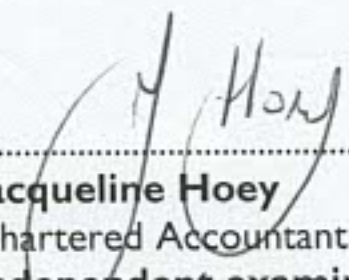
Basis of Independent examiner's statement

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 386 of the Companies Act 2006; and
 - Accounts are prepared which agree with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; 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

Homestart Lorn
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Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 March 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income & endowments					
Voluntary income	2	40,609	23,513	64,122	73,934
Activities for generating funds	3	6,077	-	6,077	1,424
Total income		<u>46,686</u>	<u>23,513</u>	<u>70,199</u>	<u>75,358</u>
Expenditure					
Fundraising expenses		1,310	-	1,310	320
Staff costs	5	33,343	19,742	53,085	56,130
Operating leases		3,720	510	4,230	4,053
Establishment costs		1,106	100	1,206	1,292
Motor and travelling expenses		2,990	2,200	5,190	5,763
Legal and professional fees		670	115	785	720
Communications and IT		495	343	838	685
Other office expenses		1,116	125	1,241	733
Amortisation and impairment		375	-	375	567
Advertising, literature, etc...		503	90	593	183
General expenses		1,170	241	1,411	848
Subscriptions		1,290	-	1,290	1,577
Total expenditure		<u>48,088</u>	<u>23,466</u>	<u>71,554</u>	<u>72,871</u>
Net income /(expenditure) before transfers		(1,402)	47	(1,355)	2,487
Transfers between funds		(967)	967	-	-
Net movement in funds		(2,369)	1,014	(1,355)	2,487
Reconciliation of funds:					
Total funds brought forward		25,325	9,307	34,632	32,145
Total funds carried forward		<u>22,956</u>	<u>10,321</u>	<u>33,277</u>	<u>34,632</u>

The notes on pages 8 to 13 form an integral part of these financial statements.

Homestart Lorn
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Balance sheet
as at 31 March 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		103		324
Current assets					
Debtors	10	1,222		-	
Cash at bank and in hand		32,508		35,192	
		<u>33,730</u>		<u>35,192</u>	
Creditors: amounts falling due within one year	11	(556)		(884)	
Net current assets			33,174		34,308
Net assets			<u>33,277</u>		<u>34,632</u>
Funds	12				
Restricted income funds			10,321		9,307
Unrestricted income funds			22,956		25,325
Total funds			<u>33,277</u>		<u>34,632</u>

The Balance Sheet continues on the following page.

The notes on pages 8 to 13 form an integral part of these financial statements.

Homestart Lorn
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Balance sheet (continued)

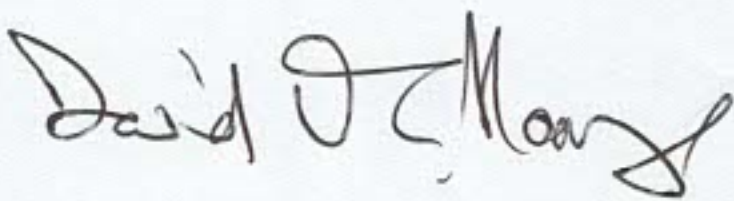
**Trustees statements required by the Companies Act 2006
for the year ended 31 March 2018**

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 2018.
- 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 applicable to companies subject to the small companies regime and in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The financial statements were approved by the board on 11 June 2018 and signed on its behalf by



David W T Hodge
Director



Robert Clarke
Director

The notes on pages 8 to 13 form an integral part of these financial statements.

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Notes to financial statements
for the year ended 31 March 2018

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.

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.

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Notes to financial statements
for the year ended 31 March 2018

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

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. Voluntary income

	Unrestricted funds £	Restricted Total £	2018 Total £
Donations	2,609	-	2,609
Argyll & Bute Council	20,000	-	20,000
Roberston Trust	12,000	-	12,000
NHS Highland	-	2,168	2,168
Big Lottery	-	21,145	21,145
Gannochy Trust	6,000	-	6,000
Homestart UK	-	200	200
	<u>40,609</u>	<u>23,513</u>	<u>64,122</u>

	Unrestricted funds £	Restricted funds £	2017 Total £
Donations	6,263	-	6,263
Argyll & Bute Council	20,000	-	20,000
Roberston Trust	12,000	-	12,000
LTSB Trust	3,000	-	3,000
MacQuarrie Trust	-	640	640
Big Lottery	-	20,731	20,731
Gannochy Trust	6,000	-	6,000
Garfield Weston Trust	5,000	-	5,000
Mull & Iona Community Trust	-	300	300
	<u>52,263</u>	<u>21,671</u>	<u>73,934</u>

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Notes to financial statements
for the year ended 31 March 2018

3. Activities for generating funds

	Unrestricted funds £	2018 Total £	2017 Total £
Fundraising events	6,077	6,077	1,424
	<u>6,077</u>	<u>6,077</u>	<u>1,424</u>

All income from generating funds was unrestricted in 2017.

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

	2018 £	2017 £
Net (outgoing)/incoming resources is stated after charging: Depreciation and other amounts written off tangible fixed assets	375	567
	<u>375</u>	<u>567</u>

5. Employees

Employment costs	2018 £	2017 £
Wages and salaries	48,170	52,304
Social security costs	536	861
Pension costs	2,725	1,609
Other costs	1,654	1,355
	<u>53,085</u>	<u>56,129</u>

No employee received emoluments of more than £60,000 (2017 : None).

Number of employees

The average monthly numbers of employees (excluding the trustees) during the year, calculated on the basis of full time equivalents, was as follows:

2018 Number	2017 Number
3	3
<u>3</u>	<u>3</u>

6. Trustees Remuneration

The directors neither received nor waived any emoluments.

Travel expenses were paid to trustees during the year:
S Palmer £685 (2017: £950) and R Clarke £339 (2017: £257)

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Notes to financial statements
for the year ended 31 March 2018

7. 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:

	2018	2017
	£	£
Pension charge	2,725	1,609
	<u> </u>	<u> </u>

8. 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.

9. Tangible fixed assets

	Fixtures, fittings and equipment	Total
	£	£
Cost		
At 1 April 2017	1,703	1,703
Additions	154	154
	<u>1,857</u>	<u>1,857</u>
At 31 March 2018		
Depreciation		
At 1 April 2017	1,379	1,379
Charge for the year	375	375
	<u>1,754</u>	<u>1,754</u>
At 31 March 2018		
Net book values		
At 31 March 2018	103	103
	<u>324</u>	<u>324</u>
At 31 March 2017		

10. Debtors

	2018	2017
	£	£
Other debtors	1,222	-
	<u> </u>	<u> </u>

11. Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals and deferred income	556	884
	<u> </u>	<u> </u>

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Notes to financial statements
for the year ended 31 March 2018

12. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2018 as represented by:			
Tangible fixed assets	103	-	103
Current assets	23,409	10,321	33,730
Current liabilities	(556)	-	(556)
	<u>22,956</u>	<u>10,321</u>	<u>33,277</u>

13. Unrestricted funds

	At 1 April 2017 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2018 £
General unrestricted funds	25,325	46,686	(48,088)	(967)	22,956

14. Restricted funds

	At 1 April 2017 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2018 £
Big Lottery	8,192	21,145	(20,252)	(154)	8,931
Bumps & Babies Group	475	-	(768)	293	-
Car Seats	640	-	-	-	640
Sleep Counselling	-	1,418	(2,240)	822	-
Bumps to Bundles	-	750	-	-	750
Big Hopes Big Futures (BHBF)	-	200	(206)	6	-
	<u>9,307</u>	<u>23,513</u>	<u>(23,466)</u>	<u>967</u>	<u>10,321</u>

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Notes to financial statements
for the year ended 31 March 2018

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 is for 5 years and this was year 4 of the project.

Bumps & Babies Group

Funding has been received from the Big Lottery, Mull & Iona Trust and NHS Highland to develop and run a Bumps & Babies Group in Mull. This continues but is now self-funded.

Car Seats

Funding has been received from the MacQuarrie Trust for the purchase of child car seats. These seats have been purchased since the year end.

Sleep Counselling

NHS Highland extended a grant to cover the training costs of the Co-ordinator based in Oban to allow an extension to the service. The initial training has been completed and the service is now being provided (self-funded).

Bumps to Bundles

NHS Highland provided a grant to help set this service up on Mull. The service is to provide assistance to pregnant mothers through to birth. Due to the change in the Autumn of 2017 of Co-ordinator on Mull this has been delayed.

Big Hopes Big Futures (BHBF)

This is a Homestart UK initiative for which Homestart Lorn have agreed to carry out a pilot scheme. The grant is designed to defray the cost of additional training of volunteers.

15. Contingent liabilities

Homestart Lorn uses The Pension Trust to provide pension facilities for all 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 £13,091. Payments to reduce this are ongoing.

16. Controlling interest

The company is controlled by its members.

17. Company limited by guarantee

Homestart 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.