

Homestart Lorn

**Trustees' Report & Financial Statements
For the year ended
31 March 2017**

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 Queens Building
George Street
Oban
PA34 4RZ

Registered office Queens Building
George Street
Oban
PA34 4RZ

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
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Report of the trustees (incorporating the directors' report)
for the year ended 31 March 2017

The trustees present their report and the financial statements for the year ended 31 March 2017. 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

Another rewarding year for Homestart Lorn. Again funding applications were successful and donations exceeded all expectations. With controlled expenditure, a surplus for the year was achieved. This has resulted in our reserves being increased thus reducing the pressure on future funding. It is anticipated that obtaining grants in the future will get progressively more difficult and having some reserves is very helpful.

It is anticipated that new office premises will have to be found within the next year and it seems likely that these will be more expensive than at present. So again, having funding in reserve will be helpful.

The Mull project continues to progress with more volunteers and therefore more referrals.

The success of Homestart Lorn is dependent on good organisation and this certainly is the case with the current co-ordinators and secretary to whom we are very grateful.

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 2017

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.

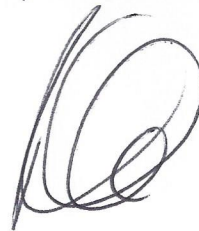
Small company provisions

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

12 June 2017

Homestart Lorn
(A company limited by guarantee)

**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 2017 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.

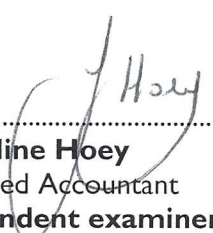
Basis of Independent examiner's statement

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 44(1)(A) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - accounts are prepared which agree with the accounting records, comply with Regulation 8 of the 2006 Accounts Regulations;
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
12 June 2017

Homestart Lorn
(A company limited by guarantee)

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

For the year ended 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Income and endowments from					
Donations		6,263	-	6,263	522
Voluntary income	2	46,000	21,671	67,671	81,463
Activities for generating funds	3	1,424	-	1,424	1,817
Total income		53,687	21,671	75,358	83,802
Expenditure					
Fundraising expenses		320	-	320	175
Staff costs	5	35,829	20,301	56,130	54,406
Operating leases		3,250	803	4,053	3,793
Establishment costs		1,163	129	1,292	1,120
Motor and travelling expenses		2,869	2,894	5,763	5,606
Legal and professional fees		670	50	720	660
Communications and IT		364	321	685	869
Other office expenses		632	101	733	1,023
Amortisation and impairment		567	-	567	439
Advertising, literature, etc...		-	183	183	641
General expenses		701	147	848	876
Subscriptions		1,577	-	1,577	916
Total expenditure		47,942	24,929	72,871	70,524
Net income/(Expenditure) before transfers		5,745	(3,258)	2,487	13,278
Transfers between funds		372	(372)	-	-
Net movement in funds		6,117	(3,630)	2,487	13,278
Reconciliation of funds:					
Total funds brought forward		19,208	12,937	32,145	18,867
Total funds carried forward		25,325	9,307	34,632	32,145

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 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	9		324		519
Current assets					
Cash at bank and in hand		35,192		35,600	
		<u>35,192</u>		<u>35,600</u>	
Creditors: amounts falling due within one year	10	(884)		(3,974)	
Net current assets			<u>34,308</u>		<u>31,626</u>
Net assets			<u>34,632</u>		<u>32,145</u>
Funds	11				
Restricted income funds	13		9,307		12,937
Unrestricted income funds	12		25,325		19,208
Total funds			<u>34,632</u>		<u>32,145</u>

The Balance Sheet continues on the following page.

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Balance sheet (continued)

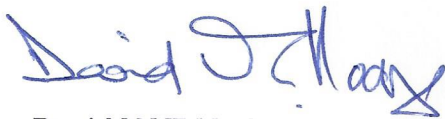
**Trustees statements required by the Companies Act 2006
for the year ended 31 March 2017**

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 relating to small companies;
- (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 2017.
- (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 12 June 2017 and signed on its behalf by



David W T Hodge
Director



Robert Clarke
Director

Homestart Lorn
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Notes to financial statements
for the year ended 31 March 2017

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.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

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.

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Notes to financial statements
for the year ended 31 March 2017

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 funds £	2017 Total £
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
	46,000	21,671	67,671

	Unrestricted funds £	Restricted funds £	2016 Total £
Argyll & Bute Council	24,000	-	24,000
Roberston Trust	12,000	-	12,000
NHS Highland	-	500	500
Brooks Trust	3,000	-	3,000
Big Lottery	-	31,763	31,763
Cattanach Trust	10,000	-	10,000
Mull & Iona Community Trust	-	200	200
	49,000	32,463	81,463

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Notes to financial statements
for the year ended 31 March 2017

3. Activities for generating funds

	Unrestricted funds £	2017 Total £	2016 Total £
Fundraising events	1,424	1,424	1,817
	<u>1,424</u>	<u>1,424</u>	<u>1,817</u>

All income from generating funds was unrestricted in 2016.

4. Net incoming resources for the year

	2017 £	2016 £
Net incoming resources is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	567	439
	<u>567</u>	<u>439</u>

5. Employees

Employment costs

	2017 £	2016 £
Wages and salaries	52,304	50,415
Social security costs	861	1,443
Pension costs	1,609	1,572
Other costs	1,355	976
	<u>56,129</u>	<u>54,406</u>

No employee received emoluments of more than £60,000 (2016: None).

Number of employees

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

2017 Number	2016 Number
3	3
<u>3</u>	<u>3</u>

6. Trustees remuneration and expenses

The trustees neither received or waived any emoluments during the year (2016: Nil)

Travel expenses were paid to trustees during the year:
S Palmer £950 (2016: £468) and R Clarke £257 (2016: £322)

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Notes to financial statements
for the year ended 31 March 2017

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:

	2017	2016
	£	£
Pension charge	1,609	1,572

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 2016	1,331	1,331
Additions	372	372
At 31 March 2017	1,703	1,703
Depreciation		
At 1 April 2016	812	812
Charge for the year	567	567
At 31 March 2017	1,379	1,379
Net book values		
At 31 March 2017	324	324
At 31 March 2016	519	519

10. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loan	-	500
Other taxes and social security	-	2,631
Accruals and deferred income	884	843
	884	3,974

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Notes to financial statements
for the year ended 31 March 2017

11. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2017 as represented by:			
Tangible fixed assets	324	-	324
Current assets	25,605	9,587	35,192
Current liabilities	(604)	(280)	(884)
	<u>25,325</u>	<u>9,307</u>	<u>34,632</u>

12. Unrestricted funds

	At 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2017 £
General unrestricted funds	19,208	53,687	(47,942)	372	25,325

13. Restricted funds

	At 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2017 £
Big Lottery	7,559	21,031	(20,026)	(372)	8,192
Bumps & Babies Group	5,378	-	(4,903)	-	475
Car Seats	-	640	-	-	640
	<u>12,937</u>	<u>21,671</u>	<u>(24,929)</u>	<u>(372)</u>	<u>9,307</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 is for 5 years and this was year 3 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 on Mull

Car Seats

Funding has been received from the MacQuarrie Trust for the purchase of child car seats. These funds are not yet spent.

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Notes to financial statements
for the year ended 31 March 2017

14. 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 £13,091. Payments to reduce this are ongoing.

15. Controlling interest

The company is controlled by its members.

16. 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.

17. First-time adoption of SORP (FRS 102)

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 December 2016.

The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

a) Changes in accounting policies:

Consequential changes in accounting policies resulting from adoption of SORP (FRS 102) were as follows:

None

b) Reconciliation of total charity funds

Adjustments to previously reported total charity funds at the date of transition to SORP (FRS 102) were as follows:

None

Adjustments to previously reported total charity funds at the end of the comparative period were as follows:

None