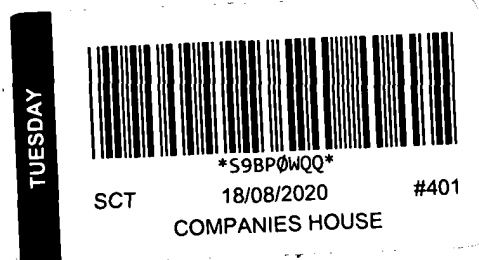


COMPANY REGISTRATION NUMBER: SC221205
CHARITY REGISTRATION NUMBER: SC024726

MORAY REACH OUT
Company Limited by Guarantee
FINANCIAL STATEMENTS
31 MARCH 2020



RITSONS
Chartered Accountants & Statutory Auditor
26-30 Marine Place
Buckie
Moray
AB56 1UT

**MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

| | Pages |
|--|-----------------|
| Trustees' annual report (incorporating the director's report) | 1 to 7 |
| Trustees' responsibilities statement | 8 |
| Independent auditor's report to the members | 9 to 12 |
| Statement of financial activities (including income and expenditure account) | 13 |
| Statement of financial position | 14 |
| Statement of cash flows | 15 |
| Notes to the financial statements | 16 to 30 |

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
YEAR ENDED 31 MARCH 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2020.

Reference and administrative details

| | |
|---|--|
| Registered charity name | Moray Reach Out |
| Charity registration number | SC024726 |
| Company registration number | SC221205 |
| Principal office and registered office | 23 East Church Street Buckie Moray AB56 1ET |

The trustees

| | |
|-------------------|-----------------------------|
| Mr J Rose | |
| Mr K J McKilligan | (Retired 19 September 2019) |
| Mr A H McDonald | |
| Mr T J Murphy | |
| Mr T Eagle | (Retired 10 March 2020) |
| Mrs A M Mair | |
| Mr W G Mair | |
| Mrs M McD Ford | (Retired 10 March 2020) |
| Mrs F McKenzie | (Appointed 10 October 2019) |

| | |
|----------------|---|
| Auditor | Ritsons Chartered Accountants & Statutory Auditor 26-30 Marine Place Buckie Moray AB56 1UT |
|----------------|---|

| | |
|----------------|---|
| Bankers | Bank of Scotland 21 East Church Street BUCKIE AB56 1EX |
|----------------|---|

Structure, governance and management

Moray Reach Out is a registered charity (SC024726) and Company Limited by Guarantee (Company No SC221205) incorporated in 2001 and governed by the Memorandum and Articles of Association.

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 MARCH 2020

Structure, governance and management *(continued)*

Board of Trustees

Moray Reach Out ends 2019/20 financial year with 6 Directors/Trustees. These are Terry Murphy (Chair), Alan McDonald (Treasurer), John Rose (Vice Chair), Wullie Mair, Alison Mair, Fiona McKenzie.

Kenneth McKilligan stepped down on 19th September 2019, Tim Eagle and Mary Ford resigned as of 10th March 2020. We thank them for their services. We welcomed Fiona McKenzie to the Board on 10th October 2019.

We thank all our Directors, both existing and former for their support throughout this financial year which has seen a good number of achievements for the MRO team and organisation. Sadly on 23rd March and 27th March, our shops and recycling service had to close, in line with the Scottish Government guidelines, due to the ongoing Covid-19 virus response.

Objectives and activities

The objectives and activities of the charity are to promote the benefit of adults with learning disabilities, mental health conditions and other vulnerable adults in Moray and the surrounding area within the North East of Scotland in a common effort to relieve poverty and social exclusion, relieve the needs and advance the education of all such persons so that they can achieve their full potential and to enable them to participate in discussions where they can express their thoughts, feelings, preferences and ideas.

In advancement of the purposes, the charity seeks to provide the following activities:

- 1) To assist in identifying further needs and issues of adults with learning disabilities, mental health conditions, those at risk of social isolation and other vulnerable adults by setting up projects, activities, groups which complement existing services and enables them to take up an active role in the community and achieve independent living;
- 2) To provide a forum for adults with learning disabilities, mental health conditions and other vulnerable adults and their representatives, parents and carers to provide support and advice on issues such as integration, housing, education, welfare, health social issues, training and employment;
- 3) To advance environmental protection or improvement by developing projects involving people with learning disabilities, mental health conditions and other vulnerable adults in the collection, treatment and recycling of waste products including research, education and dissemination of information for the purpose of encouraging the use of more sustainable waste management practices;
- 4) To provide opportunities in the production and retailing of knitted and embroidered products in two retail outlets. Achievements and performance History The organisation originated in 1996 through a group of parents and carers who wanted to increase opportunities for adults with learning disabilities.

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 MARCH 2020

Achievements and performance

History

Moray Reach Out is a social enterprise and the umbrella for a number of individual projects:-

- Moray Reach Out Recycling (formerly Waste Watchers)
- MRO Embroidery & Fine Gifts (previously In Stitches)
- Moray Reach Out Yarns & Crafts (previously Buckie Yarns)

Moray Reach Out opened haberdashery and wool shops in 1996 and 1999 in Buckie and Elgin respectively. These shops provide training and work experience in a retail setting mainly for adults with learning disabilities, though since 2015 expanded to supporting recovery in mental health and other vulnerable adults.

In December 2000, Moray Reach Out in partnership with the Moray Council developed a steel and used beverage cans (UBC) aluminium recycling operation in Buckie. Between 2002 and 2014 Moray Reach Out has expanded the operation to include plastic bottles and when Moray Council opened their Materials Recycling Facility, agreements were put in place for the facility to be staffed by Moray Reach Out and for provision of training places to be continued.

Moray Reach Out retained a small operation in Buckie including a van collection service to around 120 business customers across Moray.

All four sites provide valuable training in real-life work settings and are valued by our trainees, their parents, carers and stakeholders. The number of training places Moray Reach Out has historically offered 100 training days per week. (For clarification: one trainee attending for one day is 1 training day).

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 MARCH 2020

Achievements and performance *(continued)*

Current Achievements

Focussing on our achievements, these are just a few. Moray Reach Out has

- successfully refurbished the building it purchased, 23 East Church Street - Buckie, to a very high standard, having attracted funds from HIE, The National Lottery Community Fund, The Robertson Trust, Buckie Town Centre Regeneration fund, Tesco Bags of Help and some local fundraising through coffee mornings and bag packing (every little helps!)
- made closer connections with other community groups and services in the Buckie area and offers a drop-in facility for these groups free of charge every Thursday
- introduced the Thrift Shop project
- introduced the Spinning & Upcycling projects
- become more widely recognised since our bold move which gives us greater presence and the MRO General & Business Development Manager has been invited to give an increasing number of presentations, including an invitation to the Highland & Moray CRNS network meeting held at Blytheswood's headquarters and super-store in Evanton in February 2020.

On a business footing, contract renewals for the Environmental Services (Moycroft) is likely to be on a 3-year basis. The present Social Services contract is until 2022 when it will be reviewed and renewed. The Moray Council are delighted with the service we provide, stating that it is excellent value for money and are supportive of us going forward.

Both the Thrift Shop and Yarns & Crafts (Y&C) are making good steady income. Both the Thrift Shop and Y&C will need more referrals, but this will come with time. Presently, we have 3 funded Self-Directed Support placements at the Thrift Shop and 6 at Y&C (taking up 13 of the 25 available training days on the block contract).

Y&C has a new Team Leader, Suzanne Gray who started with us on 2nd March. Suzanne has worked for the last 2 years with adults with learning disabilities and prior to that had her own wool shop. She enjoys and is experienced in a wide range of crafts. We wish Sheila Thomas, the former Y&C Team Leader all the best for the future.

Emb & FG has been very busy with the embroidery orders picking up. Shirley has been covering in Jan / Feb for 2 days per week at Y&C in Buckie whilst Anna, Team Leader and Ruth, Relief Staff / Volunteer have been holding the fort on those days at Elgin.

MRO Art Yarn has had its first referrals to both the Spinning and Upcycling projects. This project targets mental health referrals as teasing, carding and spinning wool is particularly beneficial for mental health and wellbeing.

MRO Sponsorship Fund was established. £2000 was raised during our first licensed Moray Reach Out Christmas Raffle. This is to support mental health referrals to attend our Spinning & Upcycling projects, if they do not have Self-Directed Support.

MRO Recycling - the Moycroft move had been delayed until May, but is likely to be delayed further due to the Corona Virus restrictions. Our last operational day at Lossiemouth was 27th March. Trainees have all been offered alternative placements with MRO in Buckie or Elgin for the time when the move to Moycroft is happening. Activities in Buckie are going well though we could do with increasing our van collections customer base.

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

In-house, we are rolling out new packs having reviewed our documents, ensuring that all projects are using the same ones and that procedures are standardised across all MRO projects. Next, we will update all job descriptions and person specifications, as the wording on these is NOT in plain English and some areas need updating to meet current employment legislation and guidelines.

The Board would like to thank all staff, volunteers, trainees and project assistants for the fantastic job they do all year round. Thanks also to all our Board members for their time and commitment as a volunteer Board.

Financial review

During the year, each activity generated the following:-

| | |
|-------------------------------|--|
| • MRO core activities | £101,975 surplus (2019: £74,843 deficit) |
| • MRO Recycling (total) | £12,734 surplus (2019: £85,837 surplus) |
| • MRO Yarns & Crafts | £19,279 surplus (2019: £12,671 surplus) |
| • MRO Embroidery & Fine Gifts | £3,573 deficit (2019: £6,270 deficit) |
| • Take a Break Discos | £29 surplus (2019: £1,230 surplus) |
| • Thrift Shop | £20,150 surplus (2019: £5,182 surplus) |

The total surplus for the year was £150,594 (2019: £23,807).

The charity's net assets have increased to £391,310 (2019: £240,716).

Reserves

It is the policy of Moray Reach Out to build up unrestricted funds, which are the free reserves of the charity, to a level which are sufficient to cover management, administration and support costs for a period of three months as each of the three main social enterprises.

The level of unrestricted funds held at the year end was £285,012 (2019: £202,296).

Restricted funds are funds which are used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for a specific purpose. The level of restricted funds held at the year end was £106,298 (2019: £38,420).

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 MARCH 2020

Plans for future periods

Before the COVID-19 pandemic outbreak, MRO had already started to see the benefits of its new projects, this included increased training opportunities and increased income from the MRO Thrift Shop. Also a good uptake on mental health placements in its MRO Spinning & Upcycling projects. Plans were making headway and a contractor had been appointed to develop the garden, to include an area for washing and drying the fleece as well as creating a space for all our staff, volunteers and customers to enjoy. Several open days per year were planned to both the building and the garden, to target and include all ages on different themes and events to promote what MRO do and to give something back to the community. We were looking forward to a period of gradual growth and consolidation.

Unfortunately, our premises were closed on 23rd March as per Scottish Government instructions. We are missing our customers and our trainees. We look forward to welcoming them back once we are permitted to do so. With the Scottish Government announcing phasing into Phase 2, we plan to open our Yarns & Crafts shop in Buckie for a few mornings per week from 1st July. We will gradually return to business, with the trainees (our main client group) returning gradually in August and September - we hope!

Third Sector Resilience funding, Business Support and the Job Retention Scheme are helping MRO through the economic side of the crisis.

Business plans are to diversify the MRO Yarns & Crafts shop along with MRO Art Yarn to become a destination shop. The aim is to offer more crafting supplies, but with a different offer than other local shops. The MRO Art Yarn is a niche market which has just entered year two. Without the attendance at the planned wool festivals, which have now been cancelled, we will look at more creative online ways, using Instagram, Facebook and our website to reach potential customers.

MRO Thrift Shop has great potential and we hope that, as the Corona Virus subsides, confidence will grow and we will recover well during the second half of the financial year 2020/2021. The shop should re-open in July, or at latest August.

MRO Recycling Buckie will offer its training services from August. During the pandemic, when most of our van customers were closed, we have put out requests to the public to keep their drinks cans for us, and this has been successful. This will ensure our income from the sale of aluminium is maintained. Our ROAR (Reach Out & ReBOOT) Plastics & Waste project will be complete by the end of July 2020. This LEADER funded project has been investigating innovative ways we could use the plastics we collect and possibilities of items we can produce using either 3D printers or compression techniques. The recommendations for this may lead to future opportunities to further develop our MRO Recycling projects and opportunities for our client group and the business.

MRO Recycling Lossiemouth will move to Moycroft, Elgin and is planned to open around September/October 2020. Currently there is no income from this service as it is closed. Our plan is to use the Job Retention Scheme until the service re-opens. On re-opening, our Moray Council contracts will be reinstated. New PPE has been requested to keep our staff and trainees fully protected.

These are unprecedented times, but we are confident that the correct decisions are being made, to ensure that Moray Reach Out gets through these times and returns to the buoyant social enterprise it was, prior to the crisis.

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)
YEAR ENDED 31 MARCH 2020

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 6.8.20 and signed on behalf of the board of trustees by:



Mr T J Murphy
Trustee

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
TRUSTEES' RESPONSIBILITIES STATEMENT
YEAR ENDED 31 MARCH 2020

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORAY REACH
OUT
YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Moray Reach Out (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 30 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORAY REACH
OUT *(continued)*
YEAR ENDED 31 MARCH 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORAY REACH OUT *(continued)*

YEAR ENDED 31 MARCH 2020

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MORAY REACH OUT *(continued)*

YEAR ENDED 31 MARCH 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

The comparative figures contained within these financial statements are unaudited.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Anderson (Senior Statutory Auditor)

For and on behalf of
Ritsons
Chartered Accountants & Statutory Auditor
26-30 Marine Place
Buckie
Moray
AB56 1UT

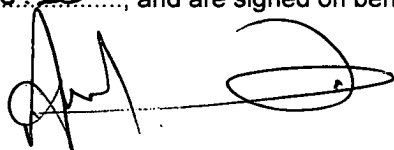
11/09/20

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL POSITION
31 MARCH 2020

| | Note | 2020 £ | 2019 (restated) £ |
|--|------|-----------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 17 | 424,323 | 220,724 |
| CURRENT ASSETS | | | |
| Stocks | 18 | 35,737 | 47,450 |
| Debtors | 19 | 23,842 | 30,640 |
| Cash at bank and in hand | | 61,532 | 94,806 |
| | | <u>121,111</u> | <u>172,896</u> |
| CREDITORS: amounts falling due within one year | 20 | <u>35,623</u> | <u>38,317</u> |
| NET CURRENT ASSETS | | <u>85,488</u> | <u>134,579</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>509,811</u> | <u>355,303</u> |
| CREDITORS: amounts falling due after more than one year | 21 | <u>118,501</u> | <u>114,587</u> |
| NET ASSETS | | <u><u>391,310</u></u> | <u><u>240,716</u></u> |
| FUNDS OF THE CHARITY | | | |
| Restricted funds | | 106,298 | 38,420 |
| Unrestricted funds | | 285,012 | 202,296 |
| Total charity funds | 25 | <u><u>391,310</u></u> | <u><u>240,716</u></u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 6.8.20, and are signed on behalf of the board by:



Mr A H McDonald
Trustee

The notes on pages 16 to 30 form part of these financial statements.

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2020

| | | | 2020 | | 2019 |
|--------------------------------------|-------------|---------------------------|-------------------------|-----------------------|--------------------|
| | Note | Unrestricted funds | Restricted funds | Total funds | Total funds |
| | | £ | £ | £ | £ |
| Income and endowments | | | | | |
| Donations and legacies | 5 | 28,115 | 195,456 | 223,571 | 15,715 |
| Charitable activities | 6 | 411,665 | – | 411,665 | 409,597 |
| Other trading activities | 7 | 1,200 | 2,033 | 3,233 | – |
| Other income | 8 | 3,000 | – | 3,000 | 3,000 |
| Total income | | <u>443,980</u> | <u>197,489</u> | <u>641,469</u> | <u>428,312</u> |
| Expenditure | | | | | |
| Expenditure on charitable activities | 9,10 | 436,600 | 54,275 | 490,875 | 404,505 |
| Total expenditure | | <u>436,600</u> | <u>54,275</u> | <u>490,875</u> | <u>404,505</u> |
| Net income | | <u>7,380</u> | <u>143,214</u> | <u>150,594</u> | <u>23,807</u> |
| Transfers between funds | | 75,336 | (75,336) | – | – |
| Net movement in funds | | <u>82,716</u> | <u>67,878</u> | <u>150,594</u> | <u>23,807</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 202,296 | 38,420 | 240,716 | 216,909 |
| Total funds carried forward | | <u>285,012</u> | <u>106,298</u> | <u>391,310</u> | <u>240,716</u> |

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 30 form part of these financial statements.

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2020

| | 2020 | 2019 <i>(restated)</i> |
|---|----------------------|---------------------------|
| | £ | £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | 150,594 | 23,807 |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible fixed assets | 17,408 | 10,680 |
| Interest payable and similar charges | 9,191 | 25,447 |
| Accrued expenses | 3,500 | — |
| <i>Changes in:</i> | | |
| Stocks | 11,713 | (1,535) |
| Trade and other debtors | 6,798 | (10,962) |
| Trade and other creditors | (10,619) | 7,049 |
| Cash generated from operations | 188,585 | 54,486 |
| Interest paid | (9,191) | (25,447) |
| Net cash from operating activities | <u>179,394</u> | <u>29,039</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of tangible assets | (221,007) | (210,654) |
| Net cash used in investing activities | <u>(221,007)</u> | <u>(210,654)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | (10,627) | 125,214 |
| Payments of finance lease liabilities | 18,966 | — |
| Net cash from financing activities | <u>8,339</u> | <u>125,214</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (33,274) | (56,401) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 94,806 | 151,207 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>61,532</u> | <u>94,806</u> |

The notes on pages 16 to 30 form part of these financial statements.

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is 23 East Church Street, Buckie, Moray, AB56 1ET.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contributed to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost.

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2020

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | |
|------------------|------------------------|
| Equipment | - 12% straight line |
| Office Equipment | - 15% reducing balance |

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Defined contribution plans

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

4. Limited by guarantee

The company is limited by guarantee and does not have share capital.

5. Donations and legacies

| | Unrestricted Funds | Restricted Funds | Total Funds 2020 |
|---------------------------------------|-----------------------|---------------------|---------------------|
| | £ | £ | £ |
| DONATIONS | | | |
| General donations | 3,206 | – | 3,206 |
| MRO Recycling donations | 678 | – | 678 |
| MRO Yarns & Crafts donations | 2,139 | – | 2,139 |
| MRO Embroidery & Fine Gifts donations | 323 | – | 323 |
| Thrift shop donations | 20,859 | – | 20,859 |

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

5. Donations and legacies *(continued)*

| | Unrestricted Funds | Restricted Funds | Total Funds 2020 |
|---------------------------------------|-----------------------|---------------------|--|
| | £ | £ | £ |
| GRANTS | | | |
| Robertson Trust | — | 23,000 | 23,000 |
| HIE | — | 25,000 | 25,000 |
| Community Fund | — | 72,973 | 72,973 |
| Common Good Fund | — | 2,500 | 2,500 |
| Town Centre Fund | — | 18,009 | 18,009 |
| Beatrice Partnership Fund | — | 17,500 | 17,500 |
| Tesco Bags of Help | — | 2,000 | 2,000 |
| HIE for SEWF | — | — | — |
| Plastic Diversification | — | — | — |
| Leader | — | 18,275 | 18,275 |
| Developer Obligation | — | 5,187 | 5,187 |
| Bucks4Buckie | — | 3,500 | 3,500 |
| CHIME MRO Sponsorship | — | 2,000 | 2,000 |
| HIE - rebranding | — | 2,277 | 2,277 |
| Coronavirus Job Retention Scheme | — | 2,680 | 2,680 |
| OTHER DONATIONS AND LEGACIES | | | |
| Mental Health places | — | 55 | 55 |
| Mental Health referrals | 910 | — | 910 |
| Trainee outing funds | — | 500 | 500 |
| | <u>28,115</u> | <u>195,456</u> | <u>223,571</u> |
| | | | |
| | Unrestricted Funds | Restricted Funds | Total Funds 2019 <i>(restated)</i> |
| | £ | £ | £ |
| DONATIONS | | | |
| General donations | 455 | — | 455 |
| MRO Recycling donations | 974 | — | 974 |
| MRO Yarns & Crafts donations | 757 | — | 757 |
| MRO Embroidery & Fine Gifts donations | 835 | — | 835 |
| Thrift shop donations | 5,182 | — | 5,182 |

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2020

5. Donations and legacies *(continued)*

| | Unrestricted Funds | Restricted Funds | Total Funds 2019 <i>(restated)</i> |
|-------------------------------------|-----------------------|---------------------|--|
| | £ | £ | £ |
| GRANTS | | | |
| Robertson Trust | - | - | - |
| HIE | - | - | - |
| Community Fund | - | - | - |
| Common Good Fund | - | - | - |
| Town Centre Fund | - | - | - |
| Beatrice Partnership Fund | - | - | - |
| Tesco Bags of Help | - | - | - |
| HIE for SEWF | - | 705 | 705 |
| Plastic Diversification | - | 6,282 | 6,282 |
| Leader | - | 525 | 525 |
| Developer Obligation | - | - | - |
| Bucks4Buckie | - | - | - |
| CHIME MRO Sponsorship | - | - | - |
| HIE - rebranding | - | - | - |
| Coronavirus Job Retention Scheme | - | - | - |
| OTHER DONATIONS AND LEGACIES | | | |
| Mental Health places | - | - | - |
| Mental Health referrals | - | - | - |
| Trainee outing funds | - | - | - |
| | <u>8,203</u> | <u>7,512</u> | <u>15,715</u> |

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

6. Charitable activities

| | Unrestricted Funds | Total Funds 2020 | Unrestricted Funds | Total Funds 2019 <i>(restated)</i> |
|--|-----------------------|-----------------------|-----------------------|--|
| | £ | £ | £ | £ |
| MRO Yarns & Crafts shop income | 48,604 | 48,604 | 45,275 | 45,275 |
| MRO Embroidery & Fine Gifts shop income | 24,211 | 24,211 | 19,688 | 19,688 |
| MRO Yarns & Crafts Moray Council service level agreement | 33,702 | 33,702 | 33,702 | 33,702 |
| MRO Embroidery & Fine Gifts Moray Council Service Level agreement | 39,592 | 39,592 | 39,592 | 39,592 |
| MRO Yarns & Crafts Aberdeenshire Council training place | 2,300 | 2,300 | 2,434 | 2,434 |
| MRO Recycling Moray Council service level agreement | 238,271 | 238,271 | 244,383 | 244,383 |
| MRO Recycling metals & plastics | 7,160 | 7,160 | 6,818 | 6,818 |
| MRO Recycling miscellaneous sales | 1,359 | 1,359 | 784 | 784 |
| MRO Recycling van recycling uplift | 13,266 | 13,266 | 13,453 | 13,453 |
| MRO Recycling shredding | 155 | 155 | 58 | 58 |
| MRO Recycling upcycling | 578 | 578 | 60 | 60 |
| Take A Break discos | 2,467 | 2,467 | 3,350 | 3,350 |
| | <u>411,665</u> | <u>411,665</u> | <u>409,597</u> | <u>409,597</u> |

7. Other trading activities

| | Unrestricted Funds | Restricted Funds | Total Funds 2020 |
|--------------------|-----------------------|---------------------|---------------------|
| | £ | £ | £ |
| Fundraising events | — | 2,033 | 2,033 |
| Room hire | 1,200 | — | 1,200 |
| | <u>1,200</u> | <u>2,033</u> | <u>3,233</u> |

| | Unrestricted Funds | Restricted Funds | Total Funds 2019 <i>(restated)</i> |
|--------------------|-----------------------|---------------------|--|
| | £ | £ | £ |
| Fundraising events | — | — | — |
| Room hire | — | — | — |
| | <u>—</u> | <u>—</u> | <u>—</u> |

8. Other income

| | Unrestricted Funds | Total Funds 2020 | Unrestricted Funds | Total Funds 2019 <i>(restated)</i> |
|----------------------|-----------------------|---------------------|-----------------------|--|
| | £ | £ | £ | £ |
| Employment allowance | <u>3,000</u> | <u>3,000</u> | <u>3,000</u> | <u>3,000</u> |

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

9. Expenditure on charitable activities by fund type

| | Unrestricted Funds | Restricted Funds | Total Funds 2020 |
|-----------------------------|-----------------------|---------------------|---------------------|
| | £ | £ | £ |
| Core expenses | 87,326 | 11,109 | 98,435 |
| MRO Yarns & Crafts | 67,032 | 434 | 67,466 |
| MRO Embroidery & Fine Gifts | 67,699 | — | 67,699 |
| MRO Recycling (Buckie) | 80,431 | 42,732 | 123,163 |
| MRO Recycling (Lossiemouth) | 125,568 | — | 125,568 |
| Take a Break | 2,438 | — | 2,438 |
| Thrift Shop | 709 | — | 709 |
| Support costs | 5,397 | — | 5,397 |
| | <u>436,600</u> | <u>54,275</u> | <u>490,875</u> |

| | Unrestricted Funds | Restricted Funds | Total Funds 2019 <i>(restated)</i> |
|-----------------------------|-----------------------|---------------------|--|
| | £ | £ | £ |
| Core expenses | 76,444 | 1,230 | 77,674 |
| MRO Yarns & Crafts | 69,497 | — | 69,497 |
| MRO Embroidery & Fine Gifts | 66,385 | — | 66,385 |
| MRO Recycling (Buckie) | 81,486 | 2,285 | 83,771 |
| MRO Recycling (Lossiemouth) | 103,204 | — | 103,204 |
| Take a Break | 2,120 | — | 2,120 |
| Thrift Shop | — | — | — |
| Support costs | 1,854 | — | 1,854 |
| | <u>400,990</u> | <u>3,515</u> | <u>404,505</u> |

10. Expenditure on charitable activities by activity type

| | Activities undertaken directly £ | Support costs £ | Total funds 2020 £ | Total fund 2019 £ |
|-----------------------------|---|-----------------------|--------------------------|-------------------------|
| Core expenses | 98,435 | — | 98,435 | 77,674 |
| MRO Yarns & Crafts | 67,466 | — | 67,466 | 69,497 |
| MRO Embroidery & Fine Gifts | 67,699 | — | 67,699 | 66,385 |
| MRO Recycling (Buckie) | 123,163 | — | 123,163 | 83,771 |
| MRO Recycling (Lossiemouth) | 125,568 | — | 125,568 | 103,204 |
| Take a Break | 2,438 | — | 2,438 | 2,120 |
| Thrift Shop | 709 | — | 709 | — |
| Governance costs | — | 5,397 | 5,397 | 1,854 |
| | <u>485,478</u> | <u>5,397</u> | <u>490,875</u> | <u>404,505</u> |

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2020

11. Net income

Net income is stated after charging/(crediting):

| | 2020 | 2019 <i>(restated)</i> |
|---------------------------------------|---------------|---------------------------|
| | £ | £ |
| Depreciation of tangible fixed assets | <u>17,408</u> | <u>10,680</u> |

12. Auditors remuneration

| | 2020 | 2019 <i>(restated)</i> |
|--|--------------|---------------------------|
| | £ | £ |
| Fees payable for the audit of the financial statements | <u>3,500</u> | <u>–</u> |

13. Independent examination fees

| | 2020 | 2019 <i>(restated)</i> |
|--|----------|---------------------------|
| | £ | £ |
| Fees payable to the independent examiner for: Independent examination of the financial statements | <u>–</u> | <u>1,853</u> |

14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | 2020 | 2019 <i>(restated)</i> |
|---|----------------|---------------------------|
| | £ | £ |
| Wages and salaries | 277,355 | 226,146 |
| Social security costs | 18,127 | 13,803 |
| Employer contributions to pension plans | 4,785 | 3,428 |
| | <u>300,267</u> | <u>243,377</u> |

The average head count of employees during the year was 14 (2019: 13). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2020 No. | 2019 No. |
|----------------------|-------------|-------------|
| Administration staff | 1 | 1 |
| MRO recycling | 5 | 7 |
| Shop staff | 4 | 3 |
| Management staff | 2 | 2 |
| MRO projects | 2 | – |
| | <u>14</u> | <u>13</u> |

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

15. Trustee remuneration and expenses

The trustees did not receive any remuneration and were not reimbursed for any expenses.

16. Transfers between funds

An amount of £5,093 has been transferred from unrestricted funds to restricted funds. This transfer relates to a funding deficit faced in relation to payroll costs which has been covered by the charity.

An amount of £22,423 has been transferred into unrestricted funds from the future fixed asset restricted fund in relation to fixed assets purchased out of unrestricted funds in prior years.

An amount of £8,750 has been transferred into unrestricted funds from the Gordon & Ena Baxter Foundation restricted fund in relation to fixed assets purchased for which the restriction has now been fulfilled with the relevant assets having been purchased.

An amount of £1,750 has been transferred into unrestricted funds from the Bucks for Buckie restricted fund in relation to fixed assets purchased for which the restriction has now been fulfilled with the relevant assets having been purchased.

An amount of £5,497 has been transferred into unrestricted funds from the Plastic Diversification restricted fund in relation to fixed assets purchased for which the restriction has now been fulfilled with the relevant assets having been purchased.

An amount of £24,000 has been transferred into unrestricted funds from the Lift restricted fund in relation to fixed assets purchased in the year for which the restriction has now been fulfilled with the relevant assets having been purchased.

An amount of £18,009 has been transferred into unrestricted funds from the Shop Frontage Scheme restricted fund in relation to fixed assets purchased in the year for which the restriction has now been fulfilled with the relevant assets having been purchased.

17. Tangible fixed assets

| | Land and buildings £ | Equipment £ | Office Equipment £ | Total £ |
|-------------------------------|----------------------------|----------------|--------------------------|----------------|
| Cost | | | | |
| At 1 April 2019 (as restated) | 189,809 | 175,202 | 22,576 | 387,587 |
| Additions | 197,524 | 22,712 | 771 | 221,007 |
| At 31 March 2020 | 387,333 | 197,914 | 23,347 | 608,594 |
| Depreciation | | | | |
| At 1 April 2019 | 3,797 | 144,424 | 18,642 | 166,863 |
| Charge for the year | 7,747 | 8,952 | 709 | 17,408 |
| At 31 March 2020 | 11,544 | 153,376 | 19,351 | 184,271 |
| Carrying amount | | | | |
| At 31 March 2020 | 375,789 | 44,538 | 3,996 | 424,323 |
| At 31 March 2019 | 186,012 | 30,778 | 3,934 | 220,724 |

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2020

18. Stocks

| | 2020 | 2019 <i>(restated)</i> |
|-------------------------------|---------------|---------------------------|
| | £ | £ |
| Raw materials and consumables | <u>35,737</u> | <u>47,450</u> |

19. Debtors

| | 2020 | 2019 <i>(restated)</i> |
|--------------------------------|---------------|---------------------------|
| | £ | £ |
| Trade debtors | 22,338 | 28,880 |
| Prepayments and accrued income | <u>1,504</u> | <u>1,760</u> |
| | <u>23,842</u> | <u>30,640</u> |

20. Creditors: amounts falling due within one year

| | 2020 | 2019 <i>(restated)</i> |
|--|---------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | 11,128 | 10,627 |
| Trade creditors | 3,570 | 6,683 |
| Accruals and deferred income | 5,250 | 5,115 |
| Social security and other taxes | 11,751 | 15,892 |
| Obligations under finance leases and hire purchase contracts | <u>3,924</u> | <u>—</u> |
| | <u>35,623</u> | <u>38,317</u> |

Included within creditors falling due within one year is a balance of £11,128 (2019 - £10,627) which is secured by a bond and floating charge over the assets of the charity.

21. Creditors: amounts falling due after more than one year

| | 2020 | 2019 <i>(restated)</i> |
|--|----------------|---------------------------|
| | £ | £ |
| Bank loans and overdrafts | 103,459 | 114,587 |
| Obligations under finance leases and hire purchase contracts | <u>15,042</u> | <u>—</u> |
| | <u>118,501</u> | <u>114,587</u> |

Included within creditors: amounts falling due after more than one year is an amount of £53,421 (2019: £66,823) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Included within creditors falling due after more than one year is a balance of £103,459 (2019 - £114,587) which is secured by a bond and floating charge over the assets of the charity.

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

| | 2020 | 2019 <i>(restated)</i> |
|--|---------------|---------------------------|
| | £ | £ |
| Not later than 1 year | 3,924 | – |
| Later than 1 year and not later than 5 years | 15,042 | – |
| | <u>18,966</u> | <u>–</u> |

23. Deferred income

| | 2020 | 2019 <i>(restated)</i> |
|-----------------|----------|---------------------------|
| | £ | £ |
| At 1 April 2019 | – | 3,365 |
| | <u>–</u> | <u>3,365</u> |

24. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,785 (2019: £3,428).

25. Analysis of charitable funds

Unrestricted funds

| | At 1 April 2019 | Income | Expenditure | Transfers | At 31 March 20 20 |
|---------------|--------------------|----------------|------------------|---------------|-------------------------|
| | £ | £ | £ | £ | £ |
| General funds | <u>202,296</u> | <u>443,980</u> | <u>(436,600)</u> | <u>75,336</u> | <u>285,012</u> |

| | At 1 April 2018 | Income | Expenditure | Transfers | At 31 March 20 19 |
|---------------|--------------------|----------------|------------------|-----------|-------------------------|
| | £ | £ | £ | £ | £ |
| General funds | <u>182,486</u> | <u>420,800</u> | <u>(400,990)</u> | <u>–</u> | <u>202,296</u> |

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

25. Analysis of charitable funds *(continued)*

Restricted funds

| | At 1 April 2019 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 20 20 £ |
|-------------------------------------|-------------------------|----------------|------------------|-----------------|------------------------------|
| Future fixed asset fund | 22,423 | — | — | (22,423) | — |
| Gordon & Ena Baxter Foundation | 8,750 | — | — | (8,750) | — |
| Bucks for Buckie | 1,750 | — | — | (1,750) | — |
| HIE - rebranding | — | 2,277 | (2,277) | — | — |
| Plastic diversification | 5,497 | — | — | (5,497) | — |
| Re-development Project | — | 75,987 | (1,520) | — | 74,467 |
| Lift Fund | — | 24,000 | — | (24,000) | — |
| Shop Frontage Scheme | — | 18,009 | — | (18,009) | — |
| Spinning / Upcycling Projects | — | 7,500 | (546) | — | 6,954 |
| Garden & Outdoor Work Space | — | 21,000 | (4,520) | — | 16,480 |
| Plastic & Waste Management | — | 18,275 | (23,368) | 5,093 | — |
| Support Worker Fund | — | 20,673 | (19,364) | — | 1,309 |
| MRO Projects | — | 2,500 | — | — | 2,500 |
| MRO Sponsorship | — | 4,088 | — | — | 4,088 |
| Trainee Outing Fund | — | 500 | — | — | 500 |
| Coronavirus Job Retention Scheme | — | 2,680 | (2,680) | — | — |
| | <u>38,420</u> | <u>197,489</u> | <u>(54,275)</u> | <u>(75,336)</u> | <u>106,298</u> |

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

25. Analysis of charitable funds *(continued)*

| | At 1 April 2018 £ | Income £ | Expenditure £ | Transfers £ | At 31 March 20 19 £ |
|-------------------------------------|-------------------------|--------------|------------------|----------------|------------------------------|
| Future fixed asset fund | 22,423 | — | — | — | 22,423 |
| Gordon & Ena Baxter Foundation | 10,000 | — | (1,250) | — | 8,750 |
| Bucks for Buckie | 2,000 | — | (250) | — | 1,750 |
| HIE - rebranding | — | — | — | — | — |
| Plastic diversification | — | 6,282 | (785) | — | 5,497 |
| HIE - SEWF | — | 705 | (705) | — | — |
| Leader | — | 525 | (525) | — | — |
| Re-development Project | — | — | — | — | — |
| Lift Fund | — | — | — | — | — |
| Shop Frontage Scheme | — | — | — | — | — |
| Spinning / Upcycling Projects | — | — | — | — | — |
| Garden & Outdoor Work Space | — | — | — | — | — |
| Plastic & Waste Management | — | — | — | — | — |
| Support Worker Fund | — | — | — | — | — |
| MRO Projects | — | — | — | — | — |
| MRO Sponsorship | — | — | — | — | — |
| Trainee Outing Fund | — | — | — | — | — |
| Coronavirus Job Retention Scheme | — | — | — | — | — |
| | <u>34,423</u> | <u>7,512</u> | <u>(3,515)</u> | <u>—</u> | <u>38,420</u> |

MORAY REACH OUT

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2020

25. Analysis of charitable funds *(continued)*

- Future Fixed Assets - funds set-aside to fund the acquisition of future fixed assets.
- Gordon & Ena Baxter - towards the acquisition cost of new granulator.
- Bucks for Buckie - towards the acquisition cost of new granulator.
- Plastic Diversification - towards the acquisition cost of new granulator.
- Re-Development Project - funds received towards the re-development of new office premises at 23 East Church Street, Buckie.
- Lift Fund - funds towards the purchase and installation of lift in our new premises at 23 East Church Street, Buckie.
- Shop Frontage Scheme - funds from local authority towards the costs of improving the exterior of new premises at 23 East Church Street, Buckie.
- Spinning / Upcycling - funds towards the running of the new project venture.
- Garden - funds towards the development of a new outdoor workshop space.
- Plastic & Waste Project - funds towards the salary of 2 employees.
- Support Worker Fund - funds towards the salary of our new Support Worker.
- MRO projects - funds towards the purchase of workshop materials.
- MRO Sponsorship - funds towards Mental Health placements.
- Trainee Outing - funds set aside for trainee outing and put on hold meantime due to current COVID-19 travel restrictions.
- Coronavirus Job Retention Scheme - funds received from the UK Government to cover up to 80% of the wage costs for furloughed employees.

26. Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 349,074 | 75,249 | 424,323 |
| Current assets | 90,062 | 31,049 | 121,111 |
| Creditors less than 1 year | (35,623) | — | (35,623) |
| Creditors greater than 1 year | (118,501) | — | (118,501) |
| Net assets | 285,012 | 106,298 | 391,310 |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 204,727 | 15,997 | 220,724 |
| Current assets | 150,473 | 22,423 | 172,896 |
| Creditors less than 1 year | (38,317) | — | (38,317) |
| Creditors greater than 1 year | (114,587) | — | (114,587) |
| Net assets | 202,296 | 38,420 | 240,716 |

MORAY REACH OUT
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2020

27. Prior year adjustments

The prior year financial statements have been adjusted to show the bank loan balance falling due split between current liabilities and non current liabilities. This resulted in an amount of £114,587 being transferred from current liabilities to non current liabilities. This adjustment has had no financial effect on the surplus of the charity and shows the liabilities of the charity in a more accurate manner.

28. Analysis of changes in net debt

| | At 1 Apr 2019 | Cash flows | At 31 Mar 2020 |
|--------------------------|-----------------|-----------------|-------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 94,806 | (33,274) | 61,532 |
| Debt due within one year | (10,627) | (4,425) | (15,052) |
| Debt due after one year | (114,587) | (3,914) | (118,501) |
| | <u>(30,408)</u> | <u>(41,613)</u> | <u>(72,021)</u> |

29. Related parties

The charity did not enter into any related party transactions during the year.

30. Ethical standards

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.