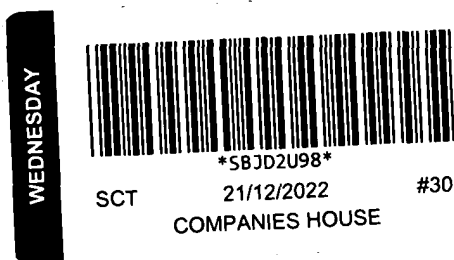


Scottish Charity No. SC014048
Scottish Company Registration No. SC280859

Home-Start East Highland Ltd
(a company limited by guarantee)

**Annual Report and Financial Statements
for the year ended 31 March 2022**



Home-Start East Highland Ltd

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Home-Start East Highland Ltd

Report of the Trustees for the year ended 31 March 2022

The trustees (who are also Directors) present their annual directors' report and financial statements of the charity for the year ended 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006, the Memorandum and Articles of Association, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 2019).

Objectives and Activities

The objectives of Home-Start are:

- to safeguard, protect and preserve the good health, both mental and physical of children and parents of children;
- to prevent cruelty to or maltreatment of children;
- to relieve sickness, poverty and need amongst children and parents of children; and
- to promote the education of the public in better standards of childcare within the area of Ross and Cromarty and its environs.

Review of our Achievement and Performance

This financial year saw us enter the final year of funding from The Big Lottery Fund which allowed us to continue our provision of services in Inverness and Nairn areas. We maintained our Highland Council funding for services in Easter Ross. In addition, we continued with our second year of funding from Inspiring Scotland for our Perinatal and Infant Mental Health project, in partnership with Home-Start Caithness, which is allowing Home-Start support to be offered across mainland Highland. Financial support continued to strengthen our position in another uncertain year, we successfully applied for a number of grants from the Scottish Government, strategic partners, charities and local Community Partnerships. This gave us the financial resilience to continue to provide support to families as the covid pandemic continued into its second year and combat the challenges of the Covid-19 pandemic across Highland. It also allowed us to maintain our positive working relationships with our partner agencies and professional colleagues.

We have had to address the continued impact of Covid-19 throughout this reporting period and have continued to adapt the way we deliver services to ensure that parents continue to have the support they need to give their children the best possible start in life. National Guidelines changed and guidance put in place to allow face to face visits to resume in families homes. For many, this was still a worry. Therefore, we continued to put in place a range of methods to continue effective contact and support to families, including Zoom and WhatsApp delivered by staff working from home. We also provided emergency PPE, food parcels and activity packs for children. The Trustees Strategic Plan, which sets out our approach and objectives in detail, underpins our core belief that children need and deserve a happy and secure childhood even in extraordinary times.

The continued commitment of all staff, volunteers, funders and the Board of trustees ensured that our services continued to reach those who are most in need, especially in a time where many mainstream services were not accessible. Although families became isolated due to Lockdown, Home-Start East Highland continued to play an important role for families who found their usual support networks hard to access and provided emotional and practical support in a challenging time.

Home-Start East Highland Ltd

Report of the Trustees for the year ended 31 March 2022

Review of our Achievement and Performance (cont'd)

The Trustees would like to recognise the extraordinary efforts of the staff team in adapting so positively to working from home and in finding effective and creative ways to continue to deliver an essential service in very challenging circumstances. We will continue to endeavour to support the team to positively impact the lives of children in Highland as we move through and out of the pandemic.

Financial Review

Results for the Year

The financial statements for the year are set out on pages 7 to 17. The Statement of Financial Activities on page 7 reflects net outgoing resources of £19,831 (2021: net incoming £147,480). Total funds amounted to £229,200 (2021: £249,031).

Principal funding sources

Highland Council have been the main funder to our organisation in Easter Ross in 2021/22. Our project in Inverness and Nairn areas continued into the final year of our five-year grant from the Lottery. Our Perinatal and Infant Mental Health project across mainland Highland is funded by Inspiring Scotland and continued into year two of three.

The organisation provides an essential service to the community and with this in mind we feel that we are in a healthy position to continue to provide family support for many years to come.

Risk Management

The Directors have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Directors consider risks to which the Charity may be subject and have introduced procedures to mitigate the possible effects of those risks.

Reserves Policy

In order for the organisation to be able to run in a stable financial manner we have been able to hold onto our cash reserves. This is necessary to cover running costs for the first few months each year and to enable us to pay for any unforeseen issues.

The organisation has managed to maintain our reserves at a level of around four months' running costs.

Plans for the Future

In the next financial year, the Trustees will be working to secure funding to extend and continue the key outcomes achieved through support from the Big Lottery, and to maintain services that provide a combination of home visiting and group support to families living in the Inverness and Nairn area each year. Trustees will also be working to develop support services across Easter Ross and to develop new and novel partnerships with statutory agencies and voluntary organisations across the Highland area.

Trustees will also continue work to secure funding from additional sources to develop, extend and enhance our existing range of family services in recognition of the growing demand for our services to address both unmet and residual social needs attributable to policy change implemented at a United Kingdom level. The Board remains committed to supporting families and working to ensure that every child has the best possible start in life.

Home-Start East Highland Ltd

Report of the Trustees for the year ended 31 March 2022

Structure, Governance and Management

Organisational structure

Home-Start East Highland Ltd is a private Company limited by guarantee (Number SC280859) and is a registered Scottish charity (Number SC014048). As a Company limited by guarantee, the governing documents are the Memorandum and Articles of Association. The Company is affiliated to the Home-Start National Organisation.

Home-Start East Highland Ltd is a voluntary organisation committed to promoting the welfare of families with at least one child under five years of age. Volunteers offer regular support, friendship and practical assistance to families in their own homes, helping to prevent family stress and breakdown. Home-Start brings hope and friendship to parents under pressure.

Directors and Office Bearers

The policy and general management of Home-Start is directed by the Board of Directors, who must hold at least four meetings each year. A quorum at a meeting of the Directors is three Directors. Except for the chairperson who has a second or casting vote, each Director has one vote on each issue. The Directors, as charity Trustees, have control of the charity and its property and funds. The Directors when complete consist of at least three and not more than twelve individuals.

One third of the Directors must retire at each AGM and a Director's term of office is automatically terminated if he or she is disqualified under the law of Scotland from acting as a charity trustee, is incapable of managing his or her own affairs, or is absent from four consecutive meetings.

The Directors may at any time co-opt any person duly qualified to be appointed as a Director, but a co-opted Director holds office only until the next AGM. There is no formal induction and training of new Directors who are welcomed and guided informally by the existing Directors.

Key Management Personnel Remuneration

The day to day management of the project is delegated to our manager. The Trustees appointed a new Strategic Manager in October 2020. The Strategic Manager ensures that all processes and objectives are met, meets regularly with the Chairperson, and reports to the six-weekly Board Meetings.

Reference and Administrative Information

<i>Trustees:</i>	Mrs Clair Nichols – Chairperson	
	Mrs Wilma MacDonald	(resigned February 2022)
	Mrs Helen MacKenzie	(resigned September 2021)
	Mrs Janet McVeigh	
	Mr Gavin Daschofsky - Treasurer	
	Mrs Fiona Munro – Vice Chair	
	Ms Kayleigh Sievwright – Safeguarding Lead	
	Ms Kate MacLennan	(appointed December 2021)
	Mrs Marion Rennie	(appointed February 2022)
	Mr Christopher Grant	(appointed 2 August 2022)
	Ms Janet Kinnaird	(appointed 2 August 2022)

Company Secretary: Mrs Morag Charnley

Home-Start East Highland Ltd

Report of the Trustees for the year ended 31 March 2022

Reference and Administrative Information (cont'd)

Registered Office: Suite 1
Morrich House
20 Davidson Drive
Castle Avenue Industrial Estate
Invergordon
Ross-shire
IV18 0SA

Charity Number: SC014048

Scottish Company Number: SC280859

Independent Examiner: Jonathan N Innes FCCA
Innes & Partners Limited
Chartered Certified Accountants
9 Ardross Street
Inverness
IV3 5NN

Bankers: Royal Bank of Scotland
Alness Branch
53 High Street
Alness
IV17 OSH

Trustees' Responsibilities in relation to the Financial Statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland 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 charity and of the incoming resources and application of resources, of the charity for that period. In preparing the 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Home-Start East Highland Ltd

Report of the Trustees for the year ended 31 March 2022

Trustees' Responsibilities in relation to the Financial Statements (cont'd)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Approved by the trustees on *9. Dec.* 2022 and signed on their behalf by:



Fiona Munro
Trustee/Vice Chair

Home-Start East Highland Ltd

Report of the Independent Examiner for the year ended 31 March 2022

I report on the accounts of the company for the year ended 31 March 2022 which are set out on pages 7 to 17.

Respective responsibilities of Directors and examiner

The Charity's Trustees (who are also the Directors of the Company for the 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity Directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

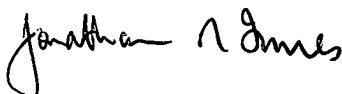
Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations (as amended). 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 Directors concerning 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 the view given by the accounts.

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 requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Jonathan N Innes FCCA
Managing Director

Innes & Partners Limited
Chartered Certified Accountants

Date: 15/12/2022

9 Ardross Street
Inverness
IV3 5NN

Home-Start East Highland Ltd**Statement of Financial Activities for the year ended 31 March 2022**
(Incorporating Income and Expenditure Account)

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income						
Donations and Legacies	3	5,765	-	430	6,195	11,317
Charitable Activities	4	160,977	-	100,666	261,643	388,574
Other Trading Activities	5	10,501	-	-	10,501	13
Investments	6	28	-	-	28	85
Total Income		177,271	-	101,096	278,367	399,989
Expenditure						
Charitable Activities	7	170,841	(13,655)	141,012	298,198	252,509
Total Expenditure		170,841	(13,655)	141,012	298,198	252,509
Net income/(expenditure) before gains/(losses) on investments		6,430	13,655	(39,916)	(19,831)	147,480
Transfers between funds	15	15,926	3,305	(19,231)	-	-
Net Movement in Funds		22,356	16,960	(59,147)	(19,831)	147,480
Reconciliation of Funds						
Total Funds Brought Forward		176,703	(16,976)	89,304	249,031	101,551
Total Funds Carried Forward	15	199,059	(16)	30,157	229,200	249,031

Balance Sheet as at 31 March 2022

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Fixed Assets						
Tangible assets	11	-	3,980	-	3,980	1,609
Total Fixed Assets		<u>-</u>	<u>3,980</u>	<u>-</u>	<u>3,980</u>	<u>1,609</u>
Current Assets						
Debtors	12	801	-	162	963	1,454
Cash at Bank and in Hand		205,371	-	35,743	241,114	277,566
Total Current Assets		<u>206,172</u>	<u>-</u>	<u>35,905</u>	<u>242,077</u>	<u>279,020</u>
Current Liabilities						
Creditors falling due within one year	13	7,113	-	5,748	12,861	13,013
Net Current Assets		<u>199,059</u>	<u>-</u>	<u>30,157</u>	<u>229,216</u>	<u>266,007</u>
Total Assets less Current Liabilities		<u>199,059</u>	<u>3,980</u>	<u>30,157</u>	<u>233,196</u>	<u>267,616</u>
Creditors falling due after one year	13	-	3,996	-	3,996	18,585
Net Assets / (Liabilities)	14	<u>199,059</u>	<u>(16)</u>	<u>30,157</u>	<u>229,200</u>	<u>249,031</u>
The Funds of the Charity						
Restricted Income Funds		-	-	30,157	30,157	89,304
Designated Funds		-	(16)	-	(16)	(16,976)
Unrestricted Funds		199,059	-	-	199,059	176,703
Total Charity Funds	15	<u>199,059</u>	<u>(16)</u>	<u>30,157</u>	<u>229,200</u>	<u>249,031</u>

For the year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledges their responsibilities for:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 9 to 17 form part of these accounts.

The accounts were approved by the trustees on 9th Dec 2022 and signed on their behalf by:


Fiona Munro

Trustee/Vice Chair

Home-Start East Highland Ltd

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting Policies

Basis of Preparation and Assessment of Going Concern

Home-Start East Highland Ltd is a company limited by guarantee registered in Scotland. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 4 of these financial statements.

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 2019), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 and not a large charity.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity constitutes a public benefit entity as defined by FRS 102.

Funds Structure

For the purpose of the Statement of Financial Activities as shown on page 7, funds are defined as follows:

- *Unrestricted funds* comprise income received for the objects of the company without further specified purpose and are available as general funds or are placed with designated funds which can be used for purposes in agreement with its charitable objectives.
- *Designated funds* comprise those funds which the Trustees have designated for specific purposes.
- *Restricted funds* comprise income which has been received for the objects of the company and specified for a restricted purpose within these objects by the donor.

Income Recognition

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Home-Start East Highland Ltd

Notes to the Financial Statements for the year ended 31 March 2022

1. Accounting Policies (cont'd)

Expenditure Recognition and Irrecoverable VAT

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible Fixed Assets and Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Furniture and fittings	10% straight line
Computers and equipment	25% straight line

Pensions and Contingent Liabilities

The Charity participates in the Scottish Voluntary Pension Scheme – a multi-employment defined benefit pension scheme. The scheme is funded and contracted out of the state scheme. The assets are invested and managed independently of the finances of the Charity. Payments are made on a monthly basis and are charged to income and expenditure. The discounted value of future deficit payments has been included in long term creditors.

2. Related Party Transactions and Trustees' Expenses and Remuneration

No Director received any remuneration or expenses from the charity during the year to 31 March 2022 (2021: £nil).

During the year the charity paid £3,240 (2021: £1,704) for accounts and payroll services to LCA Accounting Ltd, a company in which Mrs L Clark is a director.

Home-Start East Highland Ltd

Notes to the Financial Statements for the year ended 31 March 2022

3. Donations and Legacies

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Donations	5,117	–	430	5,547	5,331
Grants	648	-	-	648	5,986
	5,765	-	430	6,195	11,317

Income from donations and legacies was £6,195 (2021: £11,317) of which £5,765 was unrestricted (2021: £11,282) and £430 was restricted (2021: £35).

Included within Grants is £648 (2021: £5,986) from the Coronavirus Job Retention Scheme.

4. Charitable Activities

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Highland Council	124,340	-	-	124,340	124,340
Co-op Community Grant	20,384	-	-	20,384	10,736
Lottery	-	-	-	-	114,173
PIMH Grant	-	-	100,666	100,666	44,710
COVID Grants	-	-	-	-	78,265
HSUK John Lewis Partnership	-	-	-	-	200
Grants	16,253	-	-	16,253	16,150
	160,977	-	100,666	261,643	388,574

Income from charitable activities was £261,643 (2021: £388,574) of which £160,977 was unrestricted (2021: £221,386) and £100,666 was restricted (2021: £167,188).

5. Other Trading Activities

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Fundraising events	10,501	-	-	10,501	13
	10,501	-	-	10,501	13

Income from other trading activities was £10,501 (2021: £13) of which £10,501 was unrestricted (2021: £13) and £nil was restricted (2021: £nil).

6. Investments

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Bank Interest	28	-	-	28	85
	28	-	-	28	85

Total investment income was £28 (2021: £85) of which £28 was unrestricted (2021: £85) and £nil was restricted (2021: £nil).

Home-Start East Highland Ltd

Notes to the Financial Statements for the year ended 31 March 2022

7. Analysis of Expenditure

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Charitable Expenditure					
<i>Direct costs:</i>					
Staff costs (note 8)	112,364	-	91,719	204,083	163,151
Pension deficit contribution	3,232	-	-	3,232	3,138
Defined benefit pension scheme	-	(14,589)	-	(14,589)	(1,820)
Family support costs	819	-	689	1,508	-
Family support group costs	15,499	-	3,702	19,201	7,425
Crisis fund - COVID19	-	-	-	-	29,114
STV Winter fund	3,828	-	2,191	6,019	1,296
Partnership funding (Caithness)	-	-	20,000	20,000	8,287
Volunteer training and support	2,233	-	1,127	3,360	814
Staff training and travel	6,462	-	8,648	15,110	7,809
Gifts in Kind	88	-	192	280	-
<i>Office costs:</i>					
Accommodation costs	8,050	-	6,197	14,247	11,716
Telephone	2,052	-	1,765	3,817	2,006
Office costs	3,533	-	2,491	6,024	8,080
Depreciation	-	934	-	934	1,502
Insurance	1,170	-	630	1,800	1,676
Bank charges	163	-	51	214	163
<i>Governance costs:</i>					
Home-Start affiliation fees	6,943	-	-	6,943	4,316
Independent examination fee	1,848	-	-	1,848	1,680
Trustee meeting costs	35	-	-	35	-
Subscriptions and membership	335	-	44	379	380
Professional fees	2,187	-	1,566	3,753	1,704
Other management costs	-	-	-	-	72
	170,841	(13,655)	141,012	298,198	252,509
Total	170,841	(13,655)	141,012	298,198	252,509

Support costs have not been separately identified as the trustees consider that there is only one charitable activity. Therefore support costs relate wholly to that activity and have not been separately identified.

Expenditure on charitable activities was £298,198 (2021: £252,509) of which £157,186 was unrestricted (2021: £160,538) and £141,012 was restricted (2021: £91,971).

Home-Start East Highland Ltd

Notes to the Financial Statements for the year ended 31 March 2022

8. Analysis of Staff Costs

	Total 2022 £	Total 2021 £
Salaries and wages	189,467	152,772
Employers National Insurance	8,472	4,485
Pension costs	6,144	5,894
	204,083	163,151

	Total 2022 Number	Total 2021 Number
Administrative staff	1	2
Management staff	1	1
Other full time staff	2	2
Part time staff	9	8
	13	13

No employee had remuneration including benefits in excess of £60,000 (2021: nil).

9. Net incoming/outgoing resources for the year

	Total 2022 £	Total 2021 £
This is stated after charging:		
Depreciation	934	1,502

10. Taxation

No liability to UK Corporation Tax arises in light of the company's charitable status.

11. Tangible Fixed Assets

	Furniture & Fittings £	Office Equipment £	Total £
Cost / Valuation			
As at 1 April 2021	5,802	15,079	20,881
Additions	885	2,420	3,305
As at 31 March 2022	6,687	17,499	24,186
Depreciation			
As at 1 April 2021	4,662	14,610	19,272
Charge for the year	374	560	934
As at 31 March 2022	5,036	15,170	20,206
Net Book Value			
As at 31 March 2021	1,140	469	1,609
As at 31 March 2022	1,651	2,329	3,980

Home-Start East Highland Ltd

Notes to the Financial Statements for the year ended 31 March 2022

12. Analysis of Debtors

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Trade Debtors	-	-	-	-	350
Other Debtors	801	-	162	963	1,104
	<u>801</u>	<u>-</u>	<u>162</u>	<u>963</u>	<u>1,454</u>

13. Analysis of current liabilities and long term creditors

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Due within 1 year					
Accruals and deferred income	5,164	-	4,752	9,916	11,020
Taxation and Social Security	1,949	-	996	2,945	1,993
	<u>7,113</u>	<u>-</u>	<u>5,748</u>	<u>12,861</u>	<u>13,013</u>

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Creditors due after 1 year (including provisions)					
Pension provision (note 17)	-	3,996	-	3,996	18,585
	<u>-</u>	<u>3,996</u>	<u>-</u>	<u>3,996</u>	<u>18,585</u>

14. Analysis of Net Assets Among Funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2022 £
Fixed Assets	-	3,980	-	3,980
Current Assets	206,172	-	35,905	242,077
Current Liabilities	(7,113)	-	(5,748)	(12,861)
Long Term Liabilities	-	(3,996)	-	(3,996)
As at 31 March 2022	<u>199,059</u>	<u>(16)</u>	<u>30,157</u>	<u>229,200</u>

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2021 £
Fixed Assets	-	1,609	-	1,609
Current Assets	183,968	-	95,052	279,020
Current Liabilities	(7,265)	-	(5,748)	(13,013)
Long Term Liabilities	-	(18,585)	-	(18,585)
As at 31 March 2021	<u>176,703</u>	<u>(16,976)</u>	<u>89,304</u>	<u>249,031</u>

Home-Start East Highland Ltd

Notes to the Financial Statements for the year ended 31 March 2022

15. Movement in Funds

	As at 01.04.2021 £	Incoming Resources £	Outgoing Resources £	Transfers Gains/Losses £	As at 31.03.2022
Restricted Funds					
Lottery Fund	85,929	430	(47,135)	(39,224)	-
Home-Start Army Grant	3,375	-	-	-	3,375
PIMH Grant	-	100,666	(93,877)	19,993	26,782
	89,304	101,096	(141,012)	(19,231)	30,157
Unrestricted Funds					
General	176,703	177,271	(170,841)	15,926	199,059
Pension Deficit	(18,585)	-	14,589	-	(3,996)
Fixed Assets	1,609	-	(934)	3,305	3,980
	159,727	177,271	(157,186)	19,231	199,043
Total Funds	249,031	278,367	(298,198)	-	229,200
	As at 01.04.2020 £	Incoming Resources £	Outgoing Resources £	Transfers Gains/Losses £	As at 31.03.2021
Restricted Funds					
Lottery fund	10,677	167,223	(91,971)	-	85,929
Home-Start Army Grant	3,375	-	-	-	3,375
	14,052	167,223	(91,971)	-	89,304
Unrestricted Funds					
General	104,793	232,766	(160,856)	-	176,703
Pension Deficit	(20,405)	-	1,820	-	(18,585)
Fixed Assets	3,111	-	(1,502)	-	1,609
	87,499	232,766	(160,538)	-	159,727
Total Funds	101,551	399,989	(252,509)	-	249,031

Fund Purposes:

Restricted Funds:

The Lottery fund represents funds received to provide support to families living in the Inverness and Nairn area each year.

The Home-Start Army Grant fund represents funds received to provide support to army families living in the Inverness and Nairn area.

The PIMH Grant fund represents funds received for perinatal and infant mental health support.

Unrestricted Funds:

The General fund represents all income and expenditure relating to the primary focus activities of the charity, other than those for which funding is restricted.

The Pensions deficit fund represents the provision for future pension deficit payments.

The Fixed Assets fund represents the net book value of the charity's fittings and equipment, distinguishing their value from unrestricted general funds immediately available for use.

16. Liability of members

The company is limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10. At 31 March 2022 there were 203 members (2021: 100).

17. Pensions: The Pensions Trust – Scottish Voluntary Sector Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 82 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 21 December 2021 and showed assets of £153.3m, liabilities of £160.0m and a deficit of £6.7m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions:

From:

1 April 2022 to 31 May 2024:	£1,507,960 per annum (payable monthly and increasing by 3% each year on 1st April)
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Some employers have agreed concessions (both past and present) with the Trustee and have contributions up to 29 February 2028.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions:

From:

1 April 2019 to 30 September 2026:	£1,404,638 per annum (payable monthly and increasing by 3% each on 1st April)
1 April 2019 to 30 September 2027:	£136,701 per annum (payable monthly and increasing by 3% each on 1st April)

Home-Start East Highland Ltd

Notes to the Financial Statements for the year ended 31 March 2022

17. Pensions: The Pensions Trust – Scottish Voluntary Sector Pension Scheme (cont'd)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	2022 £	2021 £
Present value of provision:	3,996	18,585
Reconciliation of opening and closing provisions:	2022 £	2021 £
Provision at start of period	18,585	20,405
Unwinding of the discount factor (interest expense)	146	481
Deficit contribution paid	(3,232)	(3,138)
Remeasurements - impact of any change in assumptions	(60)	837
Remeasurements - amendments to the contribution schedule	(11,443)	-
Provision at end of period	3,996	18,585
Income and expenditure impact:	2022 £	2021 £
Interest expense	146	481
Remeasurements – impact of any change in assumptions	(60)	837
Remeasurements – amendments to the contribution schedule	(11,443)	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*
Provision at end of period	(11,357)	1,318

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

Assumptions:	2022 % per annum	2021 % per annum
Rate of discount	2.30	0.86

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.