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HOME-START ABERDEEN
A company limited by guarantee No SC280851

TRUSTEES' ANNUAL REPORT
and
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

HOME-START ABERDEEN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CONTENTS

	Page
Trustees' Annual Report	2-7
Reporting Accountant's report	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11-22

**HOME-START ABERDEEN
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2023.

Reference and administrative information

Charity name: Home-Start Aberdeen
Charity registration number: SC012942
Company registration number: SC280851
Registered office /operational address: Langstane House, 6 Dee Street, Aberdeen AB11 6DR
Website: www.homestartaberdeen.org.uk

Trustees (from 1 April 2022)

Chair/ Treasurer Anne MacDonald
Vice Chair Yvonne Wright
Other trustees Mike Brown
Rob Burnett
Anne Donaldson

Management team

Cameron McCreedy Chief Executive – started September 2023
Eleanor McEwan General Manager – left September 2023
Nicki Small Administrator
Nicola Murphy Finance Assistant
Catherine Beattie Team Leader
Amanda Carey Co-ordinator – left October 2023
Vicky Carter Co-ordinator
Lyn Elrick Co-ordinator
Lesley Lewis Co-ordinator
Megan Mackie Co-ordinator
Rebecca Mennie Co-ordinator – started November 2023
Jacquelyn Morrice Co-ordinator
Debra Rae Co-ordinator
Angela Davidson Play Leader – left July 2023
Rebecca Whitelaw Play Worker - started October 2023
Karen Milne Shop Manager
Brenda Fraser Shop Assistant

Accountants and Independent Examiners

Hall Morrice, Chartered Accountants, 7 Queens Terrace, Aberdeen AB10 1XL

Bankers

Virgin Money (formerly Clydesdale Bank plc), Queens Cross, Aberdeen AB16 5JR

HOME-START ABERDEEN TRUSTEES' ANNUAL REPORT (CONTINUED)

Objectives and activities

Home-Start Aberdeen is a voluntary organisation in which volunteers visit young families under stress to provide emotional and practical support and friendship, helping them to create a secure and loving home environment where their children can grow up happy, healthy and confident, and able to achieve their full potential. Home-Start provides a breathing space for parents, helps to prevent family crisis and breakdown and also supports many professional workers who refer many families in need to the scheme.

As well as its main objective of home visiting, the charity also runs several specialist projects including:

- Rising Stars - a family support group for parents and children who are at particular risk of isolation.
- 'Recipe for Life' - provides support for families, teaching practical cooking skills, budgeting and shopping advice, weaning and maintaining child healthy weights. .

Achievements and performance

The core service is provided by volunteers who receive training, support and supervision. During the year our volunteers supported 205 (2022: 202) families in which there were 265 children (2022: 305). There is continuing demand for our services and increasing pressure on our waiting list particularly in the final quarter of the financial year after the winter holiday period. The main source of our referrals continues to be from health professionals 72% (2022: 75%) although there are also self-referrals and referrals from community groups which made up 22% and 6% of the 2022/23 total respectively.

We are involved in several projects with partners including:

- RAFT (Reaching Aberdeen Families Together) is a consortium of local charities led by Barnardo's who formed a partnership which successfully won a contract with Aberdeen City Council to provide children's services. Commencing in September 2017, the contract was due to run for up to five years but has been extended until March 2024. The council is currently running a procurement exercise with a view to implementing a new service contract from April 2024.
- Robert Gordon University - we provide a rich placement experience for a number of social work students who in turn strengthen our team and provide extra capacity.

We reviewed the role and remit of our senior officer and consequently, we introduced a new role of chief executive to replace the former role of General Manager. Our senior officer has a critical role in leading the organisation, making our voice heard and in collaborating with other leaders in the community to ensure that early years provision remains a priority. In particular, our aim is to deliver support to families with children under the age of five at an early stage and not when families are at crisis point. Early years is recognised as a pivotal point in a child's development. This is reflected in a range of work ongoing across Scotland at the moment e.g. Perinatal Mental Health initiatives and the Promise. It's an important time for early years provision and we have much to contribute through our home visiting and peer support services. The time was therefore right to introduce a chief executive officer role.

In addition, we completed a review of the staff team salaries in summer 2022 and the consequent pay award was implemented in September 2022.

Having secured several multi-year funding streams in recent years, funding to meet our core family support staff related costs was largely in place at the beginning of the financial year. This provided a cushion and some breathing space for us to seek potential funding opportunities to meet our overheads and other essential costs.

Financial review

The Board of Trustees (board) recognises that the funding landscape remains uncertain and challenging. It is also acknowledged that there may be a continuing need to draw on reserves in the short term to achieve financial balance.

The overall position for the year was a surplus of £79,503 (2022: surplus of £28,734) which includes an actuarial gain of £65,229. Due to changes in the financial market and the assumptions used by the

HOME-START ABERDEEN TRUSTEES' ANNUAL REPORT (CONTINUED)

actuary, most notably the discount rate which has increased from 2.8% to 4.8%, the valuation of the pension position is showing a net pension surplus for the first time. This is not unique to HomeStart Aberdeen or to North East Scotland Pension fund, most public and third sector bodies are reporting similar positions in 2022/23. In 2021/22, a pension liability of £71,229 was included in the Balance Sheet. This year, our net pension surplus is £113,771. In line with accounting requirements however, the level of surplus included in the Balance Sheet is restricted to nil. Note 16 sets out the detail on the actuarial valuation, the actuary's assumptions and pension accounting treatment.

The surplus of £79,503 includes a surplus of £101,110 on unrestricted funds largely due to the actuarial gain and a deficit on restricted funds of £21,607. The deficit on restricted funds this year is largely due to costs being incurred this year against multi-year funding received in the previous year.

At 31 March 2023, the charity's funds totalled £294,846 (2022: £215,343) and these are split between unrestricted funds available for use at the discretion of the trustees of £266,151 and restricted funds for specified purposes of £28,695.

Principal funding sources

The principal funding sources are as follows:

- Grants from the National Lottery Community Fund, Cattanach Trust and Fairer Aberdeen Fund (managed by Aberdeen City Council) to meet the direct costs of certain family support services, credited to separate restricted funds.
- Contract income received from Barnardo's in respect of services provided with partners through RAFT, credited to a separate restricted fund.
- Grant funding from the Robertson Trust and Aberdeen Common Good Fund provided as contributions to core costs, credited as income within unrestricted reserves.

Policy on reserves

The policy established by the trustees has as its objective the holding of a reserve fund of at least £150,000 in addition to maintaining small working balances on each of our funds. The rationale is that, given the uncertainties about future funding, the reserve fund should be sufficient to finance about 6 months of our ongoing expenditure (the total expenditure in 2022/23 was approximately £475,000).

The reserves policy was last formally reviewed in December 2022. At 31 March 2023, a reserve fund of £150,000 is held.

Plans for future periods

In summer 2023, the board reviewed its Strategic Plan and following engagement with the staff team approved a new Strategic Plan covering 2023-27 which set out the following priorities:

- to give every child we support the best possible start at home by increasing the number of families we support
- to improve families' health and wellbeing through the extension of our 'Recipe for Life' project and developing our pre-birth and perinatal mental health work
- to enable the development of strong families and communities by increasing our partnership working, effective signposting to services, broadening the organisation's diversity and using the voice of the child to influence the development of the organisation
- to manage and fund a growing organisation to achieve excellent outcomes by seeking opportunities to grow our charity shop, improve our impact reporting and by continuing to make effective use of our Public Relations strategy and available technology.

Normally, the board meets on a six monthly basis to review and monitor strategic objectives. Separate strategy meetings were suspended in the aftermath of the Covid-19 pandemic and are scheduled to recommence in 2024.

HOME-START ABERDEEN TRUSTEES' ANNUAL REPORT (CONTINUED)

Structure, governance and management

Governing document

Home-Start Aberdeen is a company limited by guarantee, governed by its memorandum and articles of association. The Inland Revenue has granted charitable status to the company under section 505 of the Income and Corporation Taxes Act 1988.

Organisational structure

The board is responsible for the direction and performance of the charity. It normally meets on a quarterly basis for routine business and six monthly for strategic planning purposes. The board resumed in-person meetings during 2023. There is a lead trustee or advisor in the following areas: child protection, health and safety and human resources.

The Chief Executive led the staff team until her retirement in September 2023. An early recruitment campaign was undertaken which enabled us to have a seamless handover as we also welcomed a new Chief Executive in September 2023. The Chief Executive has operational responsibility for the scheme and is directly accountable to the board. He is supported by a team leader in managing and supervising staff and volunteers. At 31 March 2023, the total number of permanent team members including shop activities was 14 (2022: 12).

Recruitment and appointment of trustees

The directors of the company are trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees or the board. Under the company's Articles, trustees are elected to serve for a period of three years with one third of the trustees retiring at each annual general meeting.

New trustees have historically been recommended through local community professional networks and contacts. We ran a trustee recruitment campaign during 2023 and after a period of observing meetings, we plan to induct three new trustees in the coming months. We also have a rich team of advisors who provide invaluable support to the board.

Trustee induction and training

All trustees receive an induction pack and are offered support from a staff member or other trustee to take them through the various guidelines. Home-Start UK offer induction training and provide other training events from time to time. Board members received refresher training in February 2023 covering child protection legislation, policies and guidelines.

Risk management and information governance

The board regularly reviews the organisation's key priorities, aims and aspirations. The charity publishes an annual public performance report which sets out progress against strategic goals and a summary service analysis.

In March 2020, as the Covid-19 situation escalated, our business continuity plan was activated and our risk matrix was reviewed. These matters have been retained as standing items on board agendas.

Data storage and back up arrangements were transferred to the Cloud in 2018/19. Systems and processes can be safely accessed by staff working remotely, robust back up procedures are in place and we have renewed our cyber security accreditation. Regular reviews are also undertaken of our arrangements to meet data protection requirements.

Regular training and procedures are in place to ensure that Home-Start staff and volunteers involved in home visiting work safely and in line with the guidelines issued by the Suzy Lamplugh Trust.

HOME-START ABERDEEN TRUSTEES' ANNUAL REPORT (CONTINUED)

Home-Start UK has an established quality assurance process. Internally, we have a rolling programme to ensure that standards are reviewed on a cyclical basis over a 3 year period. Our most recent assessment by Home-Start UK against national quality standards was undertaken in April 2019 when we achieved a high score.

Related parties

The main related party relevant to the aims of the charity is Home-Start UK, which provides various support and advisory services in return for payment of an affiliation fee.

Going concern

In the aftermath of Covid-19, the funding landscape continues to be uncertain and challenging. This has been exacerbated by the current energy prices crisis. Some multi-year funding secured in 2020/21 provides a cushion into 2022/23 and 2023/24. In addition, the positive actuarial valuation in 2022/23 provides some flexibility in reserves, in the short term at least. At 31 March 2023, the pension reserve moved from a debit balance to a credit balance as a result. While this reduces the pressure, the continuous search to secure funding is a demanding and relentless role. The board regularly reviews its financial position and has approved the further use of reserves (if required) to ensure a balanced financial position is achieved for 2023/24.

Beyond March 2023, in common with other years, there is an in-year funding shortfall. In line with our financial strategy, the board has a planned programme of bids which will be submitted over the next 12 months and is regularly reviewing its financial position. Overall, the board has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. It is therefore satisfied that the going concern basis of accounting can continue to be adopted for the preparation of the annual accounts.

Statement of trustees' responsibilities

The trustees, who are also directors of Home-Start Aberdeen for the purposes of company law, are responsible for preparing the Trustees' Annual 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 trustees to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

**HOME-START ABERDEEN
TRUSTEES' ANNUAL REPORT (CONTINUED)**

Basis of Preparation

This report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard and the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Trustees on 7 February 2024 and signed on their behalf:

A handwritten signature in black ink, appearing to read 'Rob Burnett', written in a cursive style.

**Rob Burnett
Trustee**

**HOME-START ABERDEEN
REPORTING ACCOUNTANTS REPORT
TO THE MEMBERS OF HOME-START ABERDEEN**

I report on the accounts of the charity for the year ended 31 March 2023 which are set out on pages 9 to 22.

Respective Responsibilities of Trustees and Examiner

The charity's trustees 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 trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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.

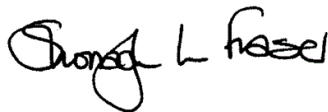
Basis of Independent Examiner's Statement

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

Independent Examiner's Statement

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

- 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; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations.
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Shonagh L Fraser M.A. C.A.
On behalf of Hall Morrice LLP
Chartered Accountants
Aberdeen
8 February 2024

**HOME-START ABERDEEN
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	TOTAL 2023 £	TOTAL 2022 £
Income					
Donations	3	30,531	-	30,531	13,739
Income from Charitable activities					
- Grant income	4	106,416	201,972	308,388	307,567
- Fundraising		25,982		25,982	12,745
Trading activities	9	105,702	-	105,702	73,908
Investment income (interest from deposits)		1,097	-	1,097	500
Other		14,124	-	14,124	29,257
Total Income		283,852	201,972	485,824	437,716
Expenditure					
Costs of raising funds	5	115,564	-	115,564	102,763
Charitable activities	6	123,968	230,018	353,986	315,219
Interest cost in relation to pension liability		2,000	-	2,000	1,000
Total Expenditure		241,532	230,018	471,550	418,982
Net income/(expenditure)		42,320	(28,046)	14,274	18,734
Actuarial gain on defined benefit scheme		65,229	-	65,229	10,000
Net movement in funds after actuarial gain on pension scheme		107,549	(28,046)	79,503	28,734
Transfers between funds		(6,439)	6,439	-	-
Net Movement		101,110	(21,607)	79,503	28,734
Reconciliation of funds					
Total funds brought forward	17	165,041	50,302	215,343	186,609
Total funds carried forward	17	266,151	28,695	294,846	215,343

**HOME-START ABERDEEN
BALANCE SHEET**

AT 31 MARCH 2023

		2023	2022
		£	£
Fixed assets			
Tangible assets	12	10,940	14,309
		10,940	14,309
Current assets			
Debtors	13	19,126	26,316
Investments		65,285	64,905
Cash at bank		253,986	233,103
		338,397	324,324
Liabilities:			
Creditors: amounts due within one year	14	(47,824)	(37,486)
Net current assets		290,573	286,838
Total assets less current liabilities		301,513	301,147
Creditors: amounts due after more than one year	15	(6,667)	(14,575)
Net assets excluding pension liability		294,846	286,572
Defined benefit pension scheme liability	16	-	(71,229)
Total net assets		294,846	215,343
The funds of the charity:			
Restricted income funds	17	28,695	50,302
Unrestricted funds		235,151	197,270
Pension Reserve		31,000	(32,229)
Total unrestricted reserves	17	266,151	165,041
Total charity funds		294,846	215,343

The directors confirm that the company was entitled to exemption from the requirement to have an audit under the provisions of section 477(1) of the Companies Act 2006 and that the members have not required the company to obtain an audit for the year in accordance with section 476(1) of that Act. The directors acknowledge their responsibility to ensure that the company keeps accounting records in accordance with section 386 and to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus for that financial year in accordance with section 394 and which otherwise comply with the Companies Act 2006 as far as applicable to the company.

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

These financial statements have been prepared in accordance with Financial Reporting Standard 102 (effective January 2015).

The financial statements on pages 9 to 22 were approved by the Board of Trustees on 7 February 2024 and were signed on its behalf on that date by:

Anne MacDonald
Treasurer

Anne MacDonald

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1 Company status

The company is a private company limited by guarantee and not having a share capital. The extent of the liability of the members of the company, in accordance with the memorandum of association, is limited to a maximum of one pound each; the number of members at 31 March 2023 was 7. The company is also a registered charity and accordingly no liability to corporation tax arises on its income.

2 Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The financial statements are prepared in sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

As explained in the Trustees' Report, the accounts are prepared on the going concern basis which provides that the charity will continue in operational existence for the foreseeable future.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purpose of the charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds are subjected to restrictions on their use where the provider of the funds has specified use for specific projects being undertaken by the charity.

(c) Income

Grants for restricted purposes are accounted for on an accruals basis and are held separately in restricted funds until expended. Where funding is received in advance it will be reflected as income when received and held separately to be used in line with agreed project plans.

All other income is accounted for when receivable.

(d) Expenditure

Expenditure is recognised on an accruals basis as liabilities are incurred. VAT on expenditure is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charity and include reporting accountants' fees and trustees' training and travelling expenses.

Costs relating to a particular activity are allocated to the fund that finances that activity. All other costs are allocated to the mainline fund.

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

(e) Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the charity. Any unused benefits are accrued and measured as the additional amount the charity expects to pay as a result of the unused entitlement.

Home-Start Aberdeen participates in the North East Scotland Pension Fund (NESPF) which is a part of the Local Government Pension Scheme (LGPS) and a multi-employer scheme. The LGPS is a defined benefits scheme. The scheme closed to new entrants with effect from April 2011. At that time, the board elected to provide alternative pension arrangements for new staff.

The National Employment Savings Trust (NEST), a defined contribution scheme, is the charity's main pension arrangement and the board agreed to make an employer contribution of 6%.

At 31 March 2023, one member of the team was a member of the LGPS and nine were contributing to NEST.

Any liabilities of the fund attributable to Home-Start Aberdeen are included in the Balance Sheet on an actuarial basis using projected unit credit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned today by employees, based on assumptions about mortality rates, employee turnover rates and modelling of projected earnings for current employees.

Liabilities are discounted to their present value at current prices using a discount rate of 4.8% (2022 2.8%) based on a weighted average of 'spot yields' on AA related corporate bonds that are denominated in sterling and have terms approximating to the estimated period of the future payments (discount rate).

The assets of the fund attributable to Home-Start Aberdeen are included in the Balance Sheet at their fair value on the following bases:

Quoted securities	Current bid price
Unquoted securities	Professional estimate
Unitised securities	Current bid price
Property	Market value

The change in the net pension liability is analysed into the following components:

Service cost, comprising:

- Current service cost: the increase in liabilities as a result of years of service earned this year – allocated to the funding streams in the Statement of Financial Activities which funded the relevant staff
- Past service costs: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus/deficit in the Statement of Financial Activities
- Net interest on the net defined benefit liability: net interest expense – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Statement of Financial Activities. This is calculated by applying the discount rate used to measure the defined obligation at the beginning of the year to the net defined benefit liability at the beginning of the year – taking into account any changes in the net defined benefit liability during the year as a result of contribution and benefit payments.

Remeasurements, comprising:

- The return on plan assets: excluding amounts included in net interest on the net defined benefit liability charged to the Statement of Financial Activities
- Actuarial gains and losses: changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated assumptions, debited or credited to the Statement of Financial Activities.

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

(f) Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the accounts are approved for issue. Two types of event can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period: the accounts are adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting date: the accounts are not adjusted to reflect such events, but where a category of event would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial impact.

(g) Tangible fixed assets

Fixtures and equipment costing less than £500 inclusive of VAT are taken to the statement of financial activities in the period of acquisition. All other fixtures and equipment are capitalised at cost and depreciated over the expected useful economic life, on a straight line basis. At present, the useful life is considered to be 5 years.

(h) Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

(i) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

(j) Provisions

Provisions are made where an event has taken place that gives rise to a legal or constructive obligation where it is probable that settlement by a transfer of economic benefits or service potential will be required to settle the obligation, taking into account relevant risks and uncertainties.

(k) Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(l) Prior year adjustments

Prior year adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes are made by adjusting the opening balances and comparative amounts for the prior period or periods.

3 Donations

Donations received amounted to £30,531 (2022: £13,739), all of which represented unrestricted funds. The majority of this amount related to one-off donations from our supporters.

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4 Income from charitable activities: grant income

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
Aberdeen City Council – Fairer Scotland Fund	-	34,430	34,430	33,755
Aberdeen City Council – RAFT	-	27,942	27,942	27,942
Aberdeen Common Good	45,000	-	45,000	-
National Lottery Community Fund	-	77,473	77,473	75,568
Cattanach Trust	-	24,624	24,624	25,124
Scottish Government - Perinatal Infant Mental Health	-	6,000	6,000	6,000
The Robertson Trust	40,250	-	40,250	35,000
Lottery Funding – Recipe for Life	-	9,814	9,814	-
ACVO – Recipe for Life	-	10,000	10,000	-
Children in Need	-	9,189	9,189	-
John Gordon Trust	-	1,500	1,500	-
Ryvoan Trust	5,000	-	5,000	-
Stafford Trust	5,000	-	5,000	-
Scottish Government - Loneliness Grant	6,166	-	6,166	9,000
Caroline Jane Spence Fund	5,000	-	5,000	-
NHS - Health Improvement Fund	-	-	-	7,505
Covid-19 Business Grant	-	-	-	13,000
STV Children’s Winter Fund	-	-	-	14,000
Communities Mental Health and Wellbeing Fund	-	-	-	10,000
PHP Community Fund (administered by Foundation Scotland)	-	-	-	8,034
People’s Postcode Lottery	-	-	-	11,806
Aberdeen Hardship Fund	-	-	-	8,449
Pears Foundation	-	-	-	2,384
John Lewis	-	-	-	20,000
Other	-	1,000	1,000	-
	<u>106,416</u>	<u>201,972</u>	<u>308,388</u>	<u>307,567</u>

In 2022, £77,000 was attributable to Unrestricted Funds and £230,567 to Restricted Funds.

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
5 Cost of raising funds				
Fundraising	45,287	-	45,287	43,829
Charity shop trading costs (note 9)	70,277	-	70,277	58,934
	<u>115,564</u>	<u>-</u>	<u>115,564</u>	<u>102,763</u>

In 2022, £102,763 was attributable to Unrestricted Funds.

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6 Expenditure on charitable activities

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
Staff costs	65,068	182,439	247,507	212,374
Co-ordinators' training and expenses	97	3,634	3,731	3,933
Volunteers' training and expenses	209	964	1,173	437
Support for Families	852	15,177	16,029	4,660
Group activities	12	2,018	2,030	-
Public Relations and Communication	12,758	2,042	14,800	13,963
Rent, Rates and Water Charges	16,028	7,579	23,607	26,142
Insurance	1,174	750	1,924	1,323
Other property expenses	5,658	1,905	7,563	21,864
IT maintenance	3,025	4,724	7,749	9,743
Telephone and Internet	1,752	3,138	4,890	4,035
Cleaner's wages	1,965	506	2,471	1,234
Office expenses	541	1,462	2,003	2,225
Membership fees	482	100	582	432
Home-Start UK fee	5,559	3,580	9,139	5,660
Depreciation	3,931	-	3,931	3,850
Governance costs (Note 7)	3,361	-	3,361	2,789
Miscellaneous	1,496	-	1,496	555
	<u>123,968</u>	<u>230,018</u>	<u>353,986</u>	<u>315,219</u>

In 2022, £126,866 was attributable to Unrestricted Funds and £188,353 to Restricted Funds.

	Unrestricted	Restricted	Total 2023	Total 2022
	£	£	£	£
7 Governance costs				
Trustees' training and expenses	535	-	535	13
Independent Examiners' fee	2,826	-	2,826	2,090
Actuary's fee	-	-	-	686
	<u>3,361</u>	<u>-</u>	<u>3,361</u>	<u>2,789</u>

In 2022, £2,789 was attributable to Unrestricted Funds.

8 Employee costs

	Total 2023	Total 2022
	£	£
The following employee costs (covered in Notes 5, 6 and 9) were incurred during the period:		
Wages and salaries	246,654	214,541
Social security costs	14,085	11,813
Pension contributions	31,787	30,202
	<u>297,526</u>	<u>256,556</u>

The average number of employees during the period, calculated on the basis of full time equivalents, was 10 (2022: 9). No employee was paid more than £60,000 per annum.

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9 Charity shop trading account

	£	2023 £	£	2022 £
Income				
Shop takings	105,702		73,908	
Other income	3,704		2,691	
Total Income		109,406		76,599
Operating Costs				
Salaries	40,000		34,850	
Shop supplies and sundries	4,743		2,731	
Volunteer expenses	1,416		978	
Rent, rates and water charges	14,000		14,079	
Insurance, heat and light	2,988		1,275	
Other property costs	1,217		957	
Telephone, IT and cyber security	2,157		1,508	
Other office costs	3,756		2,556	
		(70,277)		(58,934)
Profit from trading activities		39,129		17,665

10 Trustee remuneration

No trustee received remuneration during the period. One trustee was reimbursed for expenses of £13 which related to annual fees to Companies House. (2022: £13 was reimbursed to one trustee)

11 Independent examiner's remuneration

The independent examiner's remuneration constituted an independent exam fee of £1,950 (2022: £1,850).

12 Tangible fixed assets

	2023 Fixtures £	2023 Equipment £	2023 Total £
Cost			
At 1 April 2022	13,168	16,687	29,855
Additions	-	564	564
At 31 March 2023	13,168	17,251	30,419
Depreciation			
At 1 April 2022	5,410	10,138	15,548
Charge for year	1,939	1,992	3,931
At 31 March 2023	7,349	12,130	19,479
Net Book Value at 31 March 2023	5,819	5,121	10,940
Net Book Value at 31 March 2022	7,758	6,549	14,307

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13 Debtors

	Total 2023	Total 2022
	£	£
Debtors control	2,328	-
Prepayments and accrued income	12,873	20,707
Other debtors	3,925	5,609
	<u>19,126</u>	<u>26,316</u>

In 2023, £16,713 (2022: £21,816) of Debtors related to Unrestricted Funds and £2,412 (2022 £4,500) related to Restricted Funds.

14 Creditors: Amounts falling due within one year

	Total 2023	Total 2022
	£	£
Trade creditors	14,882	5,498
Accruals and deferred income	29,942	26,563
Loan repayment within one year*	3,000	5,425
	<u>47,824</u>	<u>37,486</u>

In 2023, £39,002 (2022: £33,709) of Creditors related to Unrestricted Funds and £8,822 (2022 £3,777) related to Restricted Funds.

15 Creditors: Amounts falling due after more than one year

	Total 2023	Total 2022
	£	£
Loan repayment – repayable 2 – 5 years*	<u>6,667</u>	<u>14,575</u>

*Repayable to Mental Health Aberdeen for financial assistance provided to support our share of the Langstane House office refurbishment .

In 2023, £6,667 (2022: £14,575) of Creditors: Amounts falling due after more than one year related to Unrestricted Funds

During 2022/23, Mental Health Aberdeen reduced the original amount of the loan from £20,000 to £15,000. The loan debt in the Balance Sheet has therefore been reduced by £5,000 with a compensating adjustment to Other Property Expenses.

16 Pension scheme

Home-Start Aberdeen participates in the North East Scotland Pension Fund (NESPF) which is a part of the Local Government Pension Scheme (LGPS) and a multi-employer scheme. The LGPS is a defined benefits scheme.

In March 2021, the Fund's actuary concluded his triennial valuation of the Fund as at 31 March 2020. This showed that the overall funding position has decreased from 107% (2017 valuation) to 103%. The contributions payable by employers have been 19.3% of salary for several years. This rate has been held for the 3 year period commencing 1 April 2021.

The next triennial valuation of the Fund is due at 31 March 2023. Based on the results of this valuation, the contribution rates payable will be revised with effect from 1 April 2024.

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

In the intervening years between valuations, the actuary reviews the progress of the scheme and prepares an interim valuation for the purposes of reporting under FRS 102, section 28: Employee benefits. The value of the fund at 31 March 2023 was as follows:

	2023	2022
	£	£
Present value of funded liabilities	(446,000)	(643,000)
Fair value of employer's assets	567,000	579,000
Net pension position (determined by actuary)	121,000	(64,000)
Additional provision – McCloud judgement	(7,229)	(7,229)
	113,771	(71,229)
Effect of asset ceiling	(113,771)	-
Net pension asset/(liability)	-	(71,229)

Due to changes in the actuarial assumptions, especially the discount factor, the pension deficit has been reducing and this year a net pension surplus has been reported for the first time. FRS102 however limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is defined as the present value of any economic benefits available in the form of reductions in future contributions to the plan. Employer contribution rates are set in advance, making it difficult to access any economic benefit and there is no unconditional right to a refund.

Where the actuary advises that the present value of minimum funding requirement contributions exceed future service cost, as it the case here, no asset should be recognised. In accordance with financial reporting standards, an adjustment of £113,771 has therefore been made and a nil pension liability position is shown on the Balance Sheet.

Movement in present value of defined obligation

	2023	2022
	£	£
At start of year	643,000	636,000
Current service cost	12,000	12,000
Interest cost	18,000	13,000
Contribution by members	2,000	2,000
Actuarial losses/(gains)	(222,000)	(13,000)
Benefits paid	(7,000)	(7,000)
At 31 March 2023	446,000	643,000

Movement in fair value of employer's assets

	2023	2022
	£	£
At start of year	579,000	555,000
Interest income on plan assets	16,000	12,000
Contribution by members	2,000	2,000
Contribution by employers	20,000	20,000
Remeasurements	(43,000)	(3,000)
Benefits paid	(7,000)	(7,000)
At 31 March 2023	567,000	579,000

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

(Income)/expense recognised in the statement of financial activities

	2023	2022
	£	£
Current service cost	(8,000)	(8,000)
Interest cost	2,000	1,000
Actuarial gain on NESPF	(179,000)	(10,000)
At 31 March 2023	<u>(185,000)</u>	<u>(17,000)</u>
	2023	2022
	£	£
Actuarial (gain)/loss on movement in present value of defined benefit obligation	(197,000)	7,000
Actuarial loss/(gain) on movement in fair value of employer assets	12,000	(24,000)
Actuarial gain during the year	<u>(185,000)</u>	<u>(17,000)</u>

Fair value of employer assets and return on those assets

	2023	2022
	£	£
Equities	317,000	347,000
Bonds	36,000	47,000
Property	37,000	38,000
Cash	22,000	17,000
Other	155,000	130,000
At 31 March 2023	<u>567,000</u>	<u>579,000</u>

Principal actuarial assumptions (expressed as weighted averages) were as follows:

	2023	2022
	%	%
Inflation/pension increase rate	2.7	3.3
Salary increase rate	4.2	4.8
Discount rate	4.8	2.8

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial marketing tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

	2023 Males Years	2023 Females Years	2022 Males Years	2022 Females Years
Current pensioners	21.0	23.4	21.5	24.2
Future pensioners	22.4	25.4	23.1	26.3

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

In respect of our pension schemes, the following contributions were paid during the year:

	NEST 2023	NESPF 2023	Total 2023	NEST 2022	NESPF 2022	Total 2022
	£	£	£	£	£	£
Employee contributions	7,813	1,873	9,686	6,854	1,841	8,695
Employer contributions	11,581	20,206	31,787	10,343	19,859	30,202
	<u>19,394</u>	<u>22,079</u>	<u>41,473</u>	<u>17,197</u>	<u>21,700</u>	<u>38,897</u>

17 The funds of the charity

	At start of period £	Incoming resources £	Outgoing resources £	Transfers £	At end of period £
Restricted funds					
Fairer Scotland Fund	-	34,430	34,436	6	-
Aberdeen City Council - RAFT	-	27,942	30,658	2,716	-
Recipe for Life Project	7,505	22,314	13,830	-	15,989
STV Children's Winter Appeal	15,503	-	13,606	-	1,897
National Lottery Community Fund	-	77,473	80,129	2,656	-
Cattanach Trust	-	24,624	22,656	-	1,968
Communities and Mental Health Wellbeing Fund	8,333	-	8,333	-	-
PHP Community Fund (administered by Foundation Scotland)	4,889	-	4,900	11	-
Rising Stars Group	8,168	9,189	8,516	-	8,841
Aberdeen Hardship Fund	5,206	-	5,876	670	-
Pears Foundation	698	-	1,078	380	-
Scottish Government - Perinatal Infant Mental Health	-	6,000	6,000	-	-
	<u>50,302</u>	<u>201,972</u>	<u>230,018</u>	<u>6,439</u>	<u>28,695</u>
Unrestricted funds					
Reserve fund	100,000	-	-	50,000	150,000
Pension Reserve	(32,229)	-	(63,229)	-	31,000
Mainline	97,270	283,852	239,532	(56,439)	85,151
	<u>165,041</u>	<u>283,852</u>	<u>176,303</u>	<u>(6,439)</u>	<u>266,151</u>
Total funds	<u>215,343</u>	<u>485,824</u>	<u>406,321</u>	<u>-</u>	<u>294,846</u>

The closing balances on all funds are held as net current assets.

Purposes of restricted funds

Fairer Scotland Fund: Regeneration Grant provided by the Fairer Scotland Fund of Aberdeen City Council to meet the direct costs of extending our family support services to all designated regeneration areas within the city of Aberdeen.

Aberdeen City Council - RAFT: Funds provided to support families across Aberdeen as part of a wider contract with partners providing children's services across the city.

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Recipe for Life Project

A number of our funding streams are supporting our Recipe for Life project:

- *NHS Grampian Health Improvement Fund (£7,505 brought forward from 2021/22):* Funds provided to support hard to reach vulnerable families in their own homes aiming to target health priorities and reduce health inequalities.
- *John Gordon Trust(£1,500):* Funds provided to cover the provision of food packs to families participating in our Recipe for Life project.
- *ACVO/Communities Mental Health and Wellbeing Fund (£10,000):*Funds provided towards Recipe for Life staff costs from June 2023.
- *Awards for All (£9,814):* Funding towards running the Recipe for Life Project

STV Children's Winter Appeal: Funds provided for distribution to families in need.

National Lottery Community Fund: Funds provided to continue volunteer co-ordinator role and recruit a family support worker to continue and develop the support offered to families.

Cattanach Trust: Funds provided for one-to-one parent support to vulnerable parents who have a baby from new-born to one year.

Communities and Mental Health Wellbeing Fund: Funds provided to support vulnerable families with no recourse to public funds.

PHP Community Fund (administered by Foundation Scotland): Funds provided to support families in the Calsayseat and Cove areas of the city Aberdeen for twelve months from December 2021.

Rising Stars Group

- *People's Postcode Lottery:* Funds provided to meet twelve months' running costs of the Rising Stars group from September 2021.
- *Children in need:* Funds provided to support our Rising Stars support group.

Aberdeen Hardship Fund: Funds provided to support six months running costs of our 'cook and connect' project.

Pears Foundation: Funds provided to cover staff time involved in the initial setting up of Home-Start Aberdeen's online Make a Difference Weekly Lottery.

Scottish Government - Perinatal Infant Mental Health: Funds provided for the delivery of support for people affected or at risk of perinatal and infant mental health issues.

Purposes of unrestricted funds

Reserve Fund: A designated fund used to set aside surplus funds from other funds with a view to building this fund up to an appropriate level in accordance with the charity's policy of maintaining reserves (see the trustees' report).

Pension Reserve: Unrestricted funds of the charity which the trustees have set aside at their discretion for a specific purpose. In this case, the balance represents the shortfall in the pension benefits earned by past and present employees and the resources set aside to meet them.

Mainline: This general fund handles the incoming and outgoing resources in respect of the inaugural family support services provided in the city of Aberdeen. The trading results of the charity shop and all other income of the charity, other than income which is attributable to a specific fund, is allocated to this account.

**HOME-START ABERDEEN
NOTES ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18 Operating lease commitments

	Land and buildings £	Equipment £
At the year end, the charity had annual operating lease commitments as follows:		
A lease which expires in 2026 relating to office accommodation and car parking at Langstane House, Aberdeen	<u>17,500 pa</u>	
A temporary lease which continues to operate month to month until notice is served by either party	<u>12,000 pa</u>	
A lease which expires in 2024		<u>200 pa</u>

19 Control

The charity is under the control of the trustees, as detailed on page 2.

20 Related parties

The charity is affiliated to Home-Start (UK), to whom an affiliation fee is paid in return for various support services. The fee paid in the year to 31 March 2023 amounted to £9,139 (2022: £5,660).