

Charity number: SC029635
Company number: SC213206

New Start Highland
(A company limited by guarantee)
Trustees' report and group financial statements
for the year ended 31 March 2025

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Message from our Chief executive

As we mark our 25th year since the launch of New Start Highland, there has never been a more exciting time for the organisation.

In the past year, we have recruited more employees and volunteers than ever before, opened new retail units across the Highlands with more in the pipeline, and most significantly have announced the imminent launch of Scotland's first Training and Reuse Village at our site in Inverness.

As I reflect on the last year, and more importantly, look forward to what we have coming up, I look at three priority areas.

Community Engagement

I wish I could say that across our communities, New Start Highland is no longer needed. However, the truth is, our vast range of support services have never been more required. Everything we do is centred around supporting people in our local areas at a time that's right for them, in a way they need it most. Engaging with the people around is crucial in how we shape what we do. Our services continuously grow and evolve as we respond to need, whether that is physical items that make a house a home, support with managing a tenancy, assistance getting a life back together with training and skill development, or just advice about where to turn when things get tough.

Partnerships

Partnership remains a cornerstone of our operations. Two is stronger than one and an impactful partnership allows us to deliver improved services for communities we support. This is exactly why we have invited a variety of organisations to have a presence in our Village, and we can't wait to welcome them. Another dimension of our goal when it comes to partnership working is our soon to open training kitchen. Based at our New Start Highland Training and Reuse Village, the kitchen was developed in direct response to community need. It is our goal to work with hospitality partners across the region as we train individuals who will go on to find secure employment within the sector.

Environment

Very soon, our Café will be open, people will be able to donate furniture with more ease at our Village, and we will be well on our way to encouraging more ethical shopping and building a circular community in the Highlands. The Village will be powered by solar and biomass energy, we'll continue to grow our electrified fleet and we'll continue to keep our carbon footprint significantly below zero, setting a powerful example of climate-positive operations.

Looking Ahead

If the past two decades are anything to go by, I look forward to the next with enthusiasm, hope and positivity. And above all, I want to thank all our staff, volunteers, funders and stakeholders for their support, for which I am immensely grateful.



James Dunbar
Chief Executive

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The trustees present their report and audited financial statements for the year ended 31 March 2025.

Details of the trustees, who are also directors for the purposes of company law, who served during the year are included at page 36.

Overview

Founded in 2000, New Start Highland is a charity and social enterprise that creates positive change for people exiting homelessness or trying to move forward from a place of crisis. Operating purposefully and profitably, we deliver solutions to alleviate some of the biggest challenges facing the country today.

Over the past 25 years, our work has grown significantly to meet the increasing demand from our community. What began with the provision of essential furniture and household goods has evolved into a holistic suite of services to help people experiencing all sorts of vulnerabilities including poverty, social isolation, loneliness and poor mental health. Today, we offer housing support, employability training, cooking classes, energy advice, a community food hub, bike refurbishment, and a wide range of volunteering opportunities. Each year, we support over 1,500 people, offering hands-on work experience and accredited qualifications that open the door to lasting, sustainable employment.

Our work is underpinned by our values – relationships, dignity and respect, equality, choice, service, realising potential and environmental care. Our values inform our attitude to our staff and volunteers, our clients and customers, our partners and stakeholders. We envision a community where individuals live free from poverty and crisis, empowered with the tools and access to opportunities they need to realise their full potential.

We draw funding for our work from several different sources. We receive grants from charitable foundations and government; we deliver key services under framework agreements with local government; our trading subsidiary operates retail stores across Highland and runs a removal, house clearance and storage service as well as order fulfilment for NHS Highland. Our aim is to increase our reliance on commercial income, reducing our need for grant funding over time. We remain hugely grateful for the support of the Highland community whose continued generosity in donating items of furniture, household goods, clothing, bikes and books, helps fund our vital services.

Summary of key developments

This year we have started to expand our retail estate. In the current financial climate there is increasing pressure on grant funding whether from government or charitable foundations. Consequently, income we can generate from commercial sources is becoming increasingly important to the sustainability of our charitable work. In June 2024 we opened a pop-up shop in Henderson Road which proved highly popular with customers. A new shop in a new area of Inverness boosted our earnings and our profile, bringing awareness of our work to a new demographic.

This financial year also saw the commencement of work on the New Start Highland (NSH) Village. Plans for the transformation of our Carsegate Site into a training and re-use village have been developing over the last 18 months and we are delighted that with the support of a cohort of generous funders we are now able to turn our vision into reality. We are creating a place for people to train for employment,

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Summary of key developments (continued)

shop for household items and bikes, drop off items for re-use, enjoy a coffee and browse partner organisation outlets.

The first stage in our NSH Village project was our Go to Green initiative. We have installed solar panels on both buildings as well as improving energy use for heating and lighting, all reducing the carbon footprint of the site. The initiative has been generously supported by SSE and the CARES funding from Local Energy Scotland. This built on last year's investment supported by HIE in a renewable energy boiler and in the installation of Electric Vehicle chargers at Carsegate, available for public use.

We were delighted that our tender to deliver short term Housing Support across Highland was successful. Delivery under the new framework commenced in February 2025 and we look forward to working with Highland Council to deliver a service tailored to the needs of those seeking help to maintain a tenancy.

In response to demand for wellbeing support we have developed a Resilience training programme. The initial phase has been funded by the Alcohol and Drugs partnership Local Improvement Fund and has proved very successful with outcomes exceeding expectations. We will be incorporating learnings from this programme into future training, and we hope to attract further funding to expand delivery.

It is always encouraging for achievement to be recognised and we are delighted that our work and our people have been singled out to receive awards this year. New Start Highland won the Highland Council Award for Purposeful Business at the Prosper Excellence Awards, James Dunbar was honoured as a Big Issue Changemaker in its Housing and Homelessness category and Mairi Macaulay was named in the Top 100 Women in Social Enterprise in the Pioneer Post and NatWest Social and Community List.

Charity

Our Furniture Service processes furniture and household goods donated by the public. Our warehouse team of staff and volunteers cleans and repairs items ready for our drivers to distribute to people coming out of homelessness, supporting them to make a house a home. We work with Highland Council (THC) and CRNS in the delivery of goods financed by the Scottish Welfare Fund. We also make free and low-cost items available to people in poverty. The service is audited annually by the Furniture Re-use network. In addition to providing a reliable source of good quality second hand items, this service diverts goods from landfill delivering environmental benefit. We are very grateful for the support of Scottish Government through the Investing in Communities Fund which has allowed us to maintain and grow this service.

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	2000 to March 2024	2024/25	2025/26
Items diverted from landfill for re-use	1,332,802	70,559	72,500
Homes furnished	30,446	902	1,000
Starter packs provided	6,572	489	500
Waste diverted from landfill (tonnes)	9,415	666	700

For over 20 years our Housing Support team has provided support to individuals and families to develop the skills to successfully manage a tenancy. Our expert practitioners support people experiencing challenge and crisis, working across Highland delivering an effective person-centred service. The team have continued to provide support to Refugee families setting in Highland, our uniquely experienced workers ensuring that we can support people who have fled crisis and suffering in their home country to become part of the community here. Our Housing Support team is monitored by the Care Inspectorate who evaluate performance against National Care Standards. Our service retains its perfect score of 6 and is assessed as very low risk. We have been successful in tendering for work under the new framework for delivery offered by THC. We look forward to delivering a successful and sustainable service in the year ahead.

	2023/24	2024/25	2025/26
People supported through mainstream delivery	570	586	600
Refugee families supported	24	26	20

Employability Training continues to be an important part of our charitable work. Getting a job is a key part of moving on from crisis and challenge and our programme aims to equip people to seek a job, get a job and keep a job. We offer tailored support to individuals under the THC framework. Once again, we successfully delivered numeracy training under the Multiply programme financed by the Shared Prosperity Fund. We have welcomed a total of 8 people under the waged placement scheme, all of whom have gone on to further employment. We have enrolled 2 people in the HERO scheme which rewards employers for retaining people moving into permanent employment. In order to streamline the service, we envisioned a new database to monitor the progress of service users across our programmes. This was developed by a graduate funded by Highlands and Islands Enterprise (HIE) Northern Innovation Hub.

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	2024/25	2025/26
Framework hours delivered	1,266	1,300
Waged placements offered	8	8
Multiply sessions delivered	597	
Participants moving to employment	23	24

The Volunteering and Placement service provides wellbeing and pre-employability placements for those furthest from employment. These are often in our Gardens or our Workshops where working outdoors or the chance to do something creative fosters a sense of self-worth. They offer people recovering from poor mental health or long-term illness the opportunity to participate in activities which offer a route back into active participation in society. We wish to thank Garfield Weston Foundation for supporting the service again this year. We employ a Positive Activities Co-ordinator, funded by HADP whose focus is on finding therapeutic placements for people recovering from substance misuse both within NSH and in conjunction with partner organisations. Using the experience of delivering therapeutic placements our team have developed a resilience training programme, financed by the Alcohol and Drug partnership.

The service also supports the volunteers who contribute to our work by acting as mentors or worker bees within a range of departments. This key support contributes to our fundraising activities such as running a car park for the Black Isle Show as well as contributing to the delivery of our charitable aims. For the first time this year we have had volunteers raising funds for us in the Loch Ness marathon. Each and every volunteer is a valued member of the team, and we work to ensure that their experience is fulfilling and that they know how much we appreciate their contribution. We held a summer BBQ and a buffet Christmas lunch as a thank you to volunteers.

	2023/24	2024/25	2025/26
Number of mentors	6	11	13
Number of Worker bees	44	50	50
Total placements offered	53	115	120

New Start Highland Enterprises (NSHE)

Income generated from commercial activities within our wholly owned subsidiary are ploughed back into the charity to support the delivery of our charitable aims.

We have Retail outlets in Inverness, Dingwall and Thurso selling a broad range of furniture and household items. Good quality second hand furniture remains our most important item, but we also sell a small range of new white goods as well as books, records and collectables. This year we have expanded our clothes offer in response to customer demand. During the year we opened a pop-up shop in Inverness focusing on high quality items including our Unique Ness range. This was a very successful venture and expanded the offer we have available at our Carsegate site. Retail income is key to the sustainability of our organisation, and we will continue to maximise the return from the resource available to us. We see on-line sales as potential growth area and this year we created a graduate Digital Sales post funded by HIE Northern Innovation Hub to explore development in this area.

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Our Unique Ness brand continues to showcase a range of high-quality items created by our in-house craftspeople. The range works well in our Inverness stores when displayed with high quality donated items. The items demonstrate the potential of furniture re-use and show how creative talent can transform items. We are in the process of refreshing the Unique Ness brand and website to make items more accessible and to facilitate on-line sales.

Commercial Services comprise Removals, House Clearances and Storage together with Order Fulfilment. We have re-shaped the service with an increased focus on house clearance where demand has been increasing over the last year. Our dedicated team continues to deliver an exceptional standard of customer service with excellent feedback over the year. Order Fulfilment delivers an NHS contract distributing items to clinics and GP Practices across Highland. In addition, the service co-ordinates bag packing for sporting events such as the Loch Ness Etape, supported by teams of volunteers from local businesses. We are very grateful for their continuing support.

Financial review

Group net outgoing resources were £139,960 (2024 outgoing £41,463). This result reflects a highly competitive grant funding market combined with challenging operating conditions. We received no core funding this year, but HIE provided funding for two graduate posts under their Northern Innovation Hub which facilitated the development of digital systems to support our operations.

Delivery of Housing Support under THC's framework agreement continued this year with the team also continuing to support the integration of refugees into our community. This year our Furniture Service has again benefited from support from SG's IIC Fund. The Training and Volunteer Placement Service again delivered short term placements under THC's Employability Support Services Framework and we were delighted to offer waged placements funded by their Third Sector Paid Placement Scheme. We successfully delivered a second year of numeracy training funded by the Shared Prosperity Fund and continued to deliver a Positive Placements Service funded by HADP. We have again benefited from funding from Garfield Weston for the Placement and Volunteering Service for the coming year. The charity generated income from property rentals. We would like to thank all organisations who have supported us financially this year.

Staff costs remain our most significant cost – we are a people business and the development and delivery of services, whether in the charity or our trading subsidiaries, requires investment in our team.

Our trading subsidiary generates income to support our charitable activities. NSHE contributed a net £312,916 (2023/24 £279,167) through donation and contribution to overheads. The funds we raise are used to support our charitable aims. 90% (2024 93%) of our resources expended on charitable activity go to activities directly undertaken, with the balance used to operate our premises and insure our activities. Our commercial trading operations in NSHE contributed £181,600 (2024 £172,725) to group overheads and audit fees are the only governance costs we incurred.

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Financial review (continued)

We held cash balances of £635,541 at the year end (2024 £744,734). As indicated in previous years, these funds are held on deposit in more than one bank to reduce risk. In preparation for the Capital investment in the NSH Village and the purchase of an electric lorry we have received advance funding of £232,535 which is included in year end cash balances. We have also taken out a secured loan of £76,983 with Foundation Scotland to fund the development. This year £200,753 of Designated Funds is held in Notice accounts. The balance is available for instant access to allow us maximum flexibility. We continue to anticipate that these funds will be spent in the short term and that we will not have additional significant balances available for long term investment.

The trustees regularly review reserves, using the Reserves Policy to support both the Financial Strategy and the Action Plan. A risk-based approach is used to calculate an optimal amount of reserves that looks at reliability of income, costs for re-organisation of activities, and specific liabilities. Amounts are included for risks we are aware of as well as contingencies to allow Start Highland to cope with unexpected costs and opportunities.

We principally hold reserves to:

- protect the continuity of New Start Highland's work against uncertain future income streams.
- provide the capital needed to finance investment in operations.
- provide funds to replace assets.
- to cover for specific liabilities and identifiable risks.
- to allow New Start Highland to respond to unexpected opportunities that can further our response to evolving need.

The trustees have set optimal free reserves at between £632,000 and £1,264,000 (2024: £606,000 - £1,212,000) which equates to between approximately 3 and 6 months' unrestricted expenditure. As at 31 March 2025, the level of Free Reserves (defined as total general unrestricted funds, less tangible assets and long-term commitments) stands at £301,084 (2024: £693,124), short of the range for optimal reserves. We are aware of the need to build reserves in the coming year.

New Start Highland has designated reserves of £273,000 (2024: £273,000) and restricted reserves of £1,060,886 (2024: £907,765). The designated reserves are held to represent reserves that are not available for other activities. The bulk of the reserve this year is held against capital investment in the Carsegate site. Restricted reserves relate to income to be used in accordance with specific restrictions imposed by funders and therefore do not form part of general reserves.

NSH's assets comprise heritable property, motor vehicles and cash or near cash assets. We operate a defined contribution pension scheme. We believe that NSH has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least 12 months from the date of approval of this Report. For these reasons we continue to adopt the going concern basis of accounting in preparing these financial statements

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Plans for future periods

In the coming year we celebrate our 25th Anniversary as a company. We are acutely aware that, in order to remain a sustainable organisation in the current climate, we need to grow. To this end we have developed a Strategy for Growth to extend our charitable services to meet growing demand and to grow our commercial base to deliver a secure source of funding in the future. The NSH Training and Re-use Village is a key part of this Strategy, and we expect to see the benefits in the coming year.

Risks and uncertainties

We are an organisation comprising several elements which must conform to the standards of different regulatory regimes. We must co-operate in delivering a service that is seamless, safe and relevant to the needs of individual clients; and whose mixed funding package depends on demonstrating strategic relevance, value for money and quality of service to clients in the individual parts of the service and its overall management. All these factors are taken into consideration when developing business strategy. As always, the Board of Trustees ensures that a review of the major risks to which the charity is exposed has been carried out and a risk register created. Additionally, the risk register is reviewed operationally by the Leadership Team on a monthly basis, with the significant risks highlighted and discussed at each Board meeting. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. We have again received a Certificate of Assurance under the Cyber Essentials scheme. We review our activities at a strategic level to ensure that our commercial activities align with our social aims and that we achieve a consistent business profile.

Internal control risks are minimised by procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety for staff, volunteers, clients and visitors to the centres. These procedures are reviewed periodically to ensure that they continue to meet the needs of the charity.

Structure, governance and management

The organisation is a charitable company limited by guarantee. It was incorporated on 27 November 2000. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The company has a wholly owned trading subsidiary, NSHE, which operates retail, removals, house clearance, storage, order fulfilment and workplace training businesses in Inverness.

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the Trustees are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

NSH is committed to high standards of corporate governance. The Board of Trustees seeks to ensure that the needs of the organisation and its service users are appropriately reflected through the diversity of the trustee body. Business skills, along with an understanding of personal transformation from tough realities are represented on the Board of Trustees.

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Structure, governance and management (continued)

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Potential trustees are shown round the Service Centres by the Chief Executive and given an introduction to the work of the charity to familiarise them with the charity and the context within which it operates. Additionally, new trustees meet the Chair of the Board of Trustees and the Chief Executive of the charity and are briefed on

- The obligations of Board of Trustees members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- The framework for Governance.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

NSH requires a minimum of three Trustees. They meet at least quarterly and are responsible for maintaining good governance and contributing to the strategic direction of the charity. At present the Board has five members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day-to-day responsibility for the provision of the services rests with the Chief Executive, who is also a trustee, and the Leadership Team consisting of the Depute Chief Executive, the Financial Director, the Head of Operations, the Director of Marketing and Communications and the Funding Manager. The Chief Executive is responsible for ensuring that the charity delivers the services specified and the Depute Chief Executive for ensuring that key performance indicators are met. The Leadership Team and Service Managers have responsibility for the day-to-day operational management of each service, individual supervision of the staff team, and also for ensuring that the team continue to develop their skills and working practices in line with good practice.

NSH's Chief Executive is Vice Chair of the Highland Alcohol and Drug Partnership He is a member of the Highland Poverty Action Network. He has also been asked to serve on the Highland Poverty and Equality Commission. Involvement in these groups helps us to contribute towards the wider benefit of the sector in the Highlands.

The Depute Chief Executive sits on both the Community Justice Partnership Group and The Community Safety Partnership Group. This facilitates working with statutory and voluntary sector partners to develop an integrated range of services for people who are homeless, at risk of homelessness or who have backgrounds of offending. In this way NSH is helping to implement the homelessness strategy in Highland and to contribute to making our communities safer.

In common with other Scottish Charities, we are regulated by OSCR and subject to the provisions of the Companies Acts.

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Statement as to disclosure of information to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Statement of trustees' responsibilities

The trustees (who are also directors of New Start Highland for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



Eleanor Nielson

Chair

10th September 2025

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Independent auditor's report to the members and trustees of New Start Highland

Opinion

We have audited the financial statements of New Start Highland (the 'charitable company') and its subsidiaries (the "group") for the year ended 31 March 2025 which comprise the consolidated and charity statements of financial activities (incorporating the income and expenditure account), the group and charitable company statements of financial position, the group and charitable company statements 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, New Start Highland's group and parent charitable company financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2025 and of the group and parent charitable company's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 responsibility for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with 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 11 to the financial statements, and we have fulfilled our 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

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the charitable company for company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent auditor’s report to the members and trustees of New Start Highland (continued)

- Enquiring of trustees and management as to the group’s policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that donations, grants and other charitable income are recorded in the incorrect accounting period, the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Inspecting grant agreements and circularising grant providers to determine if income has been recognised in line with accounting policy
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees and other management (as required by auditing standards). We discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including the Charities SORP) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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Independent auditor's report to the members and trustees of New Start Highland (continued)

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have an effect: health and safety, employment law and aspects of company and charity legislation, recognising the nature of the group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the trustees' annual report, has been prepared in accordance with applicable legal requirements.

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Independent auditor's report to the members and trustees of New Start Highland (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; 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, included within the trustees' annual report, and from the requirements to prepare a strategic report

Responsibilities of trustees

As explained more fully in the trustees' statement of responsibilities, the trustees (who are also the directors of the charitable company 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

New Start Highland
(A company limited by guarantee)

Independent auditor's report to the members and trustees of New Start Highland (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, 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 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees 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 charitable company, its members as a body, and its trustees as a body for our audit work, for this report, or for the opinions we have formed.



Stuart McMartin FCA. (Senior statutory auditor)
For and on behalf of Frame Kennedy Ltd
Chartered Accountants and Statutory Auditor
Metropolitan House
31-33 High Street
Inverness
IV1 1HT

12 September 2025

Frame Kennedy Ltd is eligible for appointment as auditor of the charitable company under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

New Start Highland
(A company limited by guarantee)

Consolidated statement of financial activities (incorporating the income and expenditure account)
For the year ended 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total £	2024 Total £
Income					
Donations and legacies	2	11,636	15,808	27,444	28,649
Income from charitable activities	3	439,114	671,945	1,111,059	1,226,317
Income from other trading activities:					
Commercial trading operations	4	995,286	-	995,286	800,960
Other trading activities	5	64,161	4,545	68,706	49,410
Investment income	6	13,739	-	13,739	12,458
Total income		1,523,936	692,298	2,216,234	2,117,794
Expenditure					
Commercial trading operations	4	880,841	-	880,841	694,518
Charitable activities	7	796,270	679,083	1,475,353	1,464,739
Total expenditure		1,677,111	679,083	2,356,194	2,159,257
Net income / (expenditure)		(153,175)	13,215	(139,960)	(41,463)
Transfer between funds		(139,906)	139,906	-	-
Net movement in funds		(293,081)	153,121	(139,960)	(41,463)
Reconciliation of funds:					
Total funds brought forward		1,493,478	907,765	2,401,243	2,442,706
Total funds carried forward		1,200,397	1,060,886	2,261,283	2,401,243

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 20 to 35 form an integral part of these financial statements.

New Start Highland
(A company limited by guarantee)

Charity statement of financial activities (incorporating the income and expenditure account)
For the year ended 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total £	2024 Total £
Income					
Donations and legacies	2	142,952	15,808	158,760	135,091
Income from charitable activities	3	422,243	671,945	1,094,188	1,226,317
Income from other trading activities:					
Other trading activities	5	64,161	4,545	68,706	49,410
Investment income	6	13,739	-	13,739	12,458
Total income		643,095	692,298	1,335,393	1,423,276
Expenditure					
Charitable activities	7	796,270	679,083	1,475,353	1,464,739
Total expenditure		796,270	679,083	1,475,353	1,464,739
Net income / (expenditure)		(153,175)	13,215	(139,960)	(41,463)
Transfer between funds		(139,906)	139,906	-	-
Net movement in funds		(293,081)	153,121	(139,960)	(41,463)
Reconciliation of funds:					
Total funds brought forward		1,493,478	907,765	2,401,243	2,442,706
Total funds carried forward		1,200,397	1,060,886	2,261,283	2,401,243

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 20 to 35 form an integral part of these financial statements.

New Start Highland
(A company limited by guarantee)

Statement of financial position
as at 31 March 2025

	Notes	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Fixed assets:					
Tangible assets	16	1,960,199	1,708,119	1,960,199	1,708,119
Investments	17	-	-	5	5
		<u>1,960,199</u>	<u>1,708,119</u>	<u>1,960,204</u>	<u>1,708,124</u>
Current assets:					
Stocks		2,788	5,088	-	-
Debtors	18	141,000	212,769	162,876	315,441
Cash at bank and in hand		635,541	744,734	602,235	637,789
		<u>779,329</u>	<u>962,591</u>	<u>765,111</u>	<u>953,230</u>
Liabilities:					
Creditors: amounts falling due within one year	19	(406,560)	(269,467)	(392,347)	(260,111)
		<u>372,769</u>	<u>693,124</u>	<u>372,764</u>	<u>693,119</u>
Net current assets					
		<u>2,332,968</u>	<u>2,401,243</u>	<u>2,332,968</u>	<u>2,401,243</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	20	(71,685)	-	(71,685)	-
		<u>2,261,283</u>	<u>2,401,243</u>	<u>2,261,283</u>	<u>2,401,243</u>
Total net assets					
The funds of the charity:					
Unrestricted income funds - General	22	927,397	1,220,478	927,397	1,220,478
Unrestricted income funds - Designated	23	273,000	273,000	273,000	273,000
Restricted income funds	24	1,060,886	907,765	1,060,886	907,765
		<u>2,261,283</u>	<u>2,401,243</u>	<u>2,261,283</u>	<u>2,401,243</u>
Total charity funds					

The trustees have prepared group accounts in accordance with section 398 of the Companies Act and Section 44 of the Charities and Trustee investments (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the board on 10 September 2025 and signed on its behalf by

Eleanor Neilson – Director

Company number: SC213206



The notes on pages 20 to 35 form an integral part of these financial statements.

New Start Highland
(A company limited by guarantee)

Statement of Cash Flows and Consolidated Statement of Cash Flows
For the year ended 31 March 2025

	Notes	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash generated from operating activities:					
Net cash provided by/(used in) operating activities	25	181,661	48,416	255,300	(2,584)
Cash flows from investing activities:					
Interest received		13,739	12,458	13,739	12,458
Proceeds from sale of fixed assets		-	-	-	-
Purchase of fixed assets		(304,593)	(67,233)	(304,593)	(67,233)
Net cash used in investing activities		(290,854)	(54,775)	(290,854)	(54,775)
Cash flows from financing activities:					
Repayment of borrowing		-	-	-	-
Net cash used in financing activities		-	-	-	-
Change in cash and cash equivalents in the year		(109,193)	(6,359)	(35,554)	(57,359)
Cash and cash equivalents at the beginning of the year		744,734	751,093	637,789	695,148
Cash and cash equivalents at the end of the year		635,541	744,734	602,235	637,789

The notes on pages 20 to 35 form an integral part of these financial statements.

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2025

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Basis of preparation

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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

New Start Highland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) Preparation of the accounts on a going concern basis

At the year end the group had cash reserves of £635,541. In what is a difficult climate for charity funding the trust continues to maintain its uncommitted reserves in line with the trustees' stated targets and the trustees consider that the trust has sufficient resources to continue operations for the foreseeable future. On this basis the charity and group are a going concern and there are no material uncertainties about the charity's ability to continue.

(c) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries on a line-by-line basis.

(d) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Gifts donated for resale are recognised in the accounts at the full resale value at the point at which they are sold.

Accounting policies (continued)

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

(f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

(g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust.

(h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading and costs associated with the fund-raising activities of the charity.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and governance costs which support the Trusts charity programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2025

Accounting policies (continued)

(j) Tangible fixed assets

Fixed assets are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Land & buildings	1% to 10% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% reducing balance

(k) Stock

Stock is included at the lower of cost or net realisable value.

(l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(n) Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(o) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(p) Pensions

The pension costs charged in the financial statements represent the contributions payable by the charity during the year.

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2025

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	2025 Total £	2024 Total £
Group:				
Donations	11,636	15,808	27,444	28,649
Charity:				
Donations	142,952	15,808	158,760	135,091

The income from donations for the group and the charity in the year ended 31 March 2024 included £14,450 which was unrestricted and £14,199 which was restricted.

The Trust benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	2025 Total £	2024 Total £
Group:				
Primary purpose trading	388,953	83,659	472,612	651,280
Grants – Cycling UK	-	-	-	950
Grants – Robertson Trust	5,000	-	5,000	44,000
Grants – 3 rd Sector Homelessness	-	-	-	5,674
Grants – Changeworks Affordable Warmth	-	-	-	121,017
Grants – European Structural Fund	-	-	-	4,302
Grants – Community Jobs Fund	-	-	-	(1,494)
Grants – Investing in Communities	-	106,646	106,646	110,160
Grants – HERO grant	5,000	-	5,000	-
Grants – Neighbourly Fund - Foodhub	-	-	-	58
Grants – Small Change 4 Justice	-	-	-	718
Grants – Positive Activities Coordinator	-	49,448	49,448	49,448
Grants – Waged Placement (Community Jobs and Employability Funds)	-	18,881	18,881	35,959
Grants – HIE Graduate Intern	26,710	-	26,710	-
Grants – Bank of Scotland	-	-	-	57,500
Grants – Capital Grants	-	170,239	170,239	29,530
Grants – Highland Third Sector Interface	-	6,675	6,675	2,225
Grants – PHOENIX Project	6,080	-	6,080	-
Grants – Community Fund Lottery	-	2,731	2,731	60,000
Grants – Multiply Fund	-	97,337	97,337	48,653
Grants – Training Placement	-	52,671	52,671	-
Grants – Garfield Weston	-	70,000	70,000	-
Grants – Scottish Children’s Lottery	-	2,333	2,333	-
Grants – Other	7,371	11,325	18,696	6,337
	439,114	671,945	1,111,059	1,226,317

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2025

3. Income from charitable activities (continued)

The income from charitable activities for the group and charity in the year ended 31 March 2024 included £644,806 which was unrestricted and £581,511 which was restricted.

Group Income from charitable activities includes £16,871 of unrestricted grants received by New Start Highland Enterprises Limited which is not included in the charity statement of financial activities.

4. Income from other trading activities: Commercial trading operations

The wholly owned trading subsidiary New Start Highland Enterprises Limited is incorporated in Scotland and donates all of its profits to the charity. New Start Highland Enterprises Limited operates the retail, painting, storage/removal facilities and commercial trading operations carried on by New Start Highland. The summary financial performance of this subsidiary alone is:

	2025	2024
	Total	Total
	£	£
Turnover	995,286	800,960
Other grants	16,871	-
Cost of sales and administration costs	(699,241)	(521,793)
Administration charge from charity	(181,600)	(172,725)
	<hr/>	<hr/>
Net profit	131,316	106,442
Amount donated to the charity	(131,316)	(106,442)
	<hr/>	<hr/>
Retained in subsidiary	-	-
	<hr/>	<hr/>
The assets and liabilities of the subsidiary were:		
Current assets	57,707	141,764
Current liabilities	(57,706)	(141,763)
	<hr/>	<hr/>
Total net assets	1	1
	<hr/>	<hr/>
Aggregate share capital and reserves	1	1
	<hr/>	<hr/>

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2025

4. Income from other trading activities: Commercial trading operations (continued)

The wholly owned trading subsidiary New Start Northern Limited is incorporated in Scotland and donates all of its profits to the charity. New Start Northern Limited operated the retail trading operations carried on by New Start Highland in the Caithness area until 31 March 2022 when the activities were transferred to New Start Highland Enterprises Limited and has subsequently remained dormant.

5. Income from other trading activities

	Unrestricted funds £	Restricted funds £	2025 Total £	2024 Total £
Group and charity:				
Sales	106	3,147	3,253	5,764
Fundraising events	3,228	-	3,228	2,300
Meeting room hire	1,256	-	1,256	880
Rental income	35,064	-	35,064	34,821
Other income	24,507	1,398	25,905	5,645
	<u>64,161</u>	<u>4,545</u>	<u>68,706</u>	<u>49,410</u>

The income from other trading activities for the group and charity in the year ended 31 March 2024 included £43,890 which was unrestricted and £5,520 which was restricted.

6. Investment income

	Unrestricted funds £	2025 Total £	2024 Total £
Group and charity:			
Bank interest receivable	13,739	13,739	12,458
	<u>13,739</u>	<u>13,739</u>	<u>12,458</u>

The income from investments for the group and charity in the year ended 31 March 2024 included £12,458 which was unrestricted and £nil which was restricted.

New Start Highland
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Notes to the financial statements
for the year ended 31 March 2024

7. Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2025 Total £	2024 Total £
Group and charity:				
Staff - Wages & salaries	634,516	427,524	1,062,040	1,017,969
Staff - Employer's NIC	47,231	29,190	76,421	80,544
Staff - Pension costs	42,972	14,060	57,032	51,849
Staff - Training & subsistence	5,049	551	5,600	11,875
Trustee - Wages & salaries	75,704	-	75,704	74,745
Trustee - Employer's NIC	9,192	-	9,192	9,060
Trustee - Pension costs	9,961	-	9,961	9,953
Furniture purchases and repairs	-	7,309	7,309	8,276
Repairs and maintenance	7,973	2,641	10,614	9,926
Management and consultancy	31,666	-	31,666	29,108
Advertising, printing, postage and stationery	7,820	3,361	11,181	9,886
Volunteer expenses	-	3,925	3,925	3,867
Depreciation & impairment	32,823	17,118	49,441	48,498
Computer costs	23,465	1,249	24,714	24,588
Starter packs	-	514	514	1,753
General expenses	(12,714)	7,806	(4,908)	1,193
Subscriptions	6,256	8,172	14,428	13,018
Admin service recharge	(265,933)	84,508	(181,425)	(172,275)
Training	-	14,051	14,051	28,755
Rent, rates & insurance	65,348	4,952	70,300	66,216
Light & heat	11,272	4,293	15,565	13,797
Motor vehicle & travel expenses	30,553	45,003	75,556	86,815
Telephone	16,307	2,833	19,140	17,782
Bank charges	2,609	23	2,632	3,549
Auditors' remuneration	14,200	-	14,200	14,442
	<u>796,270</u>	<u>679,083</u>	<u>1,475,353</u>	<u>1,464,739</u>

The expenditure on charitable activities for the group and charity in the year ended 31 March 2024 included £731,736 which was unrestricted and £733,003 which was restricted.

New Start Highland
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Notes to the financial statements
for the year ended 31 March 2025

8. Expenditure on charitable activities

	Volunteering Service £	Furniture Service £	Training Service £	Housing Support £	General Fund £	Total £
Direct expenditure	150,436	327,833	116,307	417,013	645,189	1,656,778
Support costs recharged:						
Property expenses	10,551	9,211	5,281	12,675	(57,350)	(19,632)
IT & telephone	1,173	4,177	1,428	6,825	(28,080)	(14,477)
Finance & management	29,087	56,335	11,787	45,265	(232,027)	(89,553)
Transport	-	(54,312)	4,937	-	-	(49,375)
Human resources	1,292	2,889	672	6,086	(19,327)	(8,388)
	<u>192,539</u>	<u>346,133</u>	<u>140,412</u>	<u>487,864</u>	<u>308,405</u>	<u>1,475,353</u>

Support costs are allocated to activities and subsidiary companies based on their usage, for example salary costs are recharged on the basis of time spent and property costs are recharged on the basis of floor space used.

9. Governance costs

	Governance £	2025 Total £	2024 Total £
Auditors' remuneration	14,200	14,200	14,442
	<u>14,200</u>	<u>14,200</u>	<u>14,442</u>

Governance costs are included within General Fund expenditure.

10. Net income/(expenditure) for the year

	2025 £	2024 £
Group and charity:		
Net income/(expenditure) is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	52,513	52,530
Auditors' remuneration	14,200	14,442
Gain on disposal of tangible fixed assets	-	-
	<u>66,713</u>	<u>66,972</u>

New Start Highland
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Notes to the financial statements
for the year ended 31 March 2025

11. Auditors' remuneration

	2025 £	2024 £
Auditors' remuneration - audit of the financial statements	10,934	11,120
Auditors' remuneration - other fees:		
-Accountancy	3,266	3,322

In common with many other charities of our size and nature we use our auditors to assist with the preparation of the financial statements.

12. Staff costs

	2025 £	2024 £
Group:		
Wages and salaries	1,586,871	1,415,795
Social security costs	115,027	107,786
Pension costs	82,898	72,432
	<u>1,784,796</u>	<u>1,596,013</u>
Charity:		
Wages and salaries	1,137,744	1,092,714
Social security costs	85,613	89,604
Pension costs	66,993	61,802
	<u>1,290,350</u>	<u>1,244,120</u>

One employee received emoluments of more than £60,000 (2024: one), this employee's total emoluments fell in a band between £80,000 and £90,000.

Number of employees

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

	2025 Number	2024 Number
Employees	58	61

New Start Highland
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Notes to the financial statements
for the year ended 31 March 2025

13. Trustees' remuneration and costs of key management personnel

	2025	2024
	£	£
Wages and salaries	292,738	259,612
Social security costs	32,866	29,027
Pension costs	32,876	28,978
	<u>358,480</u>	<u>317,617</u>

One employee received employee benefits (excluding employer pension costs) in excess of £60,000 (2024: one).

The key management personnel of the parent charity and group comprise of the trustees, the deputy chief executive, the finance director, the funding manager, the operations manager and the marketing director.

Number of directors to whom retirement benefits are accruing under a money purchase scheme

<u>1</u>	<u>1</u>
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During the year James Dunbar received remuneration of £75,704 (2024: £74,745) and employer pension contributions of £ £9,961 (2024: £9,953). He received no other benefit other than expenses amounting to £99 (2024: £159). James Dunbar is the Chief Executive of New Start Highland. No charity trustee received payment for professional or other services supplied to the charity (2024: none).

14. Pension costs

The company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The company also participates in the Pension Trust's Growth Plan. This plan is funded and is a multi-employer scheme. The pension charge represents contributions due from the company.

	2025	2024
	£	£
Group:		
Pension charge	82,898	72,432
	<u>82,898</u>	<u>72,432</u>
Charity:		
Pension charge	66,993	61,802
	<u>66,993</u>	<u>61,802</u>

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Notes to the financial statements
for the year ended 31 March 2025

15. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16. Tangible fixed assets – group and charity	Land and buildings freehold	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2024	1,950,800	117,565	222,489	2,290,854
Additions	297,419	3,174	4,000	304,593
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	2,248,219	120,739	226,489	2,595,447
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2024	312,722	71,872	198,141	582,735
Charge for the year	22,112	23,982	6,419	52,513
On disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	334,834	95,854	204,560	635,248
	<hr/>	<hr/>	<hr/>	<hr/>
Net book values				
At 31 March 2025	1,913,385	24,885	21,929	1,960,199
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	1,638,078	45,693	24,348	1,708,119
	<hr/>	<hr/>	<hr/>	<hr/>

17. Fixed asset investments

The charity holds 1 share of £1 in its wholly owned trading subsidiary company New Start Highland Enterprises Limited which is incorporated in Scotland. The activities and results of this company are summarised in note 4.

The charity holds 1 share of £1 in its wholly owned trading subsidiary company New Start Northern Limited which is incorporated in Scotland. This company is dormant

The charity holds 1 share of £1 in its wholly owned subsidiary company New Start Commercial Services Limited which is incorporated in Scotland. This company is dormant.

The charity holds 1 share of £1 in its wholly owned subsidiary company Unique Ness Furniture Limited which is incorporated in Scotland. This company is dormant.

The charity holds 1 share of £1 in its wholly owned subsidiary company Restoring Scotland Limited which is incorporated in Scotland. This company is dormant.

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Notes to the financial statements
for the year ended 31 March 2025

17.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

	Country of registration or incorporation	Nature of business	Share class	Proportion of shares held
Subsidiary undertaking				
New Start Highland Enterprises Limited	Scotland	Trading	Ordinary	100%
New Start Northern Limited	Scotland	Dormant	Ordinary	100%
New Start Commercial Services Limited	Scotland	Dormant	Ordinary	100%
Unique Ness Furniture Limited	Scotland	Dormant	Ordinary	100%
Restoring Scotland Limited	Scotland	Dormant	Ordinary	100%

18. Debtors

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Trade debtors	46,734	170,327	25,120	140,595
Amounts due from subsidiary and associated undertakings	-	-	43,493	132,404
Other debtors	94,266	42,442	94,263	42,442
	141,000	212,769	162,876	315,441

19. Creditors: amounts falling due within one year

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Trade creditors	43,451	18,484	43,451	18,484
Other taxes and social security	36,281	54,520	22,068	45,164
Other creditors	19,042	15,921	19,042	15,921
Other loan – Foundation Scotland	5,298	-	5,298	-
Accruals and deferred income	302,488	180,542	302,488	180,542
	406,560	269,467	392,347	260,111

There were financial commitments relating to capital expenditure amounting to £255,744 not included in creditors at 31 March 2025.

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Notes to the financial statements
for the year ended 31 March 2025

20. Creditors: amounts falling due after one year

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Other loan – SIS	71,685	-	71,685	-
	<u>71,685</u>	<u>-</u>	<u>71,685</u>	<u>-</u>

The SIS loan is secured by a bond and floating charge on all property or undertaking of the company.

21. Financial instruments

The financial instruments measured at cost comprise a loan provided by Social Investment Scotland.

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Loan payable within 1 year	5,298	-	5,298	-
Loan payable after 1 year & less than 5 years	27,114	-	27,114	-
Loan payable falling due after 5 years	44,571	-	44,571	-
	<u>76,983</u>	<u>-</u>	<u>76,983</u>	<u>-</u>

The loan financing is in the form of a secured loan with a fixed interest rate of 6%.

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Notes to the financial statements
for the year ended 31 March 2025

22. Analysis of net assets between funds (Group)

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2025 as represented by:			
Tangible fixed assets	899,313	1,060,886	1,960,199
Net current assets	372,769	-	372,769
Long term liabilities	(71,685)	-	(71,685)
	<u>1,200,397</u>	<u>1,060,886</u>	<u>2,261,283</u>

23. Unrestricted funds (Group)

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
General Fund	1,220,478	1,523,936	(1,677,111)	(139,906)	927,397
Designated Fund	273,000	-	-	-	273,000
	<u>1,493,478</u>	<u>1,523,936</u>	<u>(1,677,111)</u>	<u>(139,906)</u>	<u>1,200,397</u>

The designated fund is held to represent reserves that are not available for other activities. The bulk of the reserve, £255,000, is held to allow the charity to maintain a rolling program of renewal of IT equipment.

24. Restricted funds

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Volunteering service	-	186,911	(192,539)	5,628	-
Building	907,765	170,239	(17,118)	-	1,060,886
Furniture Service	-	206,231	(336,165)	129,934	-
Training Service	-	128,917	(133,261)	4,344	-
	<u>907,765</u>	<u>692,298</u>	<u>(679,083)</u>	<u>139,906</u>	<u>1,060,886</u>

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Notes to the financial statements
for the year ended 31 March 2025

24. Restricted funds (continued)

Purposes of restricted funds

Volunteering Service – provides volunteering opportunities and well being placements to enable people to develop confidence and resilience, supporting them to realise their potential.

Furniture Service – recycles donations of second hand furniture and supplies furniture for new tenants as required.

Building - grants received for the multi-purpose centre completed April 2006 and for the construction of the new office and warehouse building completed in 2011.

Training Service- provides both accredited and non-accredited training opportunities to enable long term unemployed individuals to develop the skills to secure and maintain employment

General expenses are paid out of the unrestricted general fund and then recharged to the above restricted funds based on specific percentages.

25. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Net income/(expenditure) for the year	(139,960)	(41,463)	(139,960)	(41,463)
Adjustments for:				
Depreciation charges	52,513	52,530	52,513	52,530
Loss/(profit) on the sale of fixed assets	-	-	-	-
Interest receivable	(13,739)	(12,458)	(13,739)	(12,458)
Decrease/(increase) in stock	2,300	156	-	-
Decrease/(increase) in debtors	71,769	61,808	152,565	8,060
Increase/(decrease) in creditors	208,778	(12,157)	203,921	(9,253)
	<u>181,661</u>	<u>48,416</u>	<u>255,300</u>	<u>(2,584)</u>

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Notes to the financial statements
for the year ended 31 March 2025

26. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash in hand	635,541	744,734	602,235	637,789

27. Company limited by guarantee

New Start Highland is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such amount as may be required, not exceeding £1, to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

28. Contingent liabilities

New Start Highland participates in The Pension Trust's Growth Plan. The plan is funded and is a multi-employer pension plan. As this is a multi-employer plan, it is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual employers.

The plan's actuary has indicated to the directors that as at 30 September 2024, the most recent calculation available, there is a contingent liability attributable to New Start Highland of £15,140 (2024: £13,952) and there is no requirement for New Start Highland to make any additional contributions to fund the deficit over the next two years. This contingent liability would crystallise should New Start Highland withdraw from the plan but at present the directors have no plans to remove New Start Highland from the plan.

29. Related party transactions

There were no related party transactions during the year.

28. 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 9 Carsegate Road North, Inverness, IV3 8DU.

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Legal and administrative information

Charity number	SC029635
Company registration number	SC213206
Registered and principal office	9 Carsegate Road North Inverness IV3 8DU
Trustees	J Dunbar C M Macleod E J Neilson J Todd A Wilson (appointed 28 August 2024)
Auditors	Frame Kennedy Ltd Metropolitan House 31-33 High Street Inverness IV1 1HT
Bankers	The Royal Bank of Scotland plc Inverness Chief Office 29 Harbour Road Inverness IV1 1NU
Solicitors	MacLeod & MacCallum 28 Queensgate Inverness IV1 1YN