

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 2026

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A Message from our Chief Executive

As we continue to build on more than 25 years of supporting people across the Highlands, I remain proud of what New Start Highland has achieved, but more importantly, excited about what lies ahead.

The past year has been one of our most significant yet. Our doors have opened to Scotland's first Training and Reuse Village which has been busier and more successful than we ever anticipated and as part of this we have welcomed ILM Highland and Inverness Tool Library on site. The Village provides a destination where partner organisations who share our vision of creating stronger, more sustainable communities can work and thrive together. By collaborating, we can offer more opportunities, deliver greater environmental and social impact, and make it easier for people to access the support they need.

We have also welcomed the Highland Foodbank into the New Start Highland family, ensuring this vital service continues to support people experiencing hardship across the region. Throughout every change and every new opportunity, there has been one remaining constant, and that is helping people experiencing poverty. It will always be at the heart of our mission.

Sadly, our work has never been more necessary. Too many people across the Highlands continue to face financial hardship, with rising living costs, insecure housing and increasing food insecurity affecting individuals and families in every community. The additional costs of living in rural and remote areas only deepen those challenges. We are committed to ensuring that everyone has access to the support, dignity and opportunities they deserve.

Partnership has always been one of New Start Highland's greatest strengths, and it will become even more important in the years ahead. We recognise that these are exceptionally challenging times for charities and social enterprises. Resources are stretched, demand continues to rise and organisations across the third sector face increasing pressures. Our ambition is to work even closer with partner organisations, finding opportunities to share resources, create efficiencies and protect the vital services our communities rely upon. By working together, we can build a stronger and more resilient sector that ensures our focus remains on people and the support they need.

Looking ahead, we have ambitious plans for growth. Through our Hospitality Training School, we will continue expanding skills development and employability opportunities, helping people gain the confidence, qualifications and experience needed to build lasting careers. We also want to extend our geographical reach, ensuring more communities across the Highlands can benefit from our services while recognising that every community has different needs. Listening, responding and adapting locally will remain fundamental to how we work.

Alongside our social impact, we remain committed to protecting our environment. Every item we reuse, every piece of furniture we save from landfill and every sustainable choice we make contributes to a circular economy that benefits both people and the planet. Environmental sustainability and tackling poverty are closely connected, and New Start Highland continues to demonstrate that social enterprise can deliver meaningful change on both fronts.

As we look to the future, I do so with confidence and optimism. None of what we achieve would be possible without the dedication of our staff, volunteers, trustees, funders, customers and partners. Thank you for believing in our mission and for helping us create brighter futures for people across the Highlands.

Together, I know we will continue to ensure that New Start Highland remains a place where people can find practical support, opportunity, dignity and hope.

James Dunbar



Chief Executive

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The trustees present their report and audited financial statements for the year ended 31 March 2026.

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

New Start Highland, a charity and social enterprise, 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.

This year we celebrated 25 years of delivering service to the people of Highland, a quarter of a century growing our offer to meet 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, bike refurbishment, and most recently the Highland Foodbank. We offer 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 making cash donations as well as donating items of furniture, household goods, clothing, bikes and books, helps fund our vital services.

Summary of key developments

This financial year also saw the completion of work on the New Start Highland (NSH) Village. We have created a place for people to train for employment, shop for household items and bikes, drop off items for re-use, enjoy a coffee and browse partner organisation outlets. We want to say a huge thank you to all the organisations who generously contributed to funding the development – HIE, Foundation Scotland, Wolfson Foundation, Randall Charitable Foundation, FCC Action Fund, MacGregor Industrial Supplies Ltd and many more. We are delighted with the positive feedback we receive from visitors to the site and to see The Yard café building a core of dedicated customers. This year we welcomed Inverness Tool Library to the Village, and we look forward to ILM opening their concession in the coming year.

Summary of key developments (continued)

We have developed our retail estate outside Inverness, opening a shop in Nairn and consolidating our retail offer in Dingwall in our new High Street shop. We are seeing continued pressure on grant funding whether from government or charitable foundations, so income we can generate from commercial sources is vital to the sustainability of our charitable work. We are very aware of the financial pressures experienced by organisations across the sector and of the importance of ensuring we are buttressed against future financial challenges.

Our new Hospitality Training facility has allowed us to secure funding from SSEN Transmission Fund to deliver the Highland's first Hospitality Training school. We will deliver classes in person and on-line to equip people to fill the vacancies in the Hospitality sector. We are proud to be part of the All In Highland training consortium delivering employability training across Highland in conjunction with the Highland Employability Partnership.

This year we were asked to run the Highland Foodbank in partnership with Trussell Trust, taking over from Blythswood Care at the start of March. We were very pleased to be able to take on this service which is such a vital part of the Highland network supporting people in poverty.

We were honoured to be nominated as charity partner at dinners held by Inverness Chamber of Commerce, Highland Construction and the Highland Food and Hospitality Awards and also by RI Cruden at their charity golf day.

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. We were delighted to win not only Outstanding Community Engagement but also being crowned Highland Business of the Year at the Highland Chamber Awards in September. We were awarded Reuse Organisation of the Year by the Reuse Network, we had Patrick our volunteer shortlisted for Volunteer of the Year at the Social Enterprise Scotland Awards and we won a Green Award at the BBC Make a Difference Awards. James Dunbar also won the SSEN Transmission Net Zero Local Champion Award at Prosper's Highlands and Islands Business Excellence Awards. James Dunbar was invited to serve as the only 3rd Sector Commissioner on the Highland Poverty and Equality Commission, Mairi Macaulay was again named in the Top 100 Women in Social Enterprise in the Pioneer Post and NatWest Social and Community List and Louise Anderson was awarded Employee of the Year at the Scottish Charity Awards.

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. We have seen a 30% increase in demand for the service this year and we now also provide furniture to Cairn Housing. 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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Charity (continued)

	2000 to March 2025	2025/26	2026/27
Items diverted from landfill for re-use	1,403,361	85,818	86,500
Homes furnished	31,348	819	1,000
Starter packs provided	7,061	154	250
Waste diverted from landfill (tonnes)	10,081	694	700

For over 20 years our Housing Support team has provided support to individuals and families experiencing challenge and crisis to develop the skills to successfully manage a tenancy. Our expert practitioners work across Highland delivering an effective person-centred service under a framework agreement with THC. The team have continued to provide support to Refugee families setting in Highland, supporting people who have fled crisis and suffering in their home country to become part of the community here. We have also developed a Tenancy Sustainment service supporting tenants of Cairn Housing association. We participated in the PHOENIX research trial in conjunction with NHS Highland and led by the University of Edinburgh. Our Housing Support team is monitored by the Care Inspectorate who evaluate performance against National Care Standards. Our service retains its perfect score and is assessed as very low risk.

	2024/25	2025/26	2026/27
People supported through mainstream delivery	586	620	625
Refugee families supported	26	19	20
Tenancy Sustainment	0	20	25

Employability Training continues to be an important part of our charitable work. Our programmes aim to equip people to seek a job, get a job and keep a job. As part of the "All In Highland" Consortium we offer tailored support to individuals under the THC Challenge Fund. We enrolled 3 people in the HERO scheme which rewards employers for retaining people moving into permanent employment. Our joint project with CALA (Care and Learning Alliance) funded by the Highland Third Sector Interface is designed to help parents develop or refine their employability and parenting skills. Childcare is often a barrier to employment so will be provided by CALA's team at our Carsegate Road site. It is an innovative approach which we hope will support parents into employment. Our new café and training kitchen allows us to deliver Hospitality Training, filling a training gap in a key local sector. We have been included in an initiative, Workforce North, launched by Skills Development Scotland, Highlands and Islands Enterprise and the University of the Highlands and Islands, with key partners including Highland Council and the Inverness and Cromarty Firth Green Freeport.

	2025/26	2026/27
Referrals to All In Highland	15	40
Participants moving to employment	17	20

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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 and the Lottery Community Fund for supporting the service 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.

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. Volunteers are vital to running the Highland Foodbank as well as our other charitable aims. 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, a buffet Christmas lunch and an open morning at The Yard as a thank you to volunteers.

	2024/25	2025/26	2026/27
Number of mentors	11	10	12
Number of Worker bees	50	79	80
Total placements offered	115	231	240

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, Nairn, Dingwall and Thurso selling a broad range of furniture and household items. The NSH Village offers a broad range of items in a large warehouse space. 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. Our expanded clothes offer continues popular. Retail income is key to the sustainability of our organisation, and we will continue to maximise the return from the resource available to us.

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 and Nairn stores alongside high quality donated items. The items demonstrate the potential of furniture re-use and show how creative talent can transform items. We are delighted with our updated Unique Ness brand and website and pleased to offer items for purchase online.

Commercial Services comprise Removals, House Clearances and Storage together with Order Fulfilment. House clearance demand continues positive and we are often able to divert items cleared from landfill, using them within the furniture service. 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 incoming resources were £362,780 (2024/25 outgoing £174,142). This result reflects the hard work of the entire team in what remains a highly competitive grant funding market combined with challenging operating conditions. We received £8,000 of core funding this year,

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. We have initiated a tenancy sustainment service for Cairn

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Financial Review (continued)

Housing tenants as well as participating in a research trial led by the University of Edinburgh. This year our Furniture Service has again benefited from support from SG's IIC Fund. The Training and Volunteer Placement Service started delivery of short-term placements under THC's Challenge Fund as part of the All In Highland consortium and we were delighted to offer employment opportunities under the HERO Scheme. The Lottery Community Fund contributed to our placements and our Hospitality training service received support from Swire Foundation. We have again benefited from funding from Garfield Weston for the Placement and Volunteering Service for the 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 £289,530 (2024/25 £312,740) through donation and contribution to overheads. The funds we raise are used to support our charitable aims. 91% (2024/25 90%) 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 £223,416 (2024/25 £181,425) to group overheads and audit fees are the only governance costs we incurred.

We held cash balances of £248,658 at the year-end (2025 £635,441). A significant proportion of last year's balances last year were held to fund the NSH Village build. As indicated in previous years, these funds are held on deposit in more than one bank to reduce risk. Our secured loan with Foundation Scotland stands at £71,685 (2025 £77,000). This year £42,000 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 New 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 £762,000 and £1,524,000 (2025: £632,000 - £1,264,000) which equates to between approximately 3 and 6 months' unrestricted expenditure. As at 31 March 2026, the level of Free Reserves (defined as total general unrestricted funds, less tangible assets and excluding designated funds and long-term commitments) stands at £114,101 (2025: £301,084), 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 £42,000 (2025: £273,000) and restricted reserves of £1,043,583 (2025: £1,060,886). The designated reserves are held to represent reserves that are not available for other activities. This reserve is held against capital investment in IT equipment. 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.

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Financial Review (continued)

NSH's assets comprise heritable property, plant & equipment, 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.

Plans for Future periods

We continue to operate in a challenging climate. The pressures on third sector organisations have been intense with a number succumbing and being obliged to close. We are acutely aware of the importance of remaining a sustainable organisation. We recognise that growth is the most positive route to achieve this. We are continuing to implement our Strategy for Growth, extending our charitable services to meet growing demand and growing 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 further benefits in the coming year.

Risks & 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)

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 Financial Director, the Head of Operations, the Director of Marketing and Communications, the Development and Project Manager and the Funding Manager. The Chief Executive is responsible for ensuring that the charity delivers the services specified and 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 and of the Prosper Highland Committee. He serves as Commissioner 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. 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.

Statement of disclosure 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:

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Statement of trustees' responsibilities (continued)

- 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
26th August 2026

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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 2026 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 2026 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.

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

September 2026

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 2026

	Notes	Unrestricted funds £	Restricted funds £	2026 Total £	2025 Total £
Income					
Donations and legacies	2	25,582	6,809	32,391	27,444
Income from charitable activities	3	1,044,819	593,406	1,638,225	1,111,059
Income from other trading activities:					
Commercial trading operations	4	1,215,430	-	1,215,430	995,286
Other trading activities	5	59,088	13,299	72,387	68,706
Investment income	6	6,510	-	6,510	13,739
Total income		2,351,429	613,514	2,964,943	2,216,234
Expenditure					
Commercial trading operations	4	1,155,800	-	1,155,800	880,841
Charitable activities	7	764,143	682,226	1,446,369	1,475,353
Total expenditure		1,919,943	682,226	2,602,169	2,356,194
Net income / (expenditure)		431,486	(68,712)	362,774	(139,960)
Transfer between funds		(62,705)	62,705	-	-
Net movement in funds		368,781	(6,007)	362,774	(139,960)
Reconciliation of funds:					
Total funds brought forward		1,200,397	1,060,886	2,261,283	2,401,253
Total funds carried forward		1,569,178	1,054,879	2,624,057	2,261,283

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 19 to 38 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 2026

	Notes	Unrestricted funds £	Restricted funds £	2026 Total £	2025 Total £
Income					
Donations and legacies	2	91,696	6,809	98,505	158,760
Income from charitable activities	3	1,038,335	593,406	1,631,741	1,094,188
Income from other trading activities:					
Other trading activities	5	59,088	13,299	72,387	68,706
Investment income	6	6,510	-	6,510	13,739
Total income		1,195,629	613,514	1,809,143	1,335,393
Expenditure					
Charitable activities	7	764,143	682,226	1,446,369	1,475,353
Total expenditure		764,143	682,226	1,446,369	1,475,353
Net income / (expenditure)		431,486	(68,712)	362,774	(139,960)
Transfer between funds		(62,705)	62,705	-	-
Net movement in funds		368,781	(6,007)	362,774	(139,960)
Reconciliation of funds:					
Total funds brought forward		1,200,397	1,060,886	2,261,283	2,401,253
Total funds carried forward		1,569,178	1,054,879	2,624,057	2,261,283

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 19 to 38 form an integral part of these financial statements.

New Start Highland
(A company limited by guarantee)

Statement of financial position
as at 31 March 2026

	Notes	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Fixed assets:					
Tangible assets	16	2,498,660	1,960,199	2,498,660	1,960,199
Investments	17	-	-	5	5
		<hr/>	<hr/>	<hr/>	<hr/>
		2,498,660	1,960,199	2,498,665	1,960,204
Current assets:					
Stocks		7,021	2,788	-	-
Debtors	18	165,899	141,000	233,272	162,876
Cash at bank and in hand		236,192	635,541	175,835	602,235
		<hr/>	<hr/>	<hr/>	<hr/>
		409,112	779,329	409,107	765,111
Liabilities:					
Creditors: amounts falling due within one year	19	(218,152)	(406,560)	(218,152)	(392,347)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		190,960	372,769	190,955	372,764
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		2,689,620	2,332,968	2,689,620	2,332,968
Creditors: amounts falling due after more than one year	20	(65,563)	(71,685)	(65,563)	(71,685)
		<hr/>	<hr/>	<hr/>	<hr/>
Total net assets		2,624,057	2,261,283	2,624,057	2,261,283
		<hr/>	<hr/>	<hr/>	<hr/>
The funds of the charity:	22				
Unrestricted income funds - General	23	1,527,178	927,397	1,527,178	927,397
Unrestricted income funds - Designated	23	42,000	273,000	42,000	273,000
Restricted income funds	25	1,054,879	1,060,886	1,054,879	1,060,886
		<hr/>	<hr/>	<hr/>	<hr/>
Total charity funds		2,624,057	2,261,283	2,624,057	2,261,283
		<hr/>	<hr/>	<hr/>	<hr/>

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 26 August 2026 and signed on its behalf by



Eleanor Neilson – Director

Company number: SC213206

The notes on pages 19 to 38 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 2026

	Notes	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Cash generated from operating activities:					
Net cash provided by/(used in) operating activities	25	210,758	181,661	183,707	255,300
		<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from investing activities:					
Interest received		6,510	13,739	6,510	13,739
Proceeds from sale of fixed assets		2,000	-	2,000	-
Purchase of fixed assets		(618,617)	(304,593)	(618,617)	(304,593)
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in investing activities		(610,107)	(290,854)	(610,107)	(290,854)
		<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from financing activities:					
Repayment of borrowing		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in financing activities		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Change in cash and cash equivalents in the year		(399,349)	(109,193)	(426,400)	(35,554)
Cash and cash equivalents at the beginning of the year		635,541	744,734	602,235	637,789
		<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at the end of the year		236,192	635,541	175,835	602,235
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 19 to 38 form an integral part of these financial statements.

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 £236,192. 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.

Notes to the financial statements
for the year ended 31 March 2026

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.

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	26% straight line
Motor vehicles	26% 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.

Notes to the financial statements
for the year ended 31 March 2026

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	2026 Total £	2025 Total £
Group:				
Donations	25,582	6,809	32,391	27,444
Charity:				
Donations	91,696	6,809	98,505	158,760

The income from donations for the group and the charity in the year ended 31 March 2025 included £15,808 which was unrestricted and £11,636 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 £	2026 Total £	2025 Total £
Group:				
Primary purpose trading	399,005	179,236	578,241	472,612
Grants - Robertson Trust	-	-	-	5,000
Grants – HERO grant	8,000	-	8,000	5,000
Grants – HIE Graduate Intern	-	-	-	26,710
Grants – Highland Third Sector Interface	-	-	-	6,675
Grants – Investing in Communities	-	114,421	114,421	106,646
Grants – Positive Activities Coordinator	-	-	-	49,448
Grants – Scottish Children’s Lottery	-	-	-	2,333
Grants – Waged Placement (Community Jobs and Employability Funds)	-	-	-	18,881
Grants – PHOENIX Project	-	-	-	6,080
Grants – Community Fund Lottery	-	-	-	2,731
Grants – Multiply Fund	-	-	-	97,337
Grants – Garfield Weston	-	70,000	70,000	70,000
Grants – Training Placement	-	28,930	28,930	52,671
Grants – Albyn Housing	-	2,500	2,500	-
Grants – Community Fund – Fairer Life Chances	-	73,443	73,443	-
Grants – Other	63,137	124,876	188,013	18,696
Grants – Capital Grants (see below)	574,677	-	574,677	170,239
	<u>1,044,819</u>	<u>593,406</u>	<u>1,638,225</u>	<u>1,111,059</u>

The income from charitable activities for the group and charity in the year ended 31 March 2025 included £439,114 which was unrestricted and £671,945 which was restricted.

Group Income from charitable activities includes £6,484 of unrestricted grants received by New Start Highland Enterprises Limited which is not included in the charity statement of financial activities.

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2026

3. Income from charitable activities (continued)

	2026	2025
	Total	Total
	£	£
Capital Grants		
Energy Savings Trust	-	135,750
SSE	96,104	34,489
Gordon & Ena Baxter Foundation	15,000	-
Highlands & Islands Enterprise	127,331	-
The Highland Council – Common Good	30,550	-
Highland Cross – EV/Fast Charger	63,994	-
Foundation Scotland	25,660	-
Gordon Fraser	1,500	-
Great Glen	10,000	-
The Highland Council - HITRANS	19,920	-
Hugh Fraser	20,000	-
Randall CT	50,000	-
FCC Communities Fund	39,618	-
Wolfson Foundation	75,000	-
	<hr/>	<hr/>
	574,677	170,239
	<hr/>	<hr/>

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2026

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:

	2026	2025
	Total	Total
	£	£
Turnover	1,215,430	995,286
Other grants	6,484	16,871
Cost of sales and administration costs	(932,049)	(699,251)
Administration charge from charity	(223,751)	(181,600)
	<hr/>	<hr/>
Net profit	66,114	131,316
Amount donated to the charity	(66,114)	(131,316)
	<hr/>	<hr/>
Retained in subsidiary	-	-
	<hr/>	<hr/>
The assets and liabilities of the subsidiary were:		
Current assets	74,252	57,707
Current liabilities	(74,252)	(57,706)
	<hr/>	<hr/>
Total net assets	-	1
	<hr/>	<hr/>
Aggregate share capital and reserves	-	1
	<hr/>	<hr/>

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.

Notes to the financial statements
for the year ended 31 March 2026

5. Income from other trading activities

	Unrestricted funds £	Restricted funds £	2026 Total £	2025 Total £
Group and charity:				
Sales	28	5,674	5,702	3,253
Fundraising events	13,212	-	13,212	3,228
Meeting room hire	60	-	60	1,256
Rental income	29,668	1,526	31,194	35,064
Other income	16,120	6,099	22,219	25,905
	<hr/>	<hr/>	<hr/>	<hr/>
	59,088	13,299	72,387	68,706
	<hr/>	<hr/>	<hr/>	<hr/>

The income from other trading activities for the group and charity in the year ended 31 March 2025 included £64,283 which was unrestricted and £4,545 which was restricted.

6. Investment income

	Unrestricted funds £	2026 Total £	2025 Total £
Group and charity:			
Bank interest receivable	6,510	6,510	13,739
	<hr/>	<hr/>	<hr/>
	6,510	6,510	13,739
	<hr/>	<hr/>	<hr/>

The income from investments for the group and charity in the year ended 31 March 2025 included £13,739 which was unrestricted and £nil which was restricted.

New Start Highland
(A company limited by guarantee)

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

7. Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2026 Total £	2025 Total £
Group and charity:				
Staff - Wages & salaries	581,908	387,027	968,935	1,062,040
Staff - Employer's NIC	54,082	42,213	96,295	76,421
Staff - Pension costs	40,358	11,658	52,016	57,032
Staff - Training & subsistence	5,206	1,733	6,939	5,600
Trustee - Wages & salaries	75,704	-	75,704	75,704
Trustee - Employer's NIC	10,605	-	10,605	9,192
Trustee - Pension costs	10,226	-	10,226	9,961
Furniture purchases and repairs	-	15,180	15,180	7,309
Repairs and maintenance	8,340	2,025	10,365	10,614
Management and consultancy	54,843	142	54,985	31,666
Advertising, printing, postage and stationery	12,441	4,981	17,422	11,181
Volunteer expenses	2,106	2,129	4,235	3,925
Depreciation & impairment	36,274	41,882	78,156	49,941
Computer costs	19,089	241	19,330	24,714
Starter packs	-	134	134	514
General expenses	(7,543)	5,381	(2,162)	(4,908)
Subscriptions	15,341	16,587	31,928	14,428
Admin service recharge	(302,989)	72,262	(230,727)	(181,425)
Training	-	16,419	16,419	14,051
Rent, rates & insurance	72,285	7,356	79,641	70,300
Light & heat	8,157	4,193	12,350	15,565
Motor vehicle & travel expenses	28,774	47,568	76,342	75,556
Telephone	16,407	3,013	19,420	19,140
Bank charges	6,529	102	6,631	2,632
Auditors' remuneration	16,000	-	16,000	14,200
	<hr/>	<hr/>	<hr/>	<hr/>
	764,143	682,226	1,446,369	1,475,353
	<hr/>	<hr/>	<hr/>	<hr/>

The expenditure on charitable activities for the group and charity in the year ended 31 March 2025 included £796,270 which was unrestricted and £679,083 which was restricted.

8. Expenditure on charitable activities

	Volunteering Service £	Furniture Service £	Training Service £	Foodbank £
Direct expenditure	133,466	353,338	90,463	15,394
Support costs recharged:				
Property expenses	10,207	8,319	5,103	-
IT & telephone	1,440	3,866	2,184	-
Finance & management	38,243	36,765	12,499	-
Transport	-	(54,690)	2,486	-
Human resources	1,965	3,070	805	-
	185,321	350,668	113,540	15,394
		Housing Support £	General Fund £	Total £
Direct expenditure		409,598	674,837	1,669,784
Support costs recharged:				
Property expenses		7,842	(60,284)	(28,813)
IT & telephone		5,103	(25,918)	(13,325)
Finance & management		46,786	(259,309)	(117,704)
Transport		-	-	(52,204)
Human resources		6,492	(23,701)	(11,369)
		475,821	305,625	1,446,369

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.

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2026

9. Governance costs

	Governance	2026	2025
		Total	Total
	£	£	£
Auditors' remuneration	16,000	16,000	14,200
	<u>16,000</u>	<u>16,000</u>	<u>14,200</u>

Governance costs are included within General Fund expenditure.

10. Net income/(expenditure) for the year

	2026	2025
	£	£
Group and charity:		
Net income/(expenditure) is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	78,156	52,513
Auditors' remuneration	16,000	14,200
Gain on disposal of tangible fixed assets	-	-
	<u> </u>	<u> </u>

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2026

11. Auditors' remuneration

	2026 £	2025 £
Auditors' remuneration - audit of the financial statements	12,320	10,934
	<hr/>	<hr/>
Auditors' remuneration - other fees:		
-Accountancy	3,680	3,266
	<hr/>	<hr/>

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

	2026 £	2025 £
Group:		
Wages and salaries	1,549,709	1,586,871
Social security costs	159,882	115,027
Pension costs	79,141	82,898
	<hr/>	<hr/>
	1,788,732	1,784,796
	<hr/>	<hr/>
Charity:		
Wages and salaries	1,044,639	1,137,744
Social security costs	106,900	85,613
Pension costs	62,242	66,993
	<hr/>	<hr/>
	1,213,781	1,290,350
	<hr/>	<hr/>

One employee received emoluments of more than £60,000 (2025: one), this employee's total emoluments fell in a band between £80,0000 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:

	2026 Number	2025 Number
Employees	55	58
	<hr/>	<hr/>

New Start Highland
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2026

13. Trustees' remuneration and costs of key management personnel

	2026 £	2025 £
Wages and salaries	291,115	292,738
Social security costs	39,164	32,866
Pension costs	30,440	32,876
	<hr/>	<hr/>
	360,719	358,480
	<hr/>	<hr/>

One employee received employee benefits (excluding employer pension costs) in excess of £60,000 (2025: 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

1	1
<hr/>	<hr/>

During the year James Dunbar received remuneration of £75,704 (2025: £75,704) and employer pension contributions of £9,961 (2025: £9,961). He received no other benefit (2025: expenses of £99). James Dunbar is the Chief Executive of New Start Highland. No charity trustee received payment for professional or other services supplied to the charity (2025: 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.

	2026 £	2025 £
Group:		
Pension charge	79,141	82,898
	<hr/>	<hr/>
Charity:		
Pension charge	62,242	66,993
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New Start Highland
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Notes to the financial statements
for the year ended 31 March 2026

15. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 262 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	Property Improvement	Land and Buildings	Fixtures, fittings and Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2025	-	2,248,219	120,739	226,489	2,595,447
Additions	28,187	431,490	26,668	132,272	618,617
Adjustments	280,996	(280,996)	-	-	-
Disposals	-	-	(290)	(64,064)	(64,354)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2026	309,183	2,398,713	147,117	294,697	3,149,710
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2025	-	334,834	95,854	204,560	635,248
Charge	14,659	21,462	18,892	23,143	78,156
Adjustments	3,144	(3,144)	-	-	-
On disposals	-	-	-	(62,354)	(62,354)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2026	17,803	353,152	114,746	165,349	651,050
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book values					
At 31 March 2026	291,380	2,045,561	32,371	129,348	2,498,660
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2025	-	1,913,385	24,885	21,929	1,960,199
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

New Start Highland
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Notes to the financial statements
for the year ended 31 March 2026

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.

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 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Trade debtors	98,907	46,734	85,013	25,120
Amounts due from subsidiary and associated undertakings	-	-	81,271	43,493
Other debtors	66,992	94,266	66,988	94,263
	<u>165,899</u>	<u>141,000</u>	<u>233,272</u>	<u>162,876</u>

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Notes to the financial statements
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19. Creditors: amounts falling due within one year

	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Trade creditors	56,206	43,451	56,206	43,451
Other taxes and social security	43,800	36,281	43,800	22,068
Other creditors	6,305	19,042	6,305	19,042
Other loan – Foundation Scotland	6,122	5,298	6,122	5,298
Accruals and deferred income	105,719	302,488	105,719	302,488
	<hr/>	<hr/>	<hr/>	<hr/>
	218,152	406,560	218,152	392,347
	<hr/>	<hr/>	<hr/>	<hr/>

There were financial commitments relating to capital expenditure amounting to £265,744 not included in creditors at 31 March 2026.

New Start Highland
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Notes to the financial statements
for the year ended 31 March 2026

20. Creditors: amounts falling due after one year

	Group 2026	Group 2025	Charity 2026	Charity 2025
	£	£	£	£
Other loan – SIS	65,563	71,685	65,563	71,685
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	65,563	71,685	65,563	71,685
	<hr/>	<hr/>	<hr/>	<hr/>

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 2026	Group 2025	Charity 2026	Charity 2025
	£	£	£	£
Loan payable within 1 year	6,122	5,298	6,122	5,298
Loan payable after 1 year & less than 5 years	27,114	27,114	27,114	27,114
Loan payable falling due after 5 years	38,449	44,571	38,449	44,571
	<hr/>	<hr/>	<hr/>	<hr/>
	71,685	76,983	71,685	76,983
	<hr/>	<hr/>	<hr/>	<hr/>

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

New Start Highland
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Notes to the financial statements
for the year ended 31 March 2026

22. Analysis of net assets between funds (Group)

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 March 2026 as represented by:			
Tangible fixed assets	1,455,077	1,043,583	2,498,660
Net current assets	179,664	11,296	190,960
Long term liabilities	(65,563)	-	(65,563)
	<u>1,569,178</u>	<u>1,054,879</u>	<u>2,624,057</u>

23. Unrestricted funds (Group)

	At 1 April 2025 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2026 £
General Fund	927,397	2,351,429	(1,919,943)	168,295	1,527,178
Designated Fund	273,000	-	-	(231,000)	42,000
	<u>1,200,397</u>	<u>2,351,429</u>	<u>(1,919,943)</u>	<u>(62,705)</u>	<u>1,569,178</u>

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

24. Restricted funds

	At 1 April 2025 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2026 £
Volunteering service	-	196,618	(185,322)	-	11,296
Building	1,060,886	-	(17,303)	-	1,043,583
Furniture Service	-	329,034	(350,666)	21,632	-
Training Service	-	79,301	(113,541)	34,240	-
Foodbank	-	8,561	(15,394)	6,833	-
	<u>1,060,886</u>	<u>613,514</u>	<u>(682,226)</u>	<u>62,705</u>	<u>1,054,879</u>

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Notes to the financial statements
for the year ended 31 March 2026

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 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Net income/(expenditure) for the year	362,774	(139,960)	362,774	(139,960)
Adjustments for:				
Depreciation charges	78,156	52,513	78,156	52,513
Loss/(profit) on the sale of fixed assets	-	-	-	-
Interest receivable	(6,510)	(13,739)	(6,510)	(13,739)
Decrease/(increase) in stock	(4,233)	2,300	-	-
Decrease/(increase) in debtors	(24,899)	71,769	(70,396)	152,565
Increase/(decrease) in creditors	(194,530)	208,778	(180,317)	203,921
	<u>210,758</u>	<u>181,661</u>	<u>183,707</u>	<u>255,300</u>

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Notes to the financial statements
for the year ended 31 March 2026

26. Analysis of cash and cash equivalents

	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Cash in hand	236,192	635,541	175,835	602,235

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 2025, the most recent calculation available, there is a contingent liability attributable to New Start Highland of £12,254 (2025: £15,140) 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.

30. 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.

New Start Highland
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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
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