

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 30 September 2020
for
ARTHUR MCCLUSKEY FOUNDATION

PKW Accountancy Ltd
Second Floor
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Leighton Buzzard
Bedfordshire
LU7 1AE

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for the Year Ended 30 September 2020**

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ARTHUR MCCLUSKEY FOUNDATION

**Reference and Administrative Details
for the Year Ended 30 September 2020**

Trustees	P Henry S Bond A Rennison D O'Shea M McEntee S J Brady
Company secretary	P Henry
Registered office	Craigshannoch Lodge Midmar By Inverurie Aberdeenshire AB51 7LX
Registered company number	SC273801 (Scotland)
Registered charity number	SC036163 (Scotland) 20103194 (Ireland)
Independent examiner	PKW Accountancy Ltd Second Floor 1 Church Square Leighton Buzzard Bedfordshire LU7 1AE

**Report of the Trustees
for the Year Ended 30 September 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

Objectives and aims

The objectives of the charity are to relieve poverty, advance education and promote the health of people in Bosnia Herzegovina who are victims of war, drug or human right abuse.

The UK directors and supporters hope to continue to raise funds for all the projects as outlined in the accounts. We encourage other people to organise fund raising events on our behalf - with limited success! Three concerts planned in Bosnia Herzegovina could not proceed this year due to our cancelled travel plans.

Public benefit

The directors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit (Charities and Public Benefit).

Volunteers

There are six directors who do 20 hours approximately per week.

Achievement and performance

The directors are most grateful to our generous donors without whom we could not achieve so much.

The pandemic challenge lead to four appeals which are outlined in the funds note. Mother's Village Orphanage, Prosthetic Limb Clinic, Cenacolo Community and Mother Krispina Women's Refuge have benefited from the generosity of our donors.

A concert in Medjugorje in October 2019 raised £5,774 (€6,471) which was restricted and used for house refurbishment for Karamatic, Kljucanin and Rasic families. Three concerts planned for 2020 had to be cancelled due to the pandemic.

Financial review

Financial position

We have raised £283,241 (€311,525) during the year of which £115,415 (€126,940) was raised in Ireland. UK Gift Aid claims raised £7,745 (€8,518) and tax relief on the donations in Ireland raised £9,956 (€10,950). Standing Orders, legacy, donations and fundraising campaigns account for the rest.

Total restricted income used during the year totalled £260,872 (€286,922). Total expenditure for the year was £316,080 (€347,643).

Since October 2007, the directors personally cover all expenses so that 100% of all donations reach the projects in Bosnia Herzegovina. No director receives a salary or claims expenses and all directors contribute generously to the funds.

Reserves policy

The charity's policy is to hold enough reserves for the day-to-day running of the charity only. As at 30 September 2020 the charity held free reserves totalling £139,728. This is due to our policy to set aside funds for each student's full degree course at university as well as a two year reserve in relation to poor families.

Future plans

The charity directors hope to find donors and Trusts who have an interest in helping the people of Bosnia Herzegovina. We will continue to use social media as it has proved very useful during the pandemic. Articles about our work to various magazines and websites have resulted in donations.

Our efforts will continue to help the poor of Bosnia Herzegovina. We are always shocked by what we see when we visit poor families. The extreme poverty is a knock-on effect of the 1992 - 1995 war, high emigration and the current unemployment levels of over 35%.

**Report of the Trustees
for the Year Ended 30 September 2020**

Structure, governance and management

Governing document

The organisation is charitable company limited by guarantee, incorporated on 24 September 2004 and registered as a charity on 25 November 2004. 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 such amounts as may be required not exceeding £1.

Recruitment and appointment of Management Committee

The Directors of the company are also charity Trustees for the purposes of charity law. At each AGM, one-third of the directors are subject to retirement by rotation. The retiring director can be re-appointed if not being replaced. When recruiting and appointing members of the Management Committee, a broad range of skills and competencies are looked for. An interest in the wellbeing of the people of and in raising funds for Bosnia Herzegovina is essential.

Risk management

The Directors have carried out a review of the major risks to the charity and confirm that they have established systems to mitigate them.

Approved by order of the board of trustees on 17 November 2020 and signed on its behalf by:

P Henry - Trustee

**Independent Examiner's Report to the Trustees of
(Incorporating an Income and Expenditure Account)
Arthur McCluskey Foundation**

I report on the accounts for the year ended 30 September 2020 set out on pages five to thirteen.

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

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

Independent examiner's statement

In connection with my examination, no matter has come to my attention :

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Paul K West
FCA
PKW Accountancy Ltd
Second Floor
1 Church Square
Leighton Buzzard
Bedfordshire
LU7 1AE

20 November 2020

ARTHUR MCCLUSKEY FOUNDATION
**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2020**

	Notes	Unrestricted fund £	Restricted funds £	30.9.20 Total funds £	30.9.19 Total funds £
Income and endowments from					
Donations and legacies	2	22,369	230,325	252,694	130,715
Other trading activities	3	<u>-</u>	<u>30,547</u>	<u>30,547</u>	<u>20,624</u>
Total		22,369	260,872	283,241	151,339
Expenditure on					
Raising funds		-	-	-	396
Charitable activities	4				
Mother's Village Orphanage		-	38,186	38,186	7,626
Kindergarten School		336	612	948	1,687
St Luke's Home Care		-	500	500	1,462
Prosthetic Limbs		9,147	50,948	60,095	11,245
Educational Support		20,804	5,997	26,801	20,925
Child Sponsorship		-	1,095	1,095	1,692
Family Homes		14,626	51,151	65,777	75,641
Family Support		6,648	3,653	10,301	12,871
Cenacolo Community		2,672	61,497	64,169	-
Parish support		1,109	-	1,109	-
Women's Refuge Centre		12	47,087	47,099	-
Total		55,354	260,726	316,080	133,545
NET INCOME/(EXPENDITURE)		(32,985)	146	(32,839)	17,794
Reconciliation of funds					
Total funds brought forward		172,713	292	173,005	155,211
Total funds carried forward		<u>139,728</u>	<u>438</u>	<u>140,166</u>	<u>173,005</u>

The notes form part of these financial statements

ARTHUR MCCLUSKEY FOUNDATION

**Balance Sheet
30 September 2020**

	Notes	Unrestricted fund £	Restricted funds £	30.9.20 Total funds £	30.9.19 Total funds £
Current assets					
Debtors	7	5,048	-	5,048	4,699
Cash at bank		<u>136,402</u>	<u>438</u>	<u>136,840</u>	<u>171,354</u>
		141,450	438	141,888	176,053
Creditors					
Amounts falling due within one year	8	(1,722)	-	(1,722)	(3,048)
		<u>139,728</u>	<u>438</u>	<u>140,166</u>	<u>173,005</u>
Net current assets					
		139,728	438	140,166	173,005
NET ASSETS		<u>139,728</u>	<u>438</u>	<u>140,166</u>	<u>173,005</u>
Funds	9				
Unrestricted funds				139,728	172,713
Restricted funds				<u>438</u>	<u>292</u>
Total funds				<u>140,166</u>	<u>173,005</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 17 November 2020 and were signed on its behalf by:

P Henry - Trustee

S Bond - Trustee

**Notes to the Financial Statements
for the Year Ended 30 September 2020**

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. Donations and legacies

	Unrestricted funds £	Restricted funds £	30.9.20 Total funds £	30.9.19 Total funds £
Donations	14,624	205,328	219,952	127,994
Gift aid	7,745	-	7,745	2,721
Legacies	<u>-</u>	<u>24,997</u>	<u>24,997</u>	<u>-</u>
	<u>22,369</u>	<u>230,325</u>	<u>252,694</u>	<u>130,715</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

2. Donations and legacies - continued

Restricted Funds	30.9.20	30.9.19
	£	£
Mother's Village Orphanage	38,609	2,853
Kindergarten School	320	1,763
St Luke's Home Care	500	1,462
Prosthetic Limbs	26,290	3,024
Educational Support	5,997	2,736
Child Sponsorship	1,095	1,692
Family Support	3,553	3,548
Family Homes	45,377	13,198
Cenacolo Community	61,497	-
Women's Refuge Centre	47,087	-
	<u>230,325</u>	<u>30,276</u>

3. Other trading activities

	Unrestricted	Restricted	30.9.20	30.9.19
	funds	funds	Total	Total
	£	£	£	£
Fundraising events	<u>-</u>	<u>30,547</u>	<u>30,547</u>	<u>20,624</u>

Restricted funds

	30.9.20	30.9.19
	£	£
Mother's Village Orphanage	15	2,834
Kindergarten School	-	-
St Luke's Home Care	-	-
Prosthetic Limbs	24,658	1,916
Educational Support	-	-
Child Sponsorship	-	-
Family Support	100	-
Family Homes	5,774	-
	<u>30,547</u>	<u>4,750</u>

4. Charitable activities costs

	Direct
	Costs
	£
Mother's Village Orphanage	38,186
Kindergarten School	948
St Luke's Home Care	500
Prosthetic Limbs	60,095
Educational Support	26,801
Child Sponsorship	1,095
Family Homes	65,777
Family Support	10,301
Cenacolo Community	64,169
Parish support	1,109
Women's Refuge Centre	47,099
	<u>316,080</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

4. Charitable activities costs - continued

All administration costs which amounted to £3,186 (€3,504) were paid by the directors of the charity. This amount included accountancy fees, bank charges and website management costs. All other expenses - stationery, postage, office supplies etc were paid by the trustees allowing every penny we receive to be used for the poor of Bosnia Herzegovina.

5. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 30 September 2020 nor for the year ended 30 September 2019.

Six volunteers, who are trustees, contribute on average about twenty hours a week.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2020 nor for the year ended 30 September 2019.

6. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted funds £	Total funds £
Income and endowments from			
Donations and legacies	100,439	30,276	130,715
Other trading activities	<u>15,874</u>	<u>4,750</u>	<u>20,624</u>
Total	116,313	35,026	151,339
Expenditure on			
Raising funds	396	-	396
Charitable activities			
Mother's Village Orphanage	-	7,626	7,626
Kindergarten School	-	1,687	1,687
St Luke's Home Care	-	1,462	1,462
Prosthetic Limbs	-	11,245	11,245
Educational Support	-	20,925	20,925
Child Sponsorship	-	1,692	1,692
Family Homes	-	75,641	75,641
Family Support	-	12,871	12,871
Total	<u>396</u>	<u>133,149</u>	<u>133,545</u>
NET INCOME/(EXPENDITURE)	115,917	(98,123)	17,794
Transfers between funds	<u>(96,919)</u>	<u>96,919</u>	<u>-</u>
Net movement in funds	18,998	(1,204)	17,794
Reconciliation of funds			
Total funds brought forward	<u>153,715</u>	<u>1,496</u>	<u>155,211</u>
Total funds carried forward	<u><u>172,713</u></u>	<u><u>292</u></u>	<u><u>173,005</u></u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

7. Debtors: amounts falling due within one year

	30.9.20	30.9.19
	£	£
Prepayments and other debtors	<u>5,048</u>	<u>4,699</u>

8. Creditors: amounts falling due within one year

	30.9.20	30.9.19
	£	£
Other creditors and accruals	<u>1,722</u>	<u>3,048</u>

9. Movement in funds

	At 1.10.19 £	Net movement in funds £	At 30.9.20 £
Unrestricted funds			
General fund	172,713	(32,985)	139,728
Restricted funds			
Mother's Village Orphanage	-	438	438
Kindergarten School	<u>292</u>	<u>(292)</u>	<u>-</u>
	<u>292</u>	<u>146</u>	<u>438</u>
TOTAL FUNDS	<u>173,005</u>	<u>(32,839)</u>	<u>140,166</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	22,369	(55,354)	(32,985)
Restricted funds			
Mother's Village Orphanage	38,624	(38,186)	438
Kindergarten School	320	(612)	(292)
St Luke's Home Care	500	(500)	-
Prosthetic Limbs	50,948	(50,948)	-
Educational Support	5,997	(5,997)	-
Child Sponsorship	1,095	(1,095)	-
Family Support	3,653	(3,653)	-
Family Homes	51,151	(51,151)	-
Women's Refuge Centre	47,087	(47,087)	-
Cenacolo Community	<u>61,497</u>	<u>(61,497)</u>	<u>-</u>
	<u>260,872</u>	<u>(260,726)</u>	<u>146</u>
TOTAL FUNDS	<u>283,241</u>	<u>(316,080)</u>	<u>(32,839)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

9. Movement in funds - continued

Comparatives for movement in funds

	At 1.10.18 £	Net movement in funds £	Transfers between funds £	At 30.9.19 £
Unrestricted funds				
General fund	153,715	115,917	(96,919)	172,713
Restricted funds				
Mother's Village Orphanage	1,280	(1,939)	659	-
Kindergarten School	216	76	-	292
Prosthetic Limbs	-	(6,305)	6,305	-
Educational Support	-	(18,189)	18,189	-
Family Support	-	(9,323)	9,323	-
Family Homes	-	(62,443)	62,443	-
	<u>1,496</u>	<u>(98,123)</u>	<u>96,919</u>	<u>292</u>
TOTAL FUNDS	<u>155,211</u>	<u>17,794</u>	<u>-</u>	<u>173,005</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	116,313	(396)	115,917
Restricted funds			
Mother's Village Orphanage	5,687	(7,626)	(1,939)
Kindergarten School	1,763	(1,687)	76
St Luke's Home Care	1,462	(1,462)	-
Prosthetic Limbs	4,940	(11,245)	(6,305)
Educational Support	2,736	(20,925)	(18,189)
Child Sponsorship	1,692	(1,692)	-
Family Support	3,548	(12,871)	(9,323)
Family Homes	<u>13,198</u>	<u>(75,641)</u>	<u>(62,443)</u>
	<u>35,026</u>	<u>(133,149)</u>	<u>(98,123)</u>
TOTAL FUNDS	<u>151,339</u>	<u>(133,545)</u>	<u>17,794</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

9. Movement in funds - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.10.18 £	Net movement in funds £	Transfers between funds £	At 30.9.20 £
Unrestricted funds				
General fund	153,715	82,932	(96,919)	139,728
Restricted funds				
Mother's Village Orphanage	1,280	(1,501)	659	438
Kindergarten School	216	(216)	-	-
Prosthetic Limbs	-	(6,305)	6,305	-
Educational Support	-	(18,189)	18,189	-
Family Support	-	(9,323)	9,323	-
Family Homes	-	(62,443)	62,443	-
	<u>1,496</u>	<u>(97,977)</u>	<u>96,919</u>	<u>438</u>
TOTAL FUNDS	<u>155,211</u>	<u>(15,045)</u>	<u>-</u>	<u>140,166</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	138,682	(55,750)	82,932
Restricted funds			
Mother's Village Orphanage	44,311	(45,812)	(1,501)
Kindergarten School	2,083	(2,299)	(216)
St Luke's Home Care	1,962	(1,962)	-
Prosthetic Limbs	55,888	(62,193)	(6,305)
Educational Support	8,733	(26,922)	(18,189)
Child Sponsorship	2,787	(2,787)	-
Family Support	7,201	(16,524)	(9,323)
Family Homes	64,349	(126,792)	(62,443)
Women's Refuge Centre	47,087	(47,087)	-
Cenacolo Community	<u>61,497</u>	<u>(61,497)</u>	<u>-</u>
	<u>295,898</u>	<u>(393,875)</u>	<u>(97,977)</u>
TOTAL FUNDS	<u>434,580</u>	<u>(449,625)</u>	<u>(15,045)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

9. Movement in funds - continued

Mother's Village Orphanage: Accommodation at Mother's Village Orphanage is organised in family houses with 7+ children and two carers in each house. The Orphanage needs support for all aspects of life; day-to-day living, clothing, footwear, dental and medical care as well as educational costs. This year, we sent £39,281 (€43,216) all restricted funds, of which £1,095 (€1,198) was sponsorship donations and £24,997 (€27,315) was legacy income from Ian Ainsley's estate.

Kindergarten at Kiseljak: In this financial year we sent £948 (€1,000) of which £320 (€338) was restricted.

St Luke's Home Care: We received £500 (€561) in restricted donations for this care in the community project.

Prosthetic Limbs: We donated £60,095 (€66,539) for prosthetic limbs this year of which £50,948 (€57,192) was restricted. The pandemic caused havoc as the Swiss Miracles Foundation, which funds salaries and building costs had to cancel their Annual Ball due to the coronavirus. A fundraising event in Ireland for the Clinic was cancelled for the same reason. We began a campaign of virtual walks / 10,000 steps which was a great success. A donation of £20,000 (€21,916) from a Charitable Trust was hugely appreciated by the Clinic staff and amputee users.

Educational Support: Our support of university students cost £26,801 (€29,685) this year, of which £5,997 (€6,643) was restricted funds. These young people are good students and we send approximately £1,800 (€2,000) per student per year, depending on circumstances.

Family Support: We offer support to families in need. The main reasons for their poverty are high unemployment, limited education, limited opportunities and post-traumatic stress disorder. We understand that the welfare system has become very erratic and even the poorest families at times fail to receive the monthly payments of £35 (€40). We are currently helping seven families and sent £10,301 (€11,453) of which £3,653 (€4,062) was restricted funds.

Family Homes: This year we helped seven families with refurbishment of homes. Some of these people lived in very poor conditions, with no proper roof or insulation to protect them from the extremes of heat and cold. Most of this work was shared with a local charity as together we can achieve more.

In this financial year we spent £65,777 (€73,251) of which £51,151 (€56,963) was restricted funds. Three of the houses involved new roofs as well as interior renovation. The Kraljevic and Vidacak projects were new builds. For Kraljevic, we funded windows, doors and one bathroom. The Vidacak house was being built by relatives of a poor family with two teenage children with special needs. The pandemic ended their involvement so the house was completed by our builder.

Cenacolo Community: We were asked to help this community of about 80 people who are recovering from addictions. They rely on providence and due to the lack of pilgrims to Medjugorje, who visit to hear testimonies, they had zero income. Our efforts via social media and the generosity of donors resulted in £64,023 (€69,956) being raised of which £61,497 (€67,196) was restricted. They are hugely grateful.

Mother Krispina Women's Refuge: This refuge was facing closure with huge debts to utility companies. We were asked to help and to date have sent them £47,099 (€50,574).

10. Related party disclosures

All of the charity's administration costs, which amounted to £3,186 (€3,504) (2019 - £4,346 (€4,993)) were paid by the trustees of the charity allowing every penny received to be used for the poor of Bosnia Herzegovina.