

MIDLOTHIAN VOLUNTARY ACTION

Charity Registration No. SC008286

Company Registration No. SC219994

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Reference & Administrative Details

Company Registration No: SC219994

Charity Registration No: SC008286

Directors: Mr R Fairbairn
Mrs S Peart
Mrs H Webb-Nelson
Mr N Hynd
Mrs M Russell
Mr D Noble
Mrs J Waddell
Mrs M Webb

Advisors: Ms Annette Lang, Midlothian Council

Company Secretary: Mr G Wilson

Registered Office: 4/6 White Hart Street
Dalkeith
Midlothian
EH22 1AE

Bankers: The Bank of Scotland
47 High Street
Dalkeith
EH22 1JA

Unity Trust Bank
Nine Brindleyplace
4 Oozles Square
Birmingham
B1 2HB

Independent Examiner: Christopher Spalding
James Anderson & Co
Pentland Estate
Straiton
Edinburgh
EH20 9QH

**Report of the Chairman
For the Year ended 31 March 2020**

I am pleased to present to you the Annual Report and Accounts of Midlothian Voluntary Action (MVA) for the financial year 2019 to 2020.

Throughout this period, there remained an uncertain funding climate for the Third Sector. We have however achieved a great amount with the resources we have. These have been detailed further in this document.

These have been in no small part to the tireless dedication of our Staff and Volunteers, without whom none of this would be possible, the Board would like to thank them for everything that they have done.

We have also been working far closer together as Midlothian Third Sector Interface (TSI), which is a partnership arrangement between Midlothian Voluntary Action (MVA), Volunteer Centre Midlothian and Social Enterprise Alliance Midlothian (SEAM).

Clearly, COVID-19 has had a massive impact on the world and MVA has clearly had to adapt accordingly, in the way it delivers its services and supports organisations in Midlothian.

Working from home, has become a routine occurrence as has virtual meetings, using Zoom etc.

George Wilson retired in September 2020. George has worked in Midlothian since 1994 at Woodburn Action Group, which in 1998 merged with MVA. George was key to facilitating MVA moving into our current premises and expanding the services MVA offers to the Third Sector.

We'd like to thank George for his huge contribution over the years, and wish him all the very best in his well deserved retirement.

Finally, I would also like to thank our funders for their vital continued support –

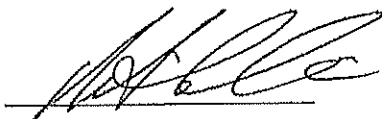
Scottish Government

Midlothian Council/Health and Social Care Partnership

The National Lottery Community Fund Improving Lives

The National Lottery Community Fund Early Action Fund

Aspiring Communities Fund



**Richard Fairbairn
Chair
Midlothian Voluntary Action**

**Report of the Directors
For the Year ended 31 March 2020**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report and financial statements of the charity for the year ended 31 March 2020.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Aims

Midlothian Voluntary Action (MVA) aims to present the common policies and concerns of voluntary organisations to develop new ways of responding to need in partnership with statutory and other health, social work, education, housing, employment, environmental and recreation agencies and any others concerned with the social and economic regeneration of the Midlothian area.

Charitable activities

The general purpose of MVA is to:

- (i) Advance education and relieve poverty among the residents of Midlothian.
- (ii) Establish, implement and/or support other schemes and projects of a charitable nature for the benefit of the residents of Midlothian.

This includes giving support to voluntary/community groups and also social enterprises. Another key role is to help the voluntary/community groups and organisations become effective participants in community planning at a Midlothian level.

In general, MVA has the following key objectives:

- Supporting and stimulating the Voluntary Sector in Midlothian.
- Providing advice to members and other voluntary organisations.
- Providing a resource base to the Voluntary Sector including Accessible Meeting Rooms.
- Participating in the Community Planning Process and the Integration of Health & Social Care Partnership.
- Developing with partners Midlothian's Localism Agenda.
- Participating in the Social Justice agenda including Social inclusion and Equalities Agenda.
- Working with Volunteer Midlothian and others in the delivery of the Active Communities Initiative.
- Participating in Community Care Joint Planning – including developing users and carers' representative on in the Strategic Planning process.
- Participating in Community Learning.
- Participating in Social Economy Activities.
- Facilitating effective networking.
- Arranging relevant training for Voluntary Sector.
- Ensuring MVA itself is developed to its full capacity and managed to a high standard

Significant activities

MVA falls into two distinct areas, namely that of Grassy Riggs and MVA / Social Enterprise Alliance Midlothian (SEAM) itself. It also hosts and supports Midlothian Financial Inclusion Network (MFIN).

The principal activity of the company is the promotion of schemes for the benefit of voluntary and community groups in Midlothian for the benefit of Midlothian's communities. Key activities include the provision of a training programme for the third sector, support to access funding, advice on issues such as governance, regular bulletins on funding, training and emergency planning, representation of the third sector in community planning, supporting older people and disabled people to have a voice in community planning, and coordination of a number of forums. Grassy Riggs provides a drop in provision for older people in Woodburn, and support for local carers.

Report of the Directors Continued For the Year ended 31 March 2020

Achievements & Performance

This year has presented a difficult operating environment for third sector organisations, with statutory budgets continuing to be at a standstill, and continuing austerity for third sector clients. The uncertainties about the shape of Brexit have provided a constant source of concern over the last twelve months, and in the last months of the year we have had to contend with COVID-19. We have responded to these challenges by providing a range of support to local organisations.

Community Planning: A key strand of our work was representing the third sector in a wide range of community planning forums. On behalf of the third sector we attended the Community Planning Boards, Community Planning Working Group (as Chair, Improving Opportunities Midlothian Sub-group, the Joint Health Improvement Partnership, the Mid and East Lothian Drug and Alcohol Partnership, the East and Midlothian Public Protection Office meetings, area targeting meetings, Midlothian Early Action Partnership meetings, the Thinkubator round, Services with Communities meetings, a Midlothian Council Medium Term Financial Strategy planning meeting, a Power of Attorney campaign meeting, Developing the Young Workforce meetings, the annual Community Planning Development day, and the Type 2 Diabetes Prevention Strategy meetings. We also attended the first Midlothian Community Planning Partnership Question Time, broadcast on Black Diamond FM.

Consultation: In partnership with Midlothian Financial Inclusion Network, we ran a 'Democracy Matters' focus group, which fed into the Scottish Government's consultation on local government. We attended a Lothian-wide 'Open All Hours' event regarding the best way to support people needing health support outside office hours.

Digital: TSI Staff worked with Midlothian Council to run a Technology Conference which 34 people attended. The following actions were implemented: 1) Promotion of SCVO Digital Health Checks, Slack, & Business Gateway Digital Marketing training; 2) Circulation to sector of Scottish Government and National Cyber Security Centre cyber security guidance; 3) Identification of ways that the Council and voluntary sector can work together to promote digital literacy and take up of digital services (first project Welfare Fund going online); 4) Circulation of information on GDPR.

Emergency Planning: We have continued to engage with statutory agencies around issues of emergency planning, attending the Care for People group, and from March, the Emergency Community Planning Board, to respond to COVID-19. We distributed three newsletters supporting people to plan for bad weather, one aimed at disabled people (with Forward Mid), one in partnership with the HSCP and MOPA aimed at older people, and one aimed at third sector organisations.

Engagement: We have been heavily involved in the development of the Midlothian Early Action Partnership, a Lottery-funded partnership project aiming to effect system change in youth mental health. We employ the Youth Engagement Officer for the project. We continue to provide support to Midlothian Older People's Assembly and Forward Mid, to ensure that older people and disabled people have a strong voice in community planning.

Financial Inclusion: We have continued to host and line manage the MFIN worker, and our Co-Manager is an MFIN Board member.

Forums: We continue to host our regular forums, which allow the third sector to meet together on issues of common interest. Meeting of the Voluntary Sector Forum, Voluntary Sector Forum Children and Young People's Sub-group, and the IJB Reference Group were held.

Funding: We continued to support organisations to identify and secure sources of grant funding, through a regular funding newsletter and a National Lottery surgery.

Grassy Riggs: Grassy Riggs drop in café has gone from strength to strength, providing a healthy, affordable meal for older people in the Woodburn area, support for carers, and access to a range of facilitated groups.

Health: We distributed a newsletter 'An Update on Health Related Activity in Midlothian's Third Sector' with information on funding and current developments. We participated in three Voluntary Sector Summits with MHSCP staff. We have attended three Health and Social Care Organisational Development Group meetings.

Infrastructure support: We continue to provide photocopying and related services to our members. Our meeting room was used over 300 times for a variety of third sector meetings.

Marketing: We supported a consortium of children's organisations to develop a joint marketing leaflet.

**Report of the Directors Continued
For the Year ended 31 March 2020**

Social Enterprise: SEAM has engaged with DTAS, COSS, Firstport, Just Enterprise, Social Investment Scotland and Senscot, Social Farms and Gardens, and the national TSI Network to provide specific help to organisations, to participate in training events/seminars or to disseminate general information. SEAM co-ordinated a Community Asset Transfer Workshop for Midlothian Council and TSI staff, developing best practice, delivered by COSS. On behalf of the TSI, MVA submitted a successful Participation Request to work in partnership with Midlothian Council to develop a process for allocating the Scottish Government Town Centre Capital Fund. MVA/SEAM staff collaborated with Midlothian Council to develop criteria, draft a bidding/allocation process, and represented the voluntary sector on the Scoring Panel. Three voluntary organisations successfully accessed funding for town centre regeneration projects. SEAM still facilitating the In It Together partnership as it develops its Masterplan for Mayfield Town Centre. The Masterplan consultancy team is now in place and the plan is commencing. SEAM has also continued to work with the After School Club Network and is now engaged in supporting a new network of playgroups to build capacity for to meet extended childcare hours. SEAM has continued to engage with Growing Together Partners to examine next steps for supporting community growing and community food projects. SEAM supported a successful funding application from Mayfield Easthouses Development Trust to the National Lottery for a 'green hub' project, supporting community growing and other environmental activities. SEAM has developed a successful partnership with Newbattle Abbey College, and Midlothian's first ever festival of words took place in April 2019.

Training: We continued to provide a regular bulletin with details of free or low costs training courses available to third sector organisations. We also ran a number of training courses: HR Essentials (7 bookings); How to Fund Your Next Project (2 courses – 27 bookings); Engaging with the Scottish Parliament (13 bookings). We have been working with partners from Midlothian Council and NHS Lothian to develop our use of behavioural psychology. We held a well-attended seminar and are now capturing the learning from three 'nudge' projects on automation (2), and promoting uptake of Working Families Tax Credit.

TSI Network: We have been regular attenders a TSI Chief Officers' meetings and several staff attended the TSI Conference. We made contact with the SG Cyber Resilience team at the conference; after discussions they agreed to lead a workshop at our Tech Conf in April. SEAM has been active in the TSI Social Enterprise Practitioner's Forum. We worked collaboratively with Social Enterprise Edinburgh to organise 2 network meetings and will continue to engage with this forum. We are signed up to Slack, to allow us to collaborate more effectively with other TSIs. We meet regularly with local TSIs regarding volunteering issues.

Financial Review

Income for the year was £323,158 (2019 £339,300). This was split between unrestricted funding of £53,670 (2019 £46,003) and restricted funding of £269,488 (2019 £293,297). It was encouraging to see an increase in the unrestricted funding. The reduction in restricted funding reflects the difficult funding environment. Expenditure for the year was £318,962 (2019 £331,715) which was allocated as unrestricted expenditure £36,012 (2019 £48,268) and restricted expenditure £282,950 (2019 £283,446). The net movement in funds showed a surplus in unrestricted funds of £17,658 (2019 deficit £2,266) and a deficit in restricted funds of £13,462 (2019 surplus £9,851) giving an overall surplus of funds for the year of £4,196 (2019 £7,585).

Principle Funding Sources

Scottish Government and Midlothian Council are our main sources of funding with significant funding from the National Lottery Fund coming to Grassy Riggs. Consultancy, photocopying and printing also contributed to MVA income.

Reserves Policy

The Directors have reviewed the position of the company and with £215,882 (2019 £198,224) unrestricted reserve funds, to meet running costs and other liabilities, they are satisfied with the level of reserves at the present time. This amount would cover approximately 8 months of funding. The Board considers that this is the minimum appropriate reserve for a responsible management.

**Report of the Directors Continued
For the Year ended 31 March 2020****Future Plans**

The Third Sector Interfaces organisations of MVA, SEAM and Volunteer Midlothian are continuing to work closely together, and report jointly on their activity to the Scottish Government. Over the next year we will see more partnership working, including further discussions about locating both organisations in the same building. The emergence of COVID-19 in early 2020 is the single biggest challenge that the third sector has faced in recent years, and we anticipate that this will be almost the sole focus of our work for the rest of the year. We will be supporting the third sector to navigate the different emergency funding streams available to them and to reconsider their business models, signposting them to appropriate assistance with the HR issues arising from COVID-19, bringing them together in forums to discuss the impact of COVID-19 and recovery/renewal and representing the third sector at Emergency Community Planning Board meetings and Care for People meetings.

Reference and Administrative Details

The information relating to Midlothian Voluntary Action is on page 1.

Structure, Governance & Management**Governing document**

The charity is constituted as a Company limited by guarantee and is governed by its Memorandum and Articles of Association. It is also recognised by the Office of the Scottish Charity Regulator with Registration Number SC008286. The management of Midlothian Voluntary Action (MVA) is the responsibility of the management committee, which is elected under the terms of the constitution.

Recruitment & appointment of new directors

The Board of Directors together with the external advisors form the management committee. The directors serve for a maximum period of three years after which time they are eligible for re-election. The Board of Directors is proposed by our member organisations. The proposals are considered at our AGM. If required voting on various proposed candidates takes place and final proposed candidates are approved at the AGM, for example, more proposed candidates than vacant places.

Induction & training of new directors

A number of MVA Board members come to the organisation with considerable skills and knowledge of the voluntary sector. MVA has comprehensive training programmes throughout the year and there are opportunities for our Board members to participate in the training. Key information on relevant current legislation is also distributed to Board members on a regular basis. Our Policy and Procedures Handbook is regularly revised with the revisions being approved by the Board.

Organisational structure

The Board oversees the various divisions and meets on a regular basis (9 occasions in the year) to consider reports, review and consider financial matters and consider the future strategy. The day-to-day operation is overseen by joint managers George Wilson and Lesley Kelly and Grassy Riggs has Janette Hope as Manager.

Key management remuneration

The directors consider the board of directors, the general manager, deputy manager and Grassy Riggs manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All directors give of their time freely and no director remuneration was paid in the year.

**Report of the Directors Continued
For the Year ended 31 March 2020**

Structure, Governance & Management (continued)

Financial & risk management objectives & policies

The directors have a risk management strategy, which comprises:

- An annual review of the principal risks and uncertainties that MVA faces.
- The establishment of policies, procedures and systems to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise or manage any potential impact on MVA should those risks materialise.

The principal risks relate to the lack of long-term funding agreements with Scottish Government and already known reduction of funding by Midlothian Council for the next three years.

These risks have been mitigated to varying degrees by:

- Building over a number of years, reasonable reserves.
- A reasonable expectation that we have the ability to do some consultancy, which generates some income.
- The Board having rigorous budget controls in place.
- Overall, the directors are satisfied that systems are in place to mitigate and manage the major risks to which the company may be exposed.

Covid-19

COVID-19 has changed our working practices and this resulted in all staff working from home. This has brought practical difficulties with regard to certain aspects of our administration but these are being worked through by staff.

Cooperation with other organisations

MVA works closely with SEAM and MFIN to ensure the effective provision of its services.

Statement of Responsibilities of the Directors

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

The law applicable to charities in Scotland requires the charity directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

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

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

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

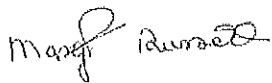
**Report of the Directors Continued
For the Year ended 31 March 2020**

Independent Examiner

Christopher Spalding C.A. has indicated his willingness to continue in office and a resolution proposing his reappointment will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the board on Tuesday 16 February 2021 and signed on its behalf:

A handwritten signature in black ink, appearing to read 'Margot Russell', with a stylized flourish at the end.

Margot Russell, Treasurer

**Independent Examiner's Report to the Members
For the year ended 31 March 2020**

I report on the accounts of the charity for the year ended 31 March 2020 which are set out on pages 10 to 19.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. 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 Independent examiner's statement

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 by an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

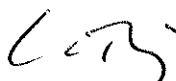
In connection with my examination, no matter has come to my attention:

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.



Christopher Spalding C.A. (ICAS)
James Anderson & Co
Chartered Accountants
Pentland Estate
STRAITON
EH20 9QH

16 February 2021

Statement of Financial Activities
(Incorporating Income & Expenditure Account)
For the Year ended 31 March 2020

	Notes	Unrestricted Fund £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:					
Donations	6	26,611	-	26,611	18,224
Charitable activities	7	-	269,488	269,488	294,667
Other trading activities	8	26,563	-	26,563	26,006
Investment income	9	496	-	496	403
		<u>53,670</u>	<u>269,488</u>	<u>323,158</u>	<u>339,300</u>
Expenditure on:					
Charitable activities	10	<u>36,012</u>	<u>282,950</u>	<u>318,962</u>	<u>331,715</u>
Total expenditure		<u>36,012</u>	<u>282,950</u>	<u>318,962</u>	<u>331,715</u>
Net movement in funds		17,658	(13,462)	4,196	7,585
Reconciliation of funds:					
Balances 31 March 2019		<u>198,224</u>	<u>52,516</u>	<u>250,740</u>	<u>243,155</u>
Balances 31 March 2020	15	<u>215,882</u>	<u>39,054</u>	<u>254,936</u>	<u>250,740</u>

The results set out in the income and expenditure account above derive wholly from the continuing operations of the company.

Balance Sheet
As at 31 March 2020

	Notes	2020 £	2019 £
Fixed Assets			
Tangible assets	11	4,868	6,933
Current Assets			
Debtors	12	12,905	29,398
Cash at bank & on hand		288,703	266,908
		301,608	296,306
Liabilities			
Creditors: amounts falling due within one year	13	51,540	52,499
Net current assets		250,068	243,807
Net Assets		254,936	250,740
The Funds of the Charity			
Unrestricted fund	15	215,882	198,224
Restricted funds	15	39,054	52,516
Total funds		254,936	250,740

The notes at pages 12 to 19 form part of these accounts.

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

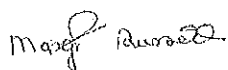
The members have not required the charitable company to obtain audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The directors 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 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 special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on Tuesday 16 February 2021 and were signed on its behalf by:



Margot Russell, Treasurer

**Notes to the Financial Statements
For the Year ended 31 March 2020**

1. Statutory Information

Midlothian Voluntary Action is a private company, limited by guarantee with charitable status and registered in Scotland. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The company's registration number and registered office address can be found on the Reference and Administrative Details page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. 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 Accounting

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 (FRS102) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Midlothian Voluntary Action meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared under the historical cost convention modified to include certain items at fair value.

b) Going concern

The financial statements have been prepared on a going concern basis as the directors believe that no material uncertainties exist. The directors have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) Donated Services

In accordance with the Charities SoRP (FRS102) general volunteer time is not recognised in the accounts. Information regarding the contribution of volunteers is provided in the Report of the Directors.

d) Income

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and grants are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

Income received in advance of a service being provided is deferred until the criteria for income recognition are met.

Notes to the Financial Statements
For the Year ended 31 March 2020

2. Accounting Policies Continued

e) Expenditure

Expenditure is recognised 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.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

Expenditure on charitable activities includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates and comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

f) Funds

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

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 in the notes to the financial statements.

g) Tangible Fixed Assets & Depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Expenditure is capitalised as a fixed asset where it represents either a new fixed asset or enhancement to an existing asset. Depreciation is provided at the following annual rates and charged to the designated Capital Fund in order to write off each asset over its expected useful life less estimated residual value.

Fixtures & Fittings	- 20% straight line.
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h) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Notes to the Financial Statements (Continued)

j) Cash in bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

k) Pension Costs

The company operates defined contribution schemes, the assets of which are held separately from those of the charity. The pension cost charge represents contributions payable by the charity to the scheme.

l) Taxation

No provision for corporation tax is necessary as the company has charitable status and does not trade. The company suffers input VAT on some of its expenditure which it does not recover.

m) Operating Leases

Rentals payable under operating leases are charged to the Income and Expenditure Account on a straight line basis over the period of the lease.

3. Related Party Transactions

No director received any remuneration during the year (2019: £Nil). No director received any refund of expenses for services as a director (2019: £Nil).

4. Employee Information

	2020	2019
Average number of employees during the year was:	13	13
	£	£
Wages & salaries	220,356	245,734
Social security costs	11,703	15,050
Pension costs	5,099	3,540
	<u>237,158</u>	<u>264,324</u>

No staff member is remunerated at a level in excess of £60,000 per annum.

The key management personnel of the charity comprise the general manager, deputy manager and Grassy Riggs' manager. Their total employee benefits were £93,073 (2019: £107,184).

5. Operating Leases

The total minimum future lease payments under non-cancellable operating leases are as follows:

<i>Expiry date</i>		
Within one year	<u>12,500</u>	<u>12,500</u>

The charity occupies premises leased from Midlothian Council on an annual basis and the rent is fully covered by a grant from the council.

Notes to the Financial Statements (Continued)

6. Income from Donations	MVA Core 2020 £	Grassy Riggs 2020 £	Total 2020 £	Total 2019 £
Donations	5,391	20,845	26,236	17,819
Membership fees	375	-	375	405
<i>Unrestricted fund income</i>	<u>5,766</u>	<u>20,845</u>	<u>26,611</u>	<u>18,224</u>
 7. Income from Charitable Activities				
Midlothian Council – Mapping Obesity	-	-	-	500
Growing Together	-	-	-	870
<i>Unrestricted fund income</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370</u>
 Midlothian Council - Community Care	24,926	-	24,926	24,926
Midlothian Council - Forward Mid	6,318	-	6,318	6,319
Midlothian Council - Additional worker	-	18,750	18,750	25,000
Midlothian Council – Social work & rent	12,500	29,576	42,076	42,077
Midlothian Council – Community & wellbeing	20,000	-	20,000	35,443
National Lottery Fund/Midlothian Council				
– Early Action Fund	2,105	-	2,105	12,631
Scottish Government	83,572	-	83,572	83,572
Scottish Government - SEAM/LSEP	17,932	-	17,932	17,932
Scottish Government - Aspiring Communities	18,316	-	18,316	11,719
National Lottery Fund	-	34,953	34,953	33,678
Santander – Intern funding	540	-	540	-
<i>Restricted fund income</i>	<u>186,209</u>	<u>83,279</u>	<u>269,488</u>	<u>293,297</u>
Total charitable activities	<u>186,209</u>	<u>83,279</u>	<u>269,488</u>	<u>294,667</u>
 8. Income from other trading activities				
Management fees	16,485	-	16,485	16,801
Room & office hire	465	-	465	1,202
Photocopying & printing	4,006	-	4,006	3,452
Consultancy fees	1,750	-	1,750	3,000
Miscellaneous income	412	2,945	3,357	551
Training	500	-	500	1,000
	<u>23,618</u>	<u>2,945</u>	<u>26,563</u>	<u>26,006</u>

Notes to the Financial Statements (Continued)

9. Investment Income	MVA Core 2020 £	Grassy Riggs 2020 £	Total 2020 £	Total 2019 £
Bank interest received	496	-	496	403
10. Expenditure on Charitable Activities				
Occupancy costs	19,571	-	19,571	20,592
Salaries, recruitment & travel	155,167	83,566	238,733	265,878
Stationery, publicity & copier charges	8,313	24	8,337	7,769
Posts & telephones	2,686	1,592	4,278	3,716
Training	95	500	595	2,289
Events & meeting expenses	16	-	16	120
Repairs, software & equipment	4,444	2,185	6,629	9,005
Transport	543	240	783	449
Professional fees	1,973	-	1,973	2,313
Funds in trust paid to charities	18,317	-	18,317	-
In it together costs	-	-	-	3,078
Café costs	-	10,942	10,942	7,781
Miscellaneous & subs	2,676	585	3,261	2,447
Peer Support grants & costs	-	-	-	787
Depreciation	2,065	-	2,065	2,065
Independent examiner's fee	3,240	-	3,240	3,120
AGM & professional fees	-	-	-	-
Bank charges	142	80	222	306
	219,248	99,714	318,962	331,715
Charged to - Unrestricted Fund			36,012	48,269
- Restricted Funds			282,950	283,446

11. Tangible Fixed Assets**Equipment
£****Cost**

At 31 March 2019

10,323

At 31 March 2020

10,323

Depreciation

At 31 March 2019

3,390

Charge for the year

2,065

31 March 2020

5,455

Net book value

31 March 2020

4,898

31 March 2019

6,933

Notes to the Financial Statements (Continued)

12. Debtors

	2020 £	2019 £
Trade debtors	4,460	5,593
Grants receivable	7,533	21,727
Other debtors	912	2,078
	<u>12,905</u>	<u>29,398</u>

13. Creditors

Amounts falling due within one year

Funds held in Trust	40,175	45,536
Sundry creditors & accruals	3,240	3,838
Deferred income	8,125	3,125
	<u>51,540</u>	<u>52,499</u>

The deferred income refers to grants received in advance towards expenditure of the next financial year.

14. Pension Costs

The company operates a money purchase (defined contributions) pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost represents contributions payable by the company to the funds and amounted to £5,099 (2019: £3,540).

15. Statement of Funds

Year to 31 March 2020

	At 31/3/19 £	Incoming Resources £	Resources Expended £	At 31/3/20 £
Restricted Funds				
Midlothian Council - Social work	-	12,500	12,500	-
Midlothian Council - Community & wellbeing	-	20,000	20,000	-
Midlothian Council - Community care	-	24,926	24,926	-
Midlothian Council - Forward Mid	40,955	6,318	8,219	39,054
Midlothian Council - Peer support	1,482	-	1,482	-
National Lottery Fund/Midlothian Council				
- Early Action Fund	10,079	2,105	12,184	-
Scottish Government - Aspiring Communities	-	18,316	18,316	-
Scottish Government	-	83,572	83,572	-
Scottish Government - SEAM/LSEP	-	17,932	17,932	-
Grassy Riggs	-	48,326	48,326	-
National Lottery Fund	-	34,953	34,953	-
Santander – Intern Funding	-	540	540	-
Total Restricted Funds	<u>52,516</u>	<u>269,488</u>	<u>282,950</u>	<u>39,054</u>
Unrestricted Fund	<u>198,224</u>	<u>53,670</u>	<u>36,012</u>	<u>215,882</u>
Total Funds	<u>250,740</u>	<u>323,158</u>	<u>318,962</u>	<u>254,936</u>

Notes to the Financial Statements (Continued)

16 Statement of Funds (continued)

Year to 31 March 2019

	At 31/3/18 £	Incoming Resources £	Resources Expended £	At 31/3/19 £
Restricted Funds				
Midlothian Council - Social work	-	12,500	12,500	-
Midlothian Council - Community & wellbeing	-	35,443	35,443	-
Midlothian Council - Community care	-	24,926	24,926	-
Midlothian Council - Forward Mid	40,396	6,319	5,760	40,955
Midlothian Council - Peer support	2,269	-	787	1,482
National Lottery Fund/Midlothian Council				
- Early Action Fund	-	12,631	2,552	10,079
Scottish Government - Aspiring Communities	-	11,719	11,719	-
Scottish Government	-	83,572	83,572	-
Scottish Government - SEAM/LSEP	-	17,932	17,932	-
Grassy Riggs	-	54,577	54,577	-
National Lottery Fund	-	33,678	33,678	-
Total Restricted Funds	42,665	293,297	283,446	52,516
Unrestricted Fund	200,490	46,003	48,269	198,224
Total Funds	243,155	339,300	331,715	250,740

The balances on the restricted funds arise when the project funding periods are not in line with the charity's year end.

Funds & Sources:

Specific purpose

Midlothian Council - Social work
 Midlothian Council - Community & wellbeing
 Midlothian Council - Community care
 Midlothian Council - Social Work/Forward Mid
 Midlothian Council - Peer Support
 Midlothian Council - Smoothie bike

Towards rent of premises and wages.
 Towards running costs and part wages of MVA staff.
 Towards community care development worker.
 Funding for a physical disability forum.
 Provide assistance to local peer support groups.
 Participatory budget grant used to promote healthy lifestyle.

National Lottery Fund/ Midlothian Council
 – Early Action Fund

Providing to fundamental shift towards effective early action in Scotland to prevent problems from occurring rather than one that copes with the consequences.

Scottish Government
 Scottish Government - SEAM/LSEP

Core funding.
 Local social enterprise project for social enterprise work with businesses that are not for profit.

Scottish Government - Aspiring Communities
 Grassy Riggs - Midlothian Council, National Lottery Fund

Woodburn/Dalkeith community research project.
 Provided for frail, isolated elderly people in the Woodburn area.

National Lottery Fund
 NHS Community Empowerment
 Santander
 Voluntary Action Scotland - Improvement Service

Grassy Riggs
 For the promotion of community health & wellbeing
 Intern funding
 To assist the Third Sector to work more effectively within the community

Notes to the Financial Statements (Continued)

16. Allocation of Net Assets Between Funds

At 31 March 2020

	Tangible Fixed Assets £	Current Assets £	Current Liabilities £	Total £
Midlothian Council - Forward Midlothian	-	39,054	-	39,054
Total Restricted Funds	-	39,054	-	39,054
Unrestricted Funds	4,868	262,554	(51,540)	215,882
Total Funds	4,868	301,608	(51,540)	254,936

At 31 March 2019

	Tangible Fixed Assets £	Current Assets £	Current Liabilities £	Total £
Midlothian Council - Forward Midlothian	-	40,955	-	40,955
Midlothian Council - Peer support	-	1,482	-	1,482
National Lottery Fund/Midlothian Council – Early Action Fund	-	10,079	-	10,079
Total Restricted Funds	-	52,516	-	52,516
Unrestricted Funds	6,933	243,790	(52,499)	198,224
Total Funds	6,933	296,306	(52,499)	250,740