Registered Company Number: SC215330
Scottish Charity Number: SC031038

MIDLOTHIAN SURE START
(A company limited by guarantee)

REPORT AND ACCOUNTS

Year ended 31 March 2023

MIDLOTHIAN SURE START
(a company limited by guarantee)

ANNUAL REPORT AND ACCOUNTS

Year ended 31 March 2022

Contents | **Page**

MIDLOTHIAN SURE START

LEGAL AND ADMINISTRATIVE DETAILS

Year ended 31 March 2022

Company Registered number:	SC215330 (Scotland)
Scottish Charity number:	SC031038
Principal address and Registered office:	Colliery Court McSence Business Park 32 Sycamore Road Mayfield Dalkeith EH22 5TA
Board directors:	Jana Chandler – Chair Shona Watson – Vice Chair Paula Roots (Resigned 7 December 2022) Lee Ryan Melissa Clements (Resigned 13 July 2023) Christine McFadzen Bryan Clark (Resigned 7 December 2022) Judith Mathers Victoria Galloway (Appointed 13 December 2022) Christopher Richardson (Appointed 13 July 2023) Arlene Stokes (Appointed 13 July 2023)
Company Secretary & Chief Executive:	Cheryl Brown
Local Authority Advisor:	Rob Beal
Bankers:	Royal Bank of Scotland High Street Dalkeith EH22 1JA Bank of Scotland 163a John Street Penicuik EH26 8AT Santander Bridle Road Bootle Liverpool L30 4GB
Independent Auditor:	Chiene + Tait LLP (trading as CT) Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Solicitors:	Ennova Law 26 George Square Edinburgh EH8 9LD

MIDLOTHIAN SURE START
(a company limited by guarantee)

REPORT of the DIRECTORS

Year ended 31 March 2023

Board of Directors annual report
The Board (who are also Trustees for the purposes of Charity Law) has pleasure in presenting its report and the accounts of the charity for the year ended 31 March 2023.

The accounts comply with current statutory requirements, the memorandum and articles of association and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 October 2019) - Charities SORP 2019 (FRS 102).

Mission Statement
Strapline
Building Best Beginnings

Vision
For all Midlothian's children to build the foundations for a happy childhood that serves them a lifetime.

Mission
To help each child achieve their full potential by having valued, confident and collaborative staff who will work with each other and other agencies to provide best quality services to children and their families within the communities of Midlothian.

Values

Objectives, activities, achievements and performance

Objectives
Midlothian Sure Start offers:
- A local community-based family service aimed at giving children the best start.
- A safe, creative and nurturing environment that is fun, non-judgemental and non-stigmatising.
- A range of opportunities which include family support, positive play experiences for children, healthy living, therapeutic services and baby massage.

Midlothian Sure Start is committed to ensuring that**:**
- Project Users are at the heart of our service. All efforts will be made to ensure that they are totally involved and can participate in developing the services and managing the organisation.
- We offer a caring and supportive service that is person-centred and open to people from all walks of life.
- We will show that everyone is valued and has something to contribute, with all treated equally.
- We offer a service which respects the rights, responsibilities and needs of families.
- A qualified and professional workforce who undertake continuing professional development.
- An interprofessional and interagency approach is valued when appropriate to enhance our service for families and children.
- Opportunities are created for volunteers.

Review of the Developments, Activities and Achievements

Introduction
In the year under review, Midlothian Sure Start (MSS) experienced a growth in the number of children and families supported and in the increased complexity of need. The number of children worked with increase by 44% from 309 the previous year to 447 in the last year while the number of families supported increased by 27% from 448 families in 2021/2022 to 570 families in 2022/2023.

Concerns in relation to the wellbeing of children attending decreased from the peak of concerns in relation to 49% of children during the peak of COVID to a steady 33% over the year (up from 28% pre covid). The organization had 4 or 5 children every quarter attending who were on the child protection register and the number of children attending who have an additional support need increased to 20% (up from 9% in the 2020/21 and 14% last year).

The period under review has been an economically challenging time for families. The organisation was fortunate to continue to be chosen as a “trusted provider” by Midlothian and supported by STV and Forth One. This allowed it to be able to provide direct financial support in addition to support from the centres and from a welfare rights advisor from Citizens Advice Bureau Penicuik who has worked in partnership with Midlothian Sure Start through the AIM HI project. This support has been invaluable to families.

The second half of the year was extremely challenging as Midlothian Sure Start continued to operate through a period of considerable uncertainty. Midlothian Council undertook a consultation to seek views on how to address the funding deficit that they were facing. All stakeholders involved with Midlothian Sure Start offered their support. The Board and…

Review of the Developments, Activities and Achievements (continued)

Introduction (continued)

… staff were overwhelmed with the messages of support received locally and even internationally. Midlothian Sure Start received 1803 supporters for our petition to maintain services. Local politicians were supportive of the service we deliver and advocated for the centres. Unfortunately, however the need to make savings meant that the funding to Midlothian Sure Start by Midlothian Council for the new year will be cut by £200k. We have worked with Midlothian Council to address this which has led to Midlothian Sure Start restructuring and having to substantially (90%) reduce our therapeutic services, but we have been able to keep all 6 centres open.

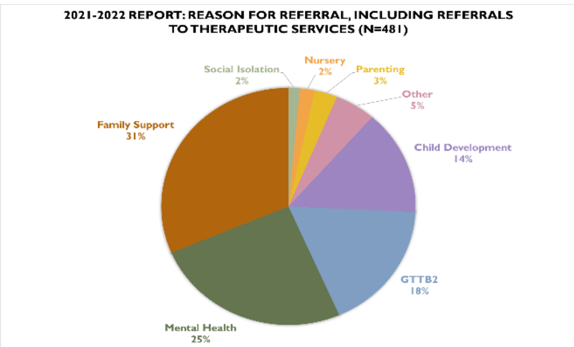
At the same time, we were delighted that the important and award winning work our perinatal team offer will continue thanks to a further funding from Inspiring Scotland/Scottish Government Perinatal Mental Health funding and the trustees of the Charles Gordon Foundation.

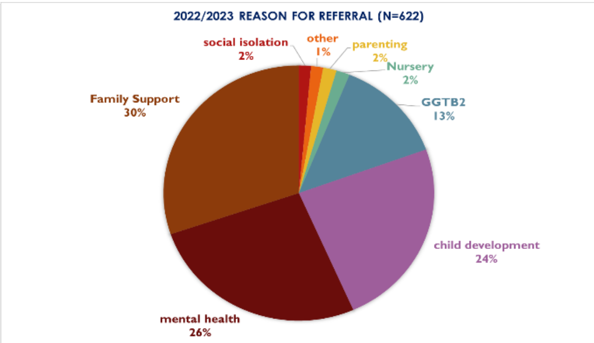
The Board are working to ensure that the organisation can increase our therapeutic services and to a longer term sustainable future for the organization.

Highlights of 2022-2023

- Midlothian Sure Start supported 447 children, 73 male carers and 497 female carers over the last year. 118 people received a therapeutic service. The waiting list was 28 adults at the end of the financial year.
- 37% of the overall number of families (45% of families eligible for the funded provision for 2 year olds) came from areas of deprivation zones 1-3.
- Midlothian Sure Start continued to offer a range of family learning activities such as Big Bed-time read, PEEP, HENRY, Stay and play or Open Kindergarten, Bookbug and A Good Start. 148 families engaged in one of these family learning activities. All families were offered the opportunity to get involved in a "Parents involved in their Children's learning" (PICL) course or activity.
- Midlothian Sure Start continued to work in partnership with AIM HI agencies to enable families to benefit from financial and energy saving advice which led to financial gains and carbon savings.
- Midlothian Sure Start trained its first cohort of staff to use the FAN (Facilitating Attuned Network training through the Erikson Institute and staff members are being trained in level 2 supervisory level FAN. Staff continued to be offered a range of training opportunities including UP, UP and Away, HENRY, Solihull, PICL in addition to qualification training.
- Delivered multi –agency Solihull training to Midlothian staff. Provided ongoing support to roll out the trauma informed approach initiative with 2 members of the team delivering level 1 training.
- Conducted "tests of change" in conjunction with the Midlothian Early Action fund using Storytelling in 2 primary and 1 secondary schools.

Midlothian Sure Start received an increase in referrals from the previous year. The number of families referred for "child development" showed a marked increase from 14% to 24%. See the graph below for a breakdown of the reason for referral.





Therapeutic services

In addition to 1-1 therapeutic services, therapeutic groups such as mindfulness, enjoy your baby, dyadic art therapy and circle of security were offered.

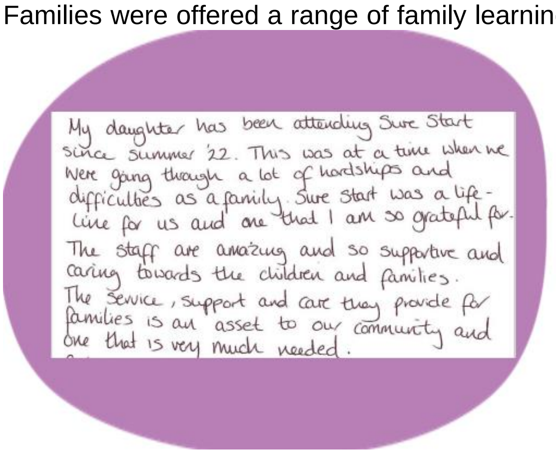
A Story telling test of change was conducted at local Primary School and one local high school.

Child Poverty

Midlothian Sure Start continued to work with the Citizen's Advice Bureau to deliver the AIM HI project. This continued to be a vital service to the families that the organisation works with. Advice in the year lead to financial and carbon savings.

Family Learning Centres

Families were offered a range of family learning activities such as PICL, PEEP, Bookbug/Big bedtime read, A Good Start, HENRY and Open Kindergarten. These were run in local centres as well as at the Penicuik Town Hall and the Brownie Hall in Bonnyrigg. The organisation also continued to use digital means to engage parents in their children's learning using both Facebook and the Midlothian Sure Start Blossom APP.



Parenting Services: 77 parents were provided with 1-1 parenting support through the centres. 7 parents were supported with advice in relation to sleep issues. We delivered 3 Raising Children with Confidence courses was delivered. 80 families benefitted from capacity building support and 56 parent/carers were offered opportunities to attend peer support groups.

Feedback from parent attending the Open Kindergarten group in Penicuik Town Hall:

'I feel this group is based around us. My daughter spent one session cleaning toys with a baby wipe, the next session Mhairi had made up a child safety cleaning kit with spray water, sponge and a cloth. My daughter loves it.

'I am always saying to my husband I am going to ask the group about this and that. I never feel my questions are stupid and I always get a answer even if it is just looking for a baby friendly café in the area'

Parent Employability Support Fund: Thanks to funding from the Parent Employability support fund we were able to offer a "Steps to Excel" course to 18 parents. 3 cohorts were on offer and held at the Penicuik Family Learning Centre, the Scouts Hall in Bonnyrigg and online. A IT course was delivered in Mayfield to 5 adults. The Steps to excel course was delivered across 15 weeks and was designed in coproduction with the parents that attended. Sessions included information on healthy living, problem solving and employability skills.

Perinatal Team:
208 parents/carers were supported through the perinatal team (34 in the antenatal period). 21 A Good Start groups were run over the year. The team tested the use of a "enjoy your baby" as a follow on and offered 1-1 family support. Staff received PIIOS training to support this work. Dads to be courses and support was also offered. The Perinatal Infant Mental Health Team were delighted to receive the AIMH together award (shared with Cardiff Parent Plus) ***"In recognition of an infant mental health team working collaboratively and creatively to improve infant mental health outcomes for babies in their community".***

Staff Development
Chamber of Commerce Awards: Emma Affleck and Adam Taylor represented Midlothian Sure Start at the East and Midlothian Chamber of commerce awards for the Youth Development award. Midlothian Sure Start has supported a number young people as part of the KickStart scheme. Eligible young people have been recruited into training posts within the organisation and given a mixture of both on the job and external training to support them in building their experience in the early years sector and the wider world of work. For those young people keen to continue a career in early years they have progressed onto modern apprenticeships with the organisation and continued in the role longer term, some progressing into full-time and/or permanent contracts while those that have not, have been supported into other opportunities.

Midlothian Sure Start continued to offer a range of training to staff and to multi-agency teams. We have also continued to roll out trauma informed training, Solihull and infant mental health training.. Midlothian Sure Start are also really excited to be bringing the Facilitating Attuned Network (FAN) training from the Erickson Institute to Scotland. A number of in-service training days were held.

Review of the charity's financial position and explanation of the salient features of the accounts

The principal recurring funding sources are grants from Midlothian Council, Big Lottery, NHS Lothian and the Scottish Government.

The income in the year under review was £1,860,146 (2022: £1,918,578), while expenditure increased to £1,914,060 (2022: £1,997,005) resulting in a deficit of £53,914. The unrestricted funds of the organisation have been split into designated funds and general funds. The balance on general unrestricted funds carried forward has decreased to £209,499 compared to £239,365 in 2022, with a balance on designated funds carried forward of £413,489 which is down from £439,898 designated in 2022. Restricted funds as at 31 March 2023 were £278,349 (2022: £275,988). Total funds at the end of the year amounted to £901,337 (2022: £955,251).

Reserves Policy
The unrestricted reserves of the charity, after deducting designated funds set aside by the Directors for specific purposes and amounts committed for other purposes are £209,499 (2022: £239,365)

Midlothian Sure Start has been working to maintain unrestricted reserves of a level equivalent to between three and six month's expenditure. This will be required to ensure the financial viability and the cashflow of the organisation as it faces a period of uncertainty in the next 12-24 months. This has been caused by a range of factors including funding cuts and efforts to increase capacity at the family learning centres with the expansion of early learning and childcare funded hours.

Risk Assessment and Management (including principal risks and uncertainties)
The Board is confident in the systems in place to mitigate exposure to the major risks and have the review of the risk register as a standing item on the Board's quarterly agenda. With systems and action implemented to mitigate the risks identified. Organisational risks are mitigated by implementing policies and procedures which are kept under review at the Finance and HR sub-committees and by the Senior Management team.

Strategic risks highlighted in the past year include funding, staffing and accommodation. In order to address the increasing risks in relation to a growing staff team, the Board retains a contract with an outsourced Human Resources company. The major risk imposed by the suitability of accommodation is subject to ongoing discussions with Midlothian Council. Child protection risks are addressed by following the appropriate requirements by statutory bodies and internal policies. In addressing financial risk, the Board are exploring ways to diversify its funding streams and source financial consultancy as required with payroll being outsourced to LR payroll during the year under review.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Status
Midlothian Sure Start is a company limited by guarantee (Company Number SC215330) and a registered charity (Scottish charity number SC031038). The charitable company is governed by its memorandum and articles of association.

The charitable company is registered with the Care Inspectorate.

Organisation
The organisation is governed by a Board of Directors. Meetings of the Board of Directors are quarterly, as are Finance and Human Resources sub-committee meetings. The day-to-day operations of the organisation are the responsibility of the Chief Executive, Cheryl Brown.

Six of the 12 Directors of the Board of Directors are appointed on the basis of having lived experience of the organisation. Directors are recruited through direct appeal, advertising, word of mouth and previous volunteering for the organisation. Directors who express interest are elected by the members generally at the AGM or appointed by the Board in the form of co-options. The Board conducts regular audits of skill and experience and attempt to find Directors meeting the skills gap. Board members are inducted at the first meeting following the AGM and ongoing training is offered.

The key management personnel of the charity are considered to be the Directors and the Senior Management Team. The Senior Management Team which included the Chief Executive, Business Support Manager, Perinatal Manager, Early Years Manager, Positive Destinations Manager, Family Learning Manager and Therapeutic Services Manager.

The Directors receive no remuneration. Remuneration of the Senior Management Team is set by the Human Resources Committee. The Human Resources Committee reviews the remuneration of all staff periodically. It benchmarks against similar organisations and considers the affordability of any increase in determining increases.

Going concern

The Directors have reviewed financial forecasts which indicate that it continues to operate as a viable concern. They continue to have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these accounts.

Reference and administrative details
These are set out on page 1 of this report.

Directors' Responsibilities Statement
The Directors (who are also trustees of Midlothian Sure Start for the purposes of charity law) are responsible for preparing the Report of the Directors and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare accounts 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 net income or expenditure of the charitable company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed subject any material departures disclosed and explained in the accounts.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulation 2006 (as amended).

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
In so far as the Directors are aware:

- there is no relevant audit information of which the charity's auditor is unaware
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors confirm their compliance with these requirements and with the company's constitution.

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

This report was approved by the Board on ……………………………

BY ORDER OF THE BOARD

……………………………..
C BROWN
Secretary

Opinion

We have audited the accounts of Midlothian Sure Start for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 ‘‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’’.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2023, and of its 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 (applicable to smaller entities); and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other 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 trustee's 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 charity'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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors’ annual report, other than the financial statements and our auditor’s report thereon. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- The Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting periods or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the accounts in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Directors' Responsibilities, the directors (who are also the directors of the charitable company for the purposes of charity 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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 regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

Our audit procedures were designed to respond to risks of material misstatement in the accounts, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the company's accounts. Our tests included, but were not limited to:

• agreement of the financial statement disclosures to underlying supporting documentation;
• enquiries of Management and the trustees;
• review of minutes of Trustee Meetings throughout the period;
• review of legal correspondence or invoices, and
• obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Scope of the audit of the accounts
A description of the scope of an audit of accounts is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy M Chittleburgh CA (Senior Statutory Auditor)
For and on behalf of
CT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

…………………………..

MIDLOTHIAN SURE START
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income & Expenditure Account)

Year ended 31 March 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Income from:							
Donations		1,291	401	1,692	2,802	120	2,922
Charitable activities	3	543,167	1,230,510	1,773,677	847,960	974,632	1,822,592
Other trading activities	4	-	31,949	31,949	1,827	-	1,827
Investments							
- bank interest	5	3,046	-	3,046	88	-	88
Other income		30,314	19,468	49,782	90,051	1,099	91,150
Total income		577,818	1,282,328	1,860,146	942,728	975,850	1,918,578
Expenditure on:							
Charitable activities	6	549,911	1,363,927	1,913,838	984,833	1,011,533	1,996,366
Fundraising		145	77	222	622	17	639
Total Expenditure		550,056	1,364,004	1,914,060	985,455	1,011,550	1,997,005
Net income / (expenditure)		27,762	(81,676)	(53,914)	(42,727)	(35,700)	(78,427)
Transfers:							
Gross transfers between funds	11	(84,037)	84,037	-	(1,295)	1,295	-
Net movement in funds		(56,275)	2,361	(53,914)	(44,022)	(34,405)	(78,427)
Reconciliation of Funds:							
Total funds brought forward	11	679,263	275,988	955,251	723,285	310,393	1,033,678
Total funds carried forward	11	622,988	278,349	901,337	679,263	275,988	955,251

The Statement of Financial Activities includes all gains and losses arising in the year.

All activities are classed as continuing.

The notes on pages 15 to 28 form part of these accounts.

BALANCE SHEET

As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets:			
Tangible assets	8	-	5,638
Current assets:			
Debtors	9	165,158	25,816
Cash at bank and in hand		808,537	1,029,688
		973,695	1,055,504
Liabilities:			
Creditors: Amounts falling due within one year	10	72,358	105,891
Net current assets		901,337	949,613
Total assets less current liabilities		901,337	955,251
Funds			
Restricted funds	11	278,349	275,988
Unrestricted funds:			
General funds	11	209,499	239,365
Designated funds	11	413,489	439,898
		622,988	679,263
Total funds	11,13	901,337	955,251

These accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The accounts were approved and authorised for issue by the Board on the …………………. and were signed on its behalf by:

Jana Chandler
Director

Company Registration Number: SC215330

The notes on pages 15 to 28 form part of these accounts.

MIDLOTHIAN SURE START
(a company limited by guarantee)

STATEMENT OF CASHFLOWS

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash (used in) / provided by operating activities	17	(231,747)	(195,502)
Cash flows from investing activities			
Purchase of fixed assets		-	(1,290)
Proceeds from sale of fixed assets		7,550	-
Bank interest received		3,046	88
Cash used in investing activities		10,596	(1,202)
(Decrease) in cash and cash equivalents in the year		(221,151)	(196,704)
Cash and cash equivalents at the beginning of the year		1,029,688	1,226,392
Cash and cash equivalents at the end of the year		808,537	1,029,688

Analysis of changes in net debt

	2022 £	Cashflows £	2023 £
Cash and cash equivalents	1,029,688	(221,151)	808,537

The notes on pages 15 to 28 form part of these accounts.

1. Company information

Midlothian Sure Start is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC215330.The registered office is Colliery Court 32 Sycamore Road Mayfield, Dalkeith, Midlothian, Scotland, EH22 5TA. The accounts have been presented in Pounds Sterling as this is the functional and presentational currency of the charitable company.

2. Accounting Policies

Accounting convention

The accounts are prepared under the historical cost convention, in accordance with the Companies Act 2006, 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 with the Memorandum and Articles of Association.

Midlothian Sure Start 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).

Going concern

The accounts have been prepared on a going concern basis. The Directors have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future even with the ongoing economic challenges. Thus they continue to adopt the going concern basis of accounting in preparing these accounts. The Directors are satisfied that no material uncertainties exist in relation to going concern.

Grants and donations

Grants received, including capital grants, are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Where grants are specifically made for the performance of charitable activities in a period subsequent to the year-end they are deferred and excluded from the Statement of Financial Activities. Grants received for capital expenditure are recognised in the Statement of Financial Activities and transferred to a restricted reserve and subsequently released annually over the expected life of the relevant asset by equal instalments.

Donations, legacies and similar income

Donations, legacies and similar income are included in the year in which they are receivable, which is when the charity becomes entitled to the income, it is probable that they will be received and the amount can be measured reliably.

Fundraising income

Fundraising income is recognised in the period in which it is received and when receipt is probable and can be measured reliably.

Investment income

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.

2. Accounting Policies (continued)

Expenditure
All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

- Costs of raising funds are those associated with generating grants, donations, and investment income, and charitable activities costs are those expended on meeting the charity's objectives.
- Charitable activities include expenditure associated with meeting the charity's primary objectives and include both the direct costs and the support costs relating to these activities.
- Included within support costs are Governance costs which are those of a constitutional, strategic, or statutory nature with respect to the general running of the charity, rather than day to day management.

Costs directly attributable to each activity are allocated to the appropriate activity. Support costs are allocated to activities on the basis of estimated usage of the relevant expense or time spent.

Operating lease
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation
The charitable company is exempt from tax on income and gains to the extent that these are applied to its charitable objectives.

Tangible fixed assets and depreciation
All fixed assets costing in excess of £1,000 are capitalised and included in the accounts at cost less depreciation. Caravans for charitable use are included at cost or value at date of acquisition. Depreciation is provided each year at rates calculated to write off the cost of assets evenly over their useful lives. The rate of depreciation for all fixed assets is 25% per annum.

Debtors
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

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.

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

Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Accounting Policies (continued)

Funds
Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the Trustees. Restricted funds are the funds that 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. Designated funds are the funds set aside by the Directors out of the unrestricted general funds for specific future purposes and projects.

Pensions
The charitable company pays a contribution into personal pension schemes on behalf of employees. The pension costs for the year are included within outgoing expenditure in the year in which they are incurred.

3. Charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Grants from local authorities	538,661	889,669	1,428,330
Grants from NHS Lothian	-	69,697	69,697
Grants from charitable foundations	(39)	270,429	270,390
Small grants	4,545	715	5,260
	543,167	1,230,510	1,773,677

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Grants from local authorities	821,755	632,701	1,454,456
Grants from NHS Lothian	-	62,697	62,697
Grants from charitable foundations	-	279,256	279,256
JRS Furlough income	-	-	-
Small grants	26,205	(22)	26,183
	847,960	1,974,632	1,822,592

4. Other Trading Activities

	2023 £	2022 £
Fundraising events	455	1,827
Self-funded income	31,494	-
	31,949	1,827

5. Investment Income

	2023 £	2022 £
Bank interest received	3,046	88

6. Charitable activities expenditure	**Unrestricted funds 2023 £**	**Restricted funds 2023 £**	**Total funds 2023 £**
Staffing costs:			
Gross salaries	312,263	1,077,684	1,389,947
Employers' national insurance	27,961	77,958	105,919
Employers' pension contributions	16,554	58,517	75,071
Other staffing costs	37,741	12,662	50,403
	394,519	1,226,821	1,621,340
Supplies & services:			
Beneficiary and other direct activities	19,266	100,001	119,267
Repairs, maintenance & refurbishment	8,469	19,503	27,972
Accommodation costs	3,400	5,793	9,193
	31,135	125,297	156,432
Support costs:			
Postage, stationery & computer supplies	30,267	5,957	36,224
Telephones & fax	13,374	1,293	14,667
Insurances	11,062	-	11,062
Publicity & advertising	1,855	36	1,891
Subscriptions & manuals	3,401	358	3,759
General expenses	999	-	999
Development	3,179	2,101	5,280
Depreciation	5,638	-	5,638
Bad debts written off	3,940	-	3,940
Rent and Rates	28,136	50	28,186
	101,851	9,795	111,646
Governance costs:			
Audit & accountancy fees	10,230	-	10,230
Management board expenses	14	-	14
Bank charges	1,441	921	2,362
Professional fees	10,542	400	10,942
Governance costs	179	693	872
	22,406	2,014	24,420
Total	549,911	1,363,927	1,944,973

Included within audit and accountancy fees are £9,600 (2022: £5,775) due in respect of audit fees.

6. Charitable activities expenditure (continued – comparative)	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Staffing costs:			
Gross salaries	628,393	823,812	1,452,205
Employers' national insurance	79,305	24,880	104,185
Employers' pension contributions	57,578	17,806	75,384
Other staffing costs	33,534	36,595	70,129
	798,810	903,093	1,701,903
Supplies & services:			
Beneficiary and other direct activities	59,734	55,784	115,518
Repairs, maintenance & refurbishment	42,052	17,142	59,194
Accommodation costs	22,296	9,513	31,809
	124,082	175,359	206,521
Support costs:			
Postage, stationery & computer supplies	15,948	3,589	19,537
Telephones & fax	8,028	3,405	11,433
Insurances	7,314	1,829	9,143
Publicity & advertising	392	60	452
Subscriptions & manuals	5,697	1,977	7,674
General expenses	100	-	100
Development	12	6,598	6,610
Depreciation	3,505	-	3,505
Bad debts written off	3,880	-	3,880
	44,876	17,458	62,334
Governance costs:			
Audit & accountancy fees	6,230	2,130	8,360
Management board expenses	177	-	177
Bank charges	1,795	603	2,398
Professional fees	8,863	5,810	14,673
	17,064	8,543	25,608
Total	984,833	1,011,533	1,996,366

7. Staff Remuneration	**2023** £	**2022** £
Salary costs:		
Gross salaries	1,389,947	1,452,205
Employer's national insurance costs	105,919	104,185
Employer's pension costs	75,071	75,384
	1,570,937	1,631,774
Other staffing costs including recruitment costs	50,403	70,129
	1,621,340	1,701,903

The average number of employees during the year was 88 (2022: 88).

There was one employee with emoluments in excess of £60,000 (2022: None) but less that £70,000.

No Director or person connected with a director has received any remuneration from the Charity. No director received reimbursement for travel expenses (2022: None).

During the year, no employees (2022: one employee) were made redundant and received payments of £nil (2022: £5,700). No amounts were outstanding at the year end.

Remuneration received by the Key Management Personnel in the year was £315,491 (2022: £308,534).

8. Tangible Fixed Assets	**Fixtures, Furniture & Equipment** £	**Minibus** £	**Total** £
Cost			
Cost at 1 April 2022	25,607	23,541	49,148
Additions	-	-	-
Disposals	-	(23,541)	(23,541)
At 31 March 2023	25,607	-	25,607
Depreciation			
At 1 April 2022	19,969	23,541	43,510
Charge for year	5,638	-	5,638
Disposals	-	(23,541)	(23,541)
At 31 March 2023	25,607	-	25,607
Net Book Amounts			
At 31 March 2023	-	-	-
At 31 March 2022	5,638	-	5,638

9. Debtors	**2023** £	**2022** £
Sundry debtors and accrued income	158,246	18,904
Prepayments	6,912	6,912
	165,158	25,816

10. Creditors: amounts falling due within one year	**2023** £	**2022** £
Trade Creditors	16,046	7,914
Accruals and other creditors	11,347	28,622
Deferred income	20,000	31,771
Other taxes and social security	21,858	24,852
Pension costs	3,107	12,732
	-----------	-----------
	72,358	105,891
	======	======

Deferred Income	**2023** £	**2022** £
Brought forward as at 1 April	31,771	131,613
Released in year	(31,771)	(131,613)
Income deferred during the year	20,000	31,771
	-----------	-----------
Carried forward as at 31 March	20,000	31,771
	======	======

Deferred income relates to money received in advance of service provision for Charles Gordon and Robertson Trust Fund.

Year ended 31 March 2023

11. Fund Movements	**Balance at 1 April 2022 £**	**Received in year £**	**Expend-iture in year £**	**Transfers in year £**	**Balance at 31 March 2023 £**
Restricted funds:					
Health Improvement Fund	3,265	47,433	(47,684)	-	3,014
Counselling	(15,279)	82,649	(66,502)	-	868
Mental Health Fund	18,351	-	-	-	18,351
Parent Project Lead	10,099	15,045	(18,719)	-	6,425
Accommodation & start-up costs	146,294	-	-	-	146,294
Play Therapy @ Stepping Forward	3,719	-	-	-	3,719
Empowering Families	5,218	-	-	-	5,218
Early Years Collaboration	7,454	-	-	-	7,454
Looked After 2 Year olds	38,361	-	-	-	38,361
Storytelling	3,275	-	-	-	3,275
Midlothian Council – A Good Time To be 2	7,718	-	(18)	-	7,770
Dynamic Dads	10,020	-	-	-	10,020
Early Years Action fund	11,895	36,547	(45,097)	-	3,345
Tyne & Esk Rural Communities Development Fund	-	7,660	(11,946)	4,286	-
Open Kindergarten	608	-	-	-	608
Robertson Trust	(242)	15,000	(14,778)	-	(20)
Rapid Response	3,681	-	(3,681)	-	-
Perinatal Mental Health	-	79,128	(84,735)	-	(5,607)
Jigsaw	13,273	-	(13,273)	-	-
Charles Gordon	(2,233)	54,525	(52,141)	-	151
Evaluation and Research	3,049	-	(2,584)	-	465
Winter Flex/Lacer Fund	1,000	17,500	(17,159)	-	1,341
Family Learning Centre	(93)	866,749	(946,407)	79,751	-
Community Mental Health Framework	6,555	26,000	(21,745)	-	10,810
Family Friends	-	22,542	(16,627)	-	5,915
Impact Sub Group	-	2,000	(907)	-	1,093
Winston Churchill	-	9,550	-	-	9,550
Total Restricted:	275,988	1,282,328	(1,364,004)	84,037	278,349
Designated funds:					
Training	15,000	-	-	-	15,000
Evaluation & quality assurance	3,000	-	-	-	3,000
Maintenance	35,000	-	-	-	35,000
ICT Fund	61,539	-	-	-	61,539
Contractual contingency fund	249,395	-	-	-	249,395
Fundraising	10,000	-	-	-	10,000
Minibus maintenance fund	26,409	7,550	(173)	(33,786)	-
Development fund	29,555	-	-	-	29,555
Marketing fund	10,000	-	-	-	10,000
	439,898	7,550	(173)	(33,786)	413,489
Unrestricted funds:					
General fund	239,365	570,268	(549,883)	(50,251)	209,499
	679,263	577,818	(550,056)	(84,037)	622,988
Total Funds	955,251	1,860,146	(1,914,060)	-	901,337

11. Funds Movements (comparative)	**Balance at 1 April 2021 £**	**Received in year £**	**Expend-ture in year £**	**Transfers in year £**	**Balance at 31 March 2022 £**
Restricted funds:					
Health Improvement Fund	4,385	48,493	(49,613)	-	3,265
Counselling	-	15,303	(30,582)	-	(15,279)
Mental Health Fund	18,351	-	-	-	18,351
Parent Project Lead	10,494	(22)	(373)	-	10,099
Accommodation & start-up costs	161,786	-	(15,492)	-	146,294
Play Therapy @ Stepping Forward	3,719	-	-	-	3,719
Empowering Families	7,448	-	(2,230)	-	5,218
Early Years Collaboration	8,054	-	(600)	-	7,454
Looked After 2 Year olds	38,361	-	-	-	38,361
Storytelling	3,275	-	-	-	3,275
Midlothian Council – A Good Time To be 2	7,718	-	-	-	7,718
Development fund – Foundation Scotland	4,997	-	(5,708)	711	-
Dynamic Dads	10,039	-	(19)	-	10,020
Positive Futures	-	-	(3,676)	3,676	-
Early Years Action fund	14,508	42,250	(44,863)	-	11,895
Leader Funding	(20,430)	13,946	(5,971)	12,455	-
Open Kindergarten	608	-	-	-	608
Robertson Trust	347	15,060	(15,649)	-	(242)
Rapid Response	1,160	32,995	(30,474)	-	3,681
Perinatal Mental Health	16,245	92,073	(92,771)	(15,547)	-
Jigsaw	8,893	60,192	(55,812)	-	13,273
Charles Gordon	436	55,110	(57,779)	-	(2,233)
Evaluation and Research	9,999	-	(6,950)	-	3,049
Winter Flex	-	10,000	(9,000)	-	1,000
Family Learning Centre	-	565,807	(565,900)	-	(93)
Community Mental Health Framework	-	24,643	(18,088)	-	6,555
Total Restricted:	310,393	975,850	(1,011,550)	1,295	275,988
Designated funds:					
Training	15,000	-	-	-	15,000
Evaluation & quality assurance	3,000	-	-	-	3,000
Maintenance	20,000	-	-	15,000	35,000
ICT Fund	32,777	-	(1,238)	30,000	61,539
Contractual contingency fund	199,395	-	-	50,000	249,395
Fundraising	10,000	-	-	-	10,000
Minibus maintenance fund	7,583	-	(1,174)	20,000	26,409
Development fund	29,555	-	-	-	29,555
Marketing fund	10,000	-	-	-	10,000
	327,310	-	(2,412)	115,000	439,898
Unrestricted funds:					
General fund	395,975	942,728	(983,043)	(116,295)	239,365
	723,285	942,728	(984,455)	(1,295)	679,263
Total Funds	1,033,678	1,918,578	(1,997,005)	-	955,251

12. Description of Funds

Restricted:

Family Learning Centres
Funding from Midlothian Council to run 6 family learning centres and to provide family learning.

Health Improvement Fund
Funding from NHS Lothian to support the roll out of trauma informed practice and the development of "A Good Start".

Counselling
Funding from Midlothian Council and NHS Lothian to offer peri-natal counselling.

Mental Health Fund
Funding to support training and development in mental health/infant mental health.

Parent Project Lead
Funding to develop and support the Parenting and Family support strategy.

Accommodation & start-up costs
Funding from Midlothian Council to assist with the long-term aim of securing accommodation fit for purpose.

Play Therapy @ Stepping Forward
Funding to offer Play therapy in Penicuik.

Empowering Families
Funding to support therapeutic services

Early Years Collaborative
Funding to support quality improvement and small tests of change.

Looked After 2-year-olds
Funding for family support for vulnerable 2-year-olds.

Storytelling
Funding for storytelling in primary schools

Good Time To be 2
Training and development of Early Years staff.

Dynamic Dads
Funding to support work with Dads.

Early Years Action Fund
Funding from Midlothian Early Action Partnership to support therapeutic tests of change in primary schools.

12. Description of Funds (continued)

Restricted:

Tyne Esk Leader Rural Development Fund
Funding from Tyne Esk Leader Rural Development Fund to

Open Kindergarten
Funding through Children in Scotland to support the testing of the Open Kindergarten approach.

Robertson Trust
Funding to support the provision of perinatal services in Midlothian.

Perinatal Mental Health Fund
Funding to support the provision of A Good Start in East and Midlothian.

Jigsaw
Funding to support the purchase of therapeutic services and administration to support "joined up working" with 3 primary and 1 high school in the Penicuik area.

Charles Gordon
Funding to support the provision of postnatal and therapeutic services in Midlothian.

Evaluation and Research
Funding for the evaluation of the PICL approach in Midlothian.

Winter Flex/LACER Funding
Midlothian Council funding for direct grants to families.

Community Mental Health Framework
Funding to support therapeutic and family support in primary schools.

Rapid Response
Mental health framework funding to provide therapeutic services to families of primary school aged children.

Family Friends
Funding from Midlothian Council large grants to support a peer befriending project

Impact Group
Funding held on behalf of the IMPACT peer support group.

Winston Churchill
Funding to undertake an evaluation of the PAX programme in local primary schools.

Designated:

Training
Funding to support staff training.

Evaluation & quality assurance
Funding to support the development of evaluation and/or quality assurance tools.

Maintenance
Contingency fund for maintenance.

ICT Fund
Fund for the renewal of ICT equipment as required.

12. Description of Funds (continued)

Designated:

Contractual contingency
Contingency fund to ensure that the organisation can meet contractual redundancy payments in the event of loss of funding.

Fundraising
Funding raised by beneficiaries and spending agreed by parents in the family learning centre/service.

Minibus maintenance fund
Funds to support the maintenance and running costs of a minibus.

Development
Funding to explore new developments.

Marketing fund
Fund for the rebranding of Midlothian Sure Start.

13. Total Analysis of Assets Between Funds

	Restricted funds 2023 £	Unrestricted designated funds 2023 £	Unrestricted general funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	-	-
Current assets	278,349	413,489	281,857	973,695
Current liabilities	-	-	(72,358)	(72,358)
	278,349	413,489	209,499	901,337

	Restricted funds 2022 £	Unrestricted designated funds 2022 £	Unrestricted general funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	5,638	5,638
Current assets	275,988	439,898	339,618	1,055,504
Current liabilities	-	-	(105,891)	(105,891)
	275,988	439,898	239,365	955,251

14. Leases and lease commitments

Total Future Minimum Lease Payments Under Non-Cancellable Operating Leases are as follows:	**2023**	**2022**
	£	**£**
Not later than one year	17,467	11,023
Later than one year and not later than five years	46,784	25,771
Later than five years	6,250	11,250
	----------	----------
	70,501	48,044
	======	======
Lease payments		
Amounts recognised as an expense during year	30,131	6,275
	======	======

15. Pensions

The company makes contributions to a number of individual arrangements for employees of a defined contribution nature. Contributions are charged as incurred and there were £4,636 (2022: £12,732) of outstanding contributions as at the balance sheet date. Pension costs charged in the year were £76,599 (2022: £75,384).

16. Related party transactions

There were no related party transactions during the year (2022: None).

17. Reconciliation of net income to net cash flow from operating activities

	2023	**2022**
	£	**£**
Net movement in funds	(53,914)	(78,427)
Add back depreciation charge	5,638	3,505
Deduct investment income	(3,046)	(88)
Deduct proceeds from sale of fixed asset	(7,550)	-
(Increase)/Decrease in debtors	(139,342)	(15,243)
(Decrease)/Increase in creditors	(33,533)	(105,249)
	-----------	-----------
Net cash generated/(used) in operating activities	(231,747)	(195,502)
	======	======