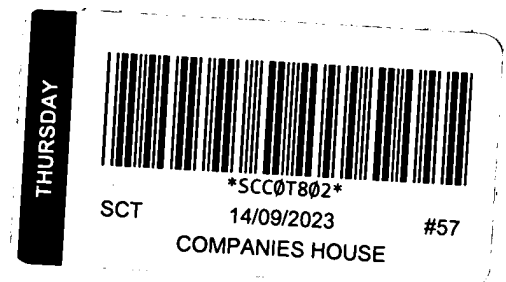


**Report of the Trustees and**  
**Audited Financial Statements**  
**for the Year Ended 31 March 2023**  
**for**  
**Neighbourhood Networks**



## **Neighbourhood Networks**

### **Contents of the Financial Statements** **for the Year Ended 31 March 2023**

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**Report of the Trustees**  
**for the Year Ended 31 March 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**Report of the Trustees**  
**for the Year Ended 31 March 2023**

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects for which the charity are established are to promote the welfare of vulnerable adults and advance the education of people with disabilities. These are achieved by facilitation of local networks of mutual support amongst disadvantaged or marginalised adults in various parts of Scotland.

The organisation's Vision, Mission and Value Statements are:

Vision: "Our network Members are at the heart of their communities, sharing their skills and talents and following their dreams - together anything is possible."

Mission: "Through local networks of mutual support, we will work with people in their neighbourhoods to deliver the support they require to live independently in their own homes, and to contribute to their communities."

**Value Statements:**

- Everyone is different and we should all be respected and encouraged to be all we can be.
- Everyone should be encouraged to strive towards their dreams and goals.
- Everyone should have the opportunity, encouragement, support and training to be actively involved in the development of the organisation.
- There should be a healthy balance between responsibility and having time to enjoy life.
- Sharing skills and gifts makes us stronger and more confident.
- Giving and receiving support is important to help us grow.
- We can all be involved in making where we live, work and socialise a better place.
- We feel safer when we have positive, equal relationships with others and this is important to feeling we belong.

Neighbourhood Network's approach is based on a set of principles very much at the heart of the agenda for change recommended by the Christie Commission on the future delivery of Scottish public services including building services around people, building services around communities and adopting preventative approaches.

**Building Services Around People**

This key objective aims to empower network members by involving them in the design and delivery of the services they use, and in the governance of the organisation. This collaborative or "co-productive" approach is efficient and effective as it:

- focuses on what people actually need and want,
- pursues outcomes associated with active citizenship,
- empowers individuals, communities and services to work together to find innovative solutions, and
- builds personal and community capacity, resilience and autonomy.

This has been described as an "asset based" approach as individuals are active agents in their own lives with individuals and communities being part of the solution rather than individuals being treated as passive recipients of services.

**Building Services Around Communities**

Within this key objective, equal emphasis is placed on the complementary objective of building networks around communities where people come together through a common set of needs whether as communities of place or communities of interest.

Place based communities might be a street, neighbourhood, housing estate or village - any geographically defined area with which people identify. Interest based communities occur when people come together through a shared need, interest, experience or concern. These communities offer people natural systems of mutual support, information exchange and self-advocacy.

**Adopting Preventative Approaches**

Neighbourhood Networks advocates a preventative approach to service delivery in managing and reducing the demand on public services. While various life-long conditions affecting people who use public services cannot be prevented, it is possible to prevent the typical crises that often arise in the lives of people living with such conditions, which are costly in both human and financial terms. The charity adopts a type of light touch, low cost, stitch in time approach, emphasising mutual support and early warnings which allow for most crises to be averted.

**Report of the Trustees**  
**for the Year Ended 31 March 2023**

**OBJECTIVES AND ACTIVITIES**

**Public benefit**

The charity meets the definition of a public benefit entity under FRS 102.

**Report of the Trustees**  
**for the Year Ended 31 March 2023**

**STRATEGIC REPORT**

**Achievement and performance**

**Charitable activities**

Growth and Development

Since it began trading in 2001 Neighbourhood Networks has successfully established 38 Networks across Glasgow (2), East Renfrewshire (2), West Dunbartonshire (2), North Lanarkshire 1 & 2 (12), East Lothian (5), Midlothian (3), South Lanarkshire (2), Falkirk (3), North Ayrshire (6) and Stirling (1).

Organisation and Network Achievements

The organisation, through the model of peer support networks, supports people with a range of vulnerabilities including learning disabilities, mental health issues and young people in transition. Through membership, individuals, and groups the organisation has been able to evidence continued progression in 8 outcome areas which include:

1. Health and Wellbeing
2. Confidence and self-esteem
3. Money Management
4. Employment and Volunteering
5. Life Skills
6. Friendships and Relationships
7. Independent Travel
8. Community Connections

Neighbourhood Networks has moved forward from the challenges of the Pandemic and has been able to shift back to more in person activity to help members achieve outcomes.

We continued with our range of activities to celebrate Neighbourhoods Networks' 20th operational year including a tree planting activity in Cumbernauld Wood, culminating in a successful Spring Fete held in Helix Park in Falkirk, attended by a substantial proportion of members, staff and other stakeholders. This event was entitled 'Neighbourhood Networks Got Talent' and celebrated the skills and talents of members as well as showcasing the work of the organisation across two decades. This event was funded by the National Lottery Awards for All.

Our first in person post pandemic Quality Street Meeting took place in July 2022 at which members had the opportunity to vote for a new member trustee to join the Board. Our Quality Street events are organised by our members, for our members and is a great opportunity to bring people together from all our Network across the country.

Following a period of rapid expansion, we have bedded in some of our new work in the local authority areas we operate in and continue to have conversations about the potential for growth. This has involved successful recruitment and induction for numerous new posts across the organisation. Some of the investments in organisational structure, roles and process review have proved invaluable for the organisations outcomes to be achieved. This includes the recruitment of a new Operational Manager.

We have successfully negotiated the Scottish Governments Uplift for the Social Care Workforce across 9 local authority areas which all our staff have benefitted from.

Other organisational achievements include:

1. The continued development of the Independent Network in North Lanarkshire. This is to provide a further steppingstone away from full membership and building on people's achievement. This work has now been replicated in Midlothian and we are exploring the potential to establish independent networks in other regions across the organisation.
2. We developed a coordinator role to share resources and training in tackling Fuel Poverty across the organisation. This created positive connections with other agencies including Home Energy Scotland.
3. Staff Appraisal and Development Plans for the full staff team were completed over this year and all operational staff were supported to complete Mental Health First Aid Training.
4. We had a successful move to adopt and integrate the Xero Accountancy Package. A Work Plan for Finance has been developed to benefit further from this investment of resources and capacity.
5. The successful recruitment of a Digital Co-Ordinator, with a remit to co-ordinate a digital programme as well as training and support for members at greater risk of digital exclusion. The aim is to build skills and experience with cyber security, using Smart Devices and technology to develop more independent living skills. This has led to further use of the Tech Fund for the organisation and well as the development of accessible guides and training resources for members.

**Report of the Trustees**  
**for the Year Ended 31 March 2023**

6. A successful application to the Scottish Government Wellbeing Fund for the Social Care Workforce. This created staff resources to provide Wellbeing Apps to all staff and enable in-person events. This included a retreat for staff with a focus on health and wellbeing.
7. The successful recruitment of two new trustees. One was a member trustee who came through the Annual Governance Training, and another recruited through some external promotion of the vacancy and get new skills on the Board following some audit work.
8. We undertook an external review of Governance processes and Board Meeting. This led to adapted preparation, format, and practice at meetings during this period including the development of hybrid meeting skills.
9. We undertook training in Hybrid Meeting and invested in equipment to support more remote working and improving the meeting experience for all participants. All Central Team Staff have gone on to complete training on facilitating hybrid meetings.
10. We have delivered a Big Plan programme for a group of young people and their families in Falkirk. This work that was generated by Neighbourhood Networks involvement with Health Improvement Scotland's focus on the redesign of Day Services.
11. Following last year's virtual conference, we continued to develop international connections through some global networking activity and are hosting an international online networking event through Citizen Network in June.

**Financial review**

**Financial position**

The financial statements show the overall position of the charity as at 31 March 2023, its incoming resources and the application of these resources for the year then ended.

Income received during the year totalled £1,435,407 (2022 - £1,151,488) and expenditure totalled £1,401,085 (2022 - £1,087,012). A surplus in funds of £34,322 was generated against a surplus of £64,476 in 2022.

**Principal funding sources**

The principal funding sources for the charity are the respective local authorities by way of contract income for the provision of the support networks in the respective area. Grant income is also applied for to support ongoing projects within the charity.

**Reserves policy**

It is the policy of the Trustees to maintain reserves at a level which equates to five months expenditure. This provides sufficient funds to cover costs and to respond to unforeseen financial demands which may arise from time to time. The present level of unrestricted reserves total £546,276 (2022 £508,431) of which £520,024 (2022 £484,954) is available for general purposes and £26,252 (2021 £23,478) represents the net book value of fixed assets and is only distributable on the sale of fixed assets. The present level of restricted reserves is £13,212 (2022 £16,734) of which £13,212 (2022 £16,734) will be distributable when attaching conditions have been met.

**Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are sufficient cash resources and reserves at the year end. They have accessed all available support which has been available at local and national levels. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

**Report of the Trustees  
for the Year Ended 31 March 2023**

**STRATEGIC REPORT**

**Principal risks and uncertainties**

Neighbourhood Networks has a process for managing and monitoring risk. During the year, the risk sub-committee has a focus on the most important risks facing the organisation. The sub-committee has provided updates to the Board on its progress during the year.

A summary of the principal risks and uncertainties facing Neighbourhood Networks is set out below:

**The organisation relies on funding from local authorities to deliver its service**

Local authority budgets are subject to regular review and there is a risk that the organisation loses funding as a result of these reviews. This could mean we need to reduce our service provision, including closing networks.

Further, local authorities regularly review their approach to funding services like Neighbourhood Networks. Sometimes, funding is only be provided on a short-term basis, meaning that services may be disrupted or wound-up quickly.

The organisation tries to manage these funding related risks by focussing on providing a cost-effective, high quality service. We proactively seek feedback from local authorities in order to assess and continually improve our service provision. We also regularly explore alternative funding sources, such as grants. We maintain a prudent level of reserves, including a designated fund to enable us to wind-down networks gradually in the event that funding is lost at short notice. This helps us provide as much support to staff and members as possible in the unfortunate even that we need to close a network.

Neighbourhood Networks have become a member of CCPS (Coalition of Care and Support Providers in Scotland) to keep abreast of developments in the social care market including the proposed development of the National Care Service.

**Neighbourhood Networks requires appropriately qualified staff to deliver its service**

There is a risk that service delivery is affected if we are unable to attract and retain the right people. We manage this risk by ensuring all colleagues are paid at least the national living wage, by asking colleagues for feedback on what we do well and where we can improve and by focussing on succession plans for key roles.

**Future plans**

Our immediate aims in 2023-24 are to embed and to deliver on existing work and the new work that the organisation took on over the previous year. This is an organisational priority and will give the organisation some valuable time to deliver and at the same time take stock of what is needed developmentally.

To assist with the delivery of this, we are undertaking a DMAIC process (Design, Measure, Analyse, Improve and Control), to streamline our in house HR systems to bring about more efficiency. We have completed the move to Xero accountancy and plan to develop it's capacity further in the coming year to make our finance function more efficient.

We are looking to further embed the Outcome Focussed Management System to capture data for the organisation that will inform members, purchasers, and other stakeholders of the efficacy of the model and approach.

We continue to develop international connections through global networking activity and continue the partnership work with Health Improvement Scotland and Falkirk on the redesign of day services that started in 2021-22.

We recruited a Full Time Digital Co-Ordinator for the organisation in 2022. This role is an integral part of the digital strategy for the organisation with a focus on inclusion.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

Neighbourhood Networks is a company limited by guarantee, incorporated in Scotland on 22 February 1999, company number SC193638 and registered as a Scottish Charity number SC028984 on 22 February 1999. The charity was formed under a Memorandum of Association which established its objects and powers and is governed under its Articles of Association.

**Report of the Trustees**  
**for the Year Ended 31 March 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new trustees**

The Board of Trustees (also known as Directors for the purpose of the Companies Act) is made of not more than 16 trustees; and there are two categories of membership: members and non-members. Non-member trustees are externally recruited and join the Board following a selection and recommendation process involving existing trustees, with full approval being sought at Board Meeting for people to join. This is to bring an identified skill set to the Board. Member Trustees are recruited by taking part in internal governance training and they are then elected by the members of the organisation following a voting process (usually annually). References are sought for both categories of Trustees as part of the recruitment process.

Conflict of Interest Forms are completed annually for all Trustees following each AGM. All Trustees serve three years on the Board before standing down or putting themselves forward for a review of their membership of the Board. Following this review, a recommendation will be made about them by fellow trustees about serving an additional three years that is taken to the full Board for approval. The maximum term to serve as a Trustee is 6 years although the Board retains the right to extend this period under exceptional circumstances relating to capacity and continuity.

The Board also retains the right to increase the maximum number of trustees as part of a Board Succession plan to take into account people's term of office coming to an end and new people joining. This is to enable some continuity on the Board while ensuring new trustees are effectively inducted into their role.

**Organisational structure**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. A Finance Sub-committee is formed from the Board and consists of the Chair, Deputy Chair, and is supported by the Finance Manager. It has the provision for the co-option of additional trustees. The role of Finance Sub-committee is to assist the Board in the following:

- Guide and advise in budgets, accounts, financial statements, pay awards and all other financial matters.
- Advice on the financial implications of strategic plans and key assumptions included in management's operational plan and annual budget.
- Understand the accounting procedures and key internal controls to provide assurance on financial integrity,
- Ensure that the financial statements are audited, as required, and that the accepted recommendations of the auditors are implemented.
- Formally present the financial statements at the AGM, drawings attention to important points.
- Monitor investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities.

The day-to-day responsibility for the provision of services rests with a Chief Executive Officer (CEO), Senior Management Team and Central Team. The Senior Management Team consists of the CEO, Finance Manager, Depute Executive Officer, Two Operations Managers and a Development Manager. The Central Team consists of all Network Managers, a Technical Manager, a Digital Co-Ordinator, Administrative Assistant and Member Involvement Worker. Network Managers line manage Community Living Workers who live in network areas providing support to members.

**Key management remuneration**

The key management of the charity are entitled to remuneration under article 3 of the Memorandum and Articles of Association. Article 10 provides that no other Director or Trustee will be a paid employee of the charity.

**Wider network**

The charity is registered as a housing support service and support service with the Care Inspectorate. It is also a member of CCPS, a coalition of care and support providers in Scotland.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC193638 (Scotland)

**Registered Charity number**

SC028984

**Report of the Trustees  
for the Year Ended 31 March 2023**

**Registered office**

Pavilion 5A  
Moorpark Court  
25 Dava Street  
Govan  
Glasgow  
G51 2JA

**Trustees**

R Watson (resigned 8.9.22)  
C Aitkenhead (resigned 24.8.23)  
Ms J Daly (resigned 22.12.22)  
Ms P J Hunter  
Mr N F Park  
Mrs A Taylor (resigned 8.9.22)  
K D F Mackay  
S Haldane  
Ms L McKay  
P McGinley  
W Millar  
N Haggart  
M Smail (resigned 19.2.23)  
A Sapru (resigned 24.8.23)  
Ms L Crawford (appointed 23.8.22)  
K Mohammed (appointed 7.9.22)  
Ms K Watson (appointed 7.9.22)

**Company Secretary**

Ms J Gilmour

**Auditors**

Gillespie & Anderson  
Statutory Auditors  
Chartered Accountants  
147 Bath Street  
Glasgow  
G2 4SN

**Bankers**

Royal Bank of Scotland  
2139 Paisley Road West  
Cardonald  
Glasgow  
G52 3JW

**Chief Executive Officer**

H Calvo

**Deputy Executive Officer**

A McKill

**TRUSTEES' RESPONSIBILITY STATEMENT**

The trustees (who are also the directors of Neighbourhood Networks for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Report of the Trustees**  
**for the Year Ended 31 March 2023**

**TRUSTEES' RESPONSIBILITY STATEMENT - continued**

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 charitable company will continue in business.

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


In so far as the trustees are aware:

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

**Auditors**

The Auditors, Gillespie & Anderson, Chartered Accountants, Statutory Auditors, have expressed a willingness to continue in office.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 24 August 2023 and signed on the board's behalf by:



P McGinley - Trustee

**Report of the Independent Auditors to the Trustees and Members of  
Neighbourhood Networks (Registered number: SC193638)**

**Opinion**

We have audited the financial statements of Neighbourhood Networks (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 trustees' 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Trustees and Members of  
Neighbourhood Networks (Registered number: SC193638)**

**Matters on which we are required to report by exception**

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

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:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Trustees and Members of  
Neighbourhood Networks (Registered number: SC193638)**

**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach and assessment were as follows:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

Enquire of management and review supporting documentation concerning the charity's policies and procedures relating to:

- identify, evaluate and comply with laws and regulations and their awareness of any instances of non-compliance;
- detect and respond to the risks of irregularities, fraud and their knowledge of any actual, suspected or alleged fraud;
- internal controls established to mitigate risks related to, unusual items, fraud or non-compliance with laws and regulations.

Obtain an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the charity. The key laws and regulations we considered in this context included the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006, Companies Act 2006 and the applicable Statement of Recommended Practice (SORP) together with health and safety regulations, employment legislation and data protection legislation.

Discuss among the engagement team how and where irregularities might occur in the financial statements and potential indicators of fraud. Identify potential audit risks in relation to income recognition, authorisation of expenses and possible management override of controls.

Communicate relevant identified laws and regulations and potential irregularity risks to all engagement team members and remain alert to any indications of unusual items, fraud or non-compliance with laws and regulations throughout the audit.

Review all Minutes of Meetings of those charged with governance, Reports and correspondence with HMRC and legal advisers.

Perform audit testing which covers the audit assumptions of: existence, completeness, rights and obligations, accuracy and valuation in respect of income recognition and expenditure incurred.

Evaluate the overall presentation, structure and content of the financial statements, including disclosures, by performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to an irregularity or fraud. Agree financial statement disclosures to underlying documents.

Assess whether the financial statements represent the underlying transactions and events in a manner that achieves compliance with relevant laws and regulations.

To address the risk of fraud through management override of controls and management bias, we: assess the rationale behind significant or unusual transactions identified through audit testing and assess where management judgement used in determining accounting estimates were indicative of potential bias.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence.

**Report of the Independent Auditors to the Trustees and Members of  
Neighbourhood Networks (Registered number: SC193638)**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**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 the trustees those matters we are required to state to them in an auditors' 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Stewart BA (Hons) CA (Senior Statutory Auditor)  
for and on behalf of Gillespie & Anderson  
Statutory Auditors  
Chartered Accountants  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
147 Bath Street  
Glasgow  
G2 4SN

24 August 2023

**Neighbourhood Networks**

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**for the Year Ended 31 March 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	1,322,809	1,242	1,324,051	1,059,274
<b>Charitable activities</b>					
Main charitable activity	5	-	103,655	103,655	86,319
Other trading activities	3	6,644	-	6,644	5,806
Investment income	4	1,057	-	1,057	89
<b>Total</b>		<u>1,330,510</u>	<u>104,897</u>	<u>1,435,407</u>	<u>1,151,488</u>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	6				
Main charitable activity		<u>1,289,925</u>	<u>111,160</u>	<u>1,401,085</u>	<u>1,087,012</u>
<b>NET INCOME/(EXPENDITURE)</b>					
<b>Transfers between funds</b>	17	40,585 (2,740)	(6,263) 2,740	34,322 -	64,476 -
<b>Net movement in funds</b>		<u>37,845</u>	<u>(3,523)</u>	<u>34,322</u>	<u>64,476</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		508,431	16,734	525,165	460,689
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>546,276</u></u>	<u><u>13,211</u></u>	<u><u>559,487</u></u>	<u><u>525,165</u></u>

The notes form part of these financial statements

**Neighbourhood Networks (Registered number: SC193638)**

**Balance Sheet**  
**31 March 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	26,252	-	26,252	23,478
<b>CURRENT ASSETS</b>					
Debtors	14	22,658	-	22,658	189,879
Cash at bank and in hand		573,367	13,212	586,579	390,613
		<u>596,025</u>	<u>13,212</u>	<u>609,237</u>	<u>580,492</u>
<b>CREDITORS</b>					
Amounts falling due within one year	15	(76,002)	-	(76,002)	(78,805)
<b>NET CURRENT ASSETS</b>		<u>520,023</u>	<u>13,212</u>	<u>533,235</u>	<u>501,687</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>546,275</u>	<u>13,212</u>	<u>559,487</u>	<u>525,165</u>
<b>NET ASSETS</b>		<u>546,275</u>	<u>13,212</u>	<u>559,487</u>	<u>525,165</u>
<b>FUNDS</b>	17				
Unrestricted funds				546,275	508,431
Restricted funds				13,212	16,734
<b>TOTAL FUNDS</b>				<u>559,487</u>	<u>525,165</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 24 August 2023 and were signed on its behalf by:

*Mr P McGinley*

P McGinley - Trustee

**Neighbourhood Networks**

**Cash Flow Statement**  
**for the Year Ended 31 March 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	215,758	(24,822)
Net cash provided by/(used in) operating activities		215,758	(24,822)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(20,850)	(23,147)
Sale of tangible fixed assets		1	3,700
Interest received		1,057	89
Net cash used in investing activities		(19,792)	(19,358)
<b>Change in cash and cash equivalents in the reporting period</b>		195,966	(44,180)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		390,613	434,793
<b>Cash and cash equivalents at the end of the reporting period</b>		586,579	390,613

The notes form part of these financial statements

**Neighbourhood Networks**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 March 2023**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023	2022
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	34,322	64,476
<b>Adjustments for:</b>		
Depreciation charges	18,075	12,920
Interest received	(1,057)	(89)
Decrease/(increase) in debtors	167,221	(105,041)
(Decrease)/increase in creditors	(2,803)	2,912
<b>Net cash provided by/(used in) operations</b>	<u>215,758</u>	<u>(24,822)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	390,613	195,966	586,579
	<u>390,613</u>	<u>195,966</u>	<u>586,579</u>
<b>Total</b>	<u>390,613</u>	<u>195,966</u>	<u>586,579</u>

The notes form part of these financial statements

## Neighbourhood Networks

### Notes to the Financial Statements for the Year Ended 31 March 2023

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are sufficient cash resources and reserves at the year end. They have accessed all available support which has been available at local and national levels. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Presentation currency**

The financial statements are presented in sterling which is the functional currency of the charity.

##### **Critical accounting judgements and key sources of estimation uncertainty**

The Trustees have made judgements, estimates and assumptions that affect the amounts reported within the financial statements during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The Trustees estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements are addressed and detail is provided in the associated notes.

##### **Income**

All income is recognised when the charity is entitled to the income, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies consists of donations, grants and legacies. Donations are recognised when the charity is entitled to the income, receipt of the income is probable and the amount can be measured reliably. Income from grants, not subject to performance related conditions, is recognised when the charity has entitlement to the funds, it is probable that the income will be received, the amount can be measured reliability and it is not deferred. Income from government grants is recognised when received as the accrual model is not permitted by the Statement of Recommended Practice. Legacy income is recognised when it is probable that it will be received.

Charitable activities income is received for the services offered as part of the charitable activities of the charity. Income from performance related grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliability.

Other trading activities income is received from fundraising events held.

Investment income consists of bank interest. It is included when receipt is probable and the amount can be measured reliably.

Other income relates to items not included within the above categories.

##### **Expenditure**

Expenditure has been classified under the headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Expenditure is recognised on an accrual basis when a legal liability is incurred, payment of the liability is probable and the amount can be measured reliably. The amount includes any VAT which cannot be fully recovered. VAT is reported as part of the expenditure to which it relates.

## Neighbourhood Networks

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

#### **1. ACCOUNTING POLICIES - continued**

##### **Expenditure**

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities comprise all resources expended undertaking work to meet the charity's charitable objectives. Such costs include the direct costs of charitable activities approved by the charity and all support costs relating to these activities. Governance costs include direct resources expended in the general running of the charity and are primarily associated with constitutional and statutory requirements. These costs are allocated entirely to charitable activities.

##### **Allocation and apportionment of costs**

Support costs are allocated wholly to charitable activities. Whilst the Trustees recognise that a small part of some items of expenditure included in support costs do relate to indirect governance costs, they are of the opinion that the time and costs involved in performing such an analysis outweigh the potential benefits arising from any such work.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 10% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

All tangible fixed assets having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. It is the charity's policy to capitalise all relevant expenditure greater than £500.

##### **Taxation**

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

##### **Fund accounting**

Funds are classified as either unrestricted funds or restricted funds, defined as follows:

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the Trustees for a particular purpose, they are designated as a separate unrestricted designated fund. This designation has an administrative purpose only and does not legally restrict the Trustees discretion to apply the funds.

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal process, but still within the wider objects of the charity.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

##### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### **Financial instruments**

The charity has no complex financial instruments but does hold basic financial instruments of; cash at bank, debtors and creditors.

Cash and cash equivalents comprise cash at bank and on hand, foreign currency on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. A bank overdraft would be shown within current liabilities.

## Neighbourhood Networks

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

#### 1. ACCOUNTING POLICIES - continued

Debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less losses for bad debts except where the effect of discounting would be immaterial. In such cases, debtors are stated at cost less losses for bad debts.

Creditors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate unless the effect of discounting would be immaterial. In such cases creditors are stated at cost.

#### **Employment benefits**

The total cost of employee benefits to which employees have become entitled as a result of service rendered to the entity during the reporting period are recognised and charged to the profit and loss account in the period to which they relate.

#### **Volunteers**

In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements due to inaccurate measurement bases.

#### **Provision for liabilities**

A provision is initially recognised when there is an obligation at the balance sheet date as the result of a past event, it is probable that there will be the transfer of funds in settlement and the amount of the obligation can be estimated reliably. The provision is subsequently measured by placing a charge against the provision only for expenditure for which the provision was originally recognised.

#### 2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Service contracts	1,322,253	1,059,274
Donations	598	-
Grants	1,200	-
	<hr/>	<hr/>
	1,324,051	1,059,274
	<hr/>	<hr/>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Glasgow City council	800	-
Linking Communities	400	-
	<hr/>	<hr/>
	1,200	-
	<hr/>	<hr/>

**Neighbourhood Networks**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**3. OTHER TRADING ACTIVITIES**

	2023	2022
	£	£
Fundraising events	6,644	5,806
	<u>6,644</u>	<u>5,806</u>

**4. INVESTMENT INCOME**

	2023	2022
	£	£
Deposit account interest	1,057	89
	<u>1,057</u>	<u>89</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	2023	2022
	£	£
Grants	103,655	86,319
	<u>103,655</u>	<u>86,319</u>

Grants received, included in the above, are as follows:

	2023	2022
	£	£
Scottish Government	93,743	66,057
National Lottery	-	10,000
Voluntary Action	500	500
NHS Forth Valley	-	447
Scottish Social Services Council	-	1,200
Arran CVS	-	8,115
Inspiring Scotland	9,412	-
	<u>103,655</u>	<u>86,319</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Main charitable activity	846,932	554,153	1,401,085
	<u>846,932</u>	<u>554,153</u>	<u>1,401,085</u>

**Neighbourhood Networks**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**7. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2023	2022
	£	£
Staff costs	729,927	555,675
Telephone	9,802	8,728
Sundries	989	106
Travel & subsistence	45,957	29,258
Equipment	17,131	25,973
Room hire & catering	2,895	306
Training	11,949	823
Project expenses	28,282	5,952
	<u>846,932</u>	<u>626,821</u>

**8. SUPPORT COSTS**

	Management	Governance	Totals
	£	costs £	£
Main charitable activity	<u>534,132</u>	<u>20,021</u>	<u>554,153</u>

Support costs, included in the above, are as follows:

**Management**

	2023	2022
	Main charitable activity £	Total activities £
Wages	342,581	288,975
Social security	32,014	19,327
Pensions	16,696	11,144
Rent	24,167	25,251
Rates and water	1,235	1,137
Insurance	5,974	5,888
Light and heat	2,784	1,990
Telephone	1,310	1,459
Postage and stationery	8,005	7,634
Advertising	7,031	2,419
Sundries	5,716	5,382
Travel & subsistence	5,847	2,086
Training	7,995	9,452
Computer expenses	14,156	4,696
Repairs & renewals	1,220	360
Office expenses	3,925	2,443
Recruitment expenses	3,584	9,517
Subscriptions	21,124	23,411
Payroll fees	870	600
Professional fees	7,311	9,148
Bank charges	2,512	2,107
Depreciation of tangible and heritage assets	18,075	12,920
	<u>534,132</u>	<u>447,346</u>

**Neighbourhood Networks**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**8. SUPPORT COSTS - continued**  
**Governance costs**

	2023 Main charitable activity £	2022 Total activities £
Auditors' remuneration	7,730	5,650
Non-audit services	6,697	4,225
Room hire	1,231	288
Other expenses	4,363	2,682
	<u>20,021</u>	<u>12,845</u>

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors' remuneration	7,730	5,650
Non-audit services	6,697	4,225
Depreciation - owned assets	18,075	17,920
Other operating leases	24,167	25,251
	<u></u>	<u></u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

**Trustees' expenses**

A totalled of £379 (2022: £nil) travel expenses were reimbursed to two (2022: nil) trustees in the year to 31 March 2023.

**11. STAFF COSTS**

	2023 £	2022 £
Wages and salaries	999,880	789,830
Social security costs	78,309	55,160
Other pension costs	43,029	30,131
	<u>1,121,218</u>	<u>875,121</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Management	10	10
Admin and operational	40	32
	<u>50</u>	<u>42</u>

**Neighbourhood Networks**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**11. STAFF COSTS - continued**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	1,059,274	-	1,059,274
<b>Charitable activities</b>			
Main charitable activity	-	86,319	86,319
Other trading activities	1,779	4,027	5,806
Investment income	89	-	89
<b>Total</b>	<u>1,061,142</u>	<u>90,346</u>	<u>1,151,488</u>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Main charitable activity	1,002,965	84,047	1,087,012
<b>NET INCOME</b>	58,177	6,299	64,476
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	450,254	10,435	460,689
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>508,431</u>	<u>16,734</u>	<u>525,165</u>

**Neighbourhood Networks**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**13. TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2022	17,720	1,719	50,202	69,641
Additions	2,492	-	18,358	20,850
Disposals	-	(593)	(7,437)	(8,030)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	20,212	1,126	61,123	82,461
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>				
At 1 April 2022	12,245	1,510	32,408	46,163
Charge for year	2,021	129	15,925	18,075
Eliminated on disposal	-	(592)	(7,437)	(8,029)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	14,266	1,047	40,896	56,209
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 31 March 2023	5,946	79	20,227	26,252
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	5,475	209	17,794	23,478
	<hr/>	<hr/>	<hr/>	<hr/>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Other debtors	12,696	176,576
Prepayments	9,962	13,303
	<hr/>	<hr/>
	22,658	189,879
	<hr/>	<hr/>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Social security and other taxes	28,516	16,347
Other creditors	23,413	12,009
Accruals and deferred income	24,073	50,449
	<hr/>	<hr/>
	76,002	78,805
	<hr/>	<hr/>
 Deferred income		
	£	£
As at 1 April 2022	500	30,852
Amounts released during the year	(500)	(30,852)
Amount deferred in current year	-	500
	<hr/>	<hr/>
As at 31 March 2023	-	500
	<hr/>	<hr/>

Deferred income relates to funding to enable the provision of services received in the year to 31 March 2022 for services provided in the year to 31 March 2023. There were no deferred income in the year to 31 March 2023.

## Neighbourhood Networks

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

#### 16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	24,968	24,968
Between one and five years	20,455	45,423
	<u>45,423</u>	<u>70,391</u>

#### 17. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
<b>Unrestricted funds</b>				
General fund	312,611	40,584	(2,740)	350,455
Website Development Fund	6,520	-	-	6,520
Organisational Development Fund	74,300	-	-	74,300
Organisation Contingency Fund	115,000	-	-	115,000
	<u>508,431</u>	<u>40,584</u>	<u>(2,740)</u>	<u>546,275</u>
<b>Restricted funds</b>				
Awards For All Fund	6,056	(6,056)	-	-
Member Development & Involvement Fund	459	-	-	459
VANL Community Circle Fund	2,104	(2,104)	-	-
Wellbeing Fund	8,115	2,771	-	10,886
Technical Fund	-	(873)	2,740	1,867
	<u>16,734</u>	<u>(6,262)</u>	<u>2,740</u>	<u>13,212</u>
<b>TOTAL FUNDS</b>	<u>525,165</u>	<u>34,322</u>	<u>-</u>	<u>559,487</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,330,510	(1,289,926)	40,584
<b>Restricted funds</b>			
Awards For All Fund	-	(6,056)	(6,056)
VANL Community Circle Fund	500	(2,604)	(2,104)
Wellbeing Fund	10,612	(7,841)	2,771
Equality & Human Rights Fund	93,743	(93,743)	-
Technical Fund	42	(915)	(873)
	<u>104,897</u>	<u>(111,159)</u>	<u>(6,262)</u>
<b>TOTAL FUNDS</b>	<u>1,435,407</u>	<u>(1,401,085)</u>	<u>34,322</u>

## Neighbourhood Networks

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

#### 17. MOVEMENT IN FUNDS - continued

##### Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>				
General fund	254,434	58,177	-	312,611
Member Welfare Fund	5,000	-	(5,000)	-
Website Development Fund	6,520	-	-	6,520
Organisational Development Fund	74,300	-	-	74,300
Staff Contingency Fund	70,000	-	(70,000)	-
Network Wind Up Fund	40,000	-	(40,000)	-
Organisation Contingency Fund	-	-	115,000	115,000
	<u>450,254</u>	<u>58,177</u>	<u>-</u>	<u>508,431</u>
<b>Restricted funds</b>				
Awards For All Fund	-	6,056	-	6,056
Welfare Rights Fund (Baillie Thomas)	881	(881)	-	-
Member Development & Involvement Fund	765	(306)	-	459
VANL Community Circle Fund	2,304	(200)	-	2,104
Access to Work	6,485	(6,485)	-	-
Wellbeing Fund	-	8,115	-	8,115
	<u>10,435</u>	<u>6,299</u>	<u>-</u>	<u>16,734</u>
<b>TOTAL FUNDS</b>	<u>460,689</u>	<u>64,476</u>	<u>-</u>	<u>525,165</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,061,142	(1,002,965)	58,177
<b>Restricted funds</b>			
Awards For All Fund	10,000	(3,944)	6,056
Welfare Rights Fund (Baillie Thomas)	-	(881)	(881)
Member Development & Involvement Fund	-	(306)	(306)
VANL Community Circle Fund	500	(700)	(200)
Access to Work	-	(6,485)	(6,485)
Wellbeing Fund	8,115	-	8,115
Equality & Human Rights Fund	47,230	(47,230)	-
Social Care Support Fund	13,827	(13,827)	-
Forth Valley NHHB Fund	447	(447)	-
Digital Boost Fund	5,000	(5,000)	-
Voluntary Sector Development Fund	1,200	(1,200)	-
Technical Fund	4,027	(4,027)	-
	<u>90,346</u>	<u>(84,047)</u>	<u>6,299</u>
<b>TOTAL FUNDS</b>	<u>1,151,488</u>	<u>(1,087,012)</u>	<u>64,476</u>

**Neighbourhood Networks**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**17. MOVEMENT IN FUNDS - continued**

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

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
<b>Unrestricted funds</b>				
General fund	254,434	98,761	(2,740)	350,455
Member Welfare Fund	5,000	-	(5,000)	-
Website Development Fund	6,520	-	-	6,520
Organisational Development Fund	74,300	-	-	74,300
Staff Contingency Fund	70,000	-	(70,000)	-
Network Wind Up Fund	40,000	-	(40,000)	-
Organisation Contingency Fund	-	-	115,000	115,000
	<hr/> 450,254	<hr/> 98,761	<hr/> (2,740)	<hr/> 546,275
<b>Restricted funds</b>				
Welfare Rights Fund (Baillie Thomas)	881	(881)	-	-
Member Development & Involvement Fund	765	(306)	-	459
VANL Community Circle Fund	2,304	(2,304)	-	-
Access to Work	6,485	(6,485)	-	-
Wellbeing Fund	-	10,886	-	10,886
Technical Fund	-	(873)	2,740	1,867
	<hr/> 10,435	<hr/> 37	<hr/> 2,740	<hr/> 13,212
<b>TOTAL FUNDS</b>	<hr/> <hr/> 460,689	<hr/> <hr/> 98,798	<hr/> <hr/> -	<hr/> <hr/> 559,487

## Neighbourhood Networks

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

#### 17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,391,652	(2,292,891)	98,761
<b>Restricted funds</b>			
Awards For All Fund	10,000	(10,000)	-
Welfare Rights Fund (Baillie Thomas)	-	(881)	(881)
Member Development & Involvement Fund	-	(306)	(306)
VANL Community Circle Fund	1,000	(3,304)	(2,304)
Access to Work	-	(6,485)	(6,485)
Wellbeing Fund	18,727	(7,841)	10,886
Equality & Human Rights Fund	140,973	(140,973)	-
Social Care Support Fund	13,827	(13,827)	-
Forth Valley NHSB Fund	447	(447)	-
Digital Boost Fund	5,000	(5,000)	-
Voluntary Sector Development Fund	1,200	(1,200)	-
Technical Fund	4,069	(4,942)	(873)
	<u>195,243</u>	<u>(195,206)</u>	<u>37</u>
<b>TOTAL FUNDS</b>	<u>2,586,895</u>	<u>(2,488,097)</u>	<u>98,798</u>

#### **Unrestricted Funds**

General Fund is for the operation of the charitable objectives of the charity at the discretion of the Trustees.

#### **Unrestricted Designated Funds**

Website Development Fund, will be used to improve the organisations current website.

Organisational Development Fund is to allow for expenditure for the general development of the organisation, including expenditure on IT, the Outcome Focused Monitoring System, HR and Finance.

Organisational Contingency Fund is to allow for expenditure to support the changes within the organisation in relation to staff and network developments.

The following designated funds were closed in 31 March 2022.

Member Welfare Fund is to promote the welfare of members at all levels.

Network Wind Up Fund is to allow the organisation to wind up a network in a timeous and fair way in the event funding has come to an end.

Staff Contingency Fund is to hold a reserve balance for any future payments that may be required to pay to staff, such as redundancy.

#### **Restricted Funds**

Equality and Human Rights Fund aims to embed and mainstream equality and human rights within policy and practice in Scotland in line with the ambitions of relevant Scottish Government strategies and the National Performance Framework. The vision is for a Scotland which is inclusive, free from discrimination, and where the human rights of everyone are respected, protected and fulfilled.

## Neighbourhood Networks

### Notes to the Financial Statements - continued for the Year Ended 31 March 2023

#### **17. MOVEMENT IN FUNDS - continued**

Member Development and Involvement Fund is used for arts and crafts, lifestyle and cookery workshops and a gardening project.

Wellbeing fund represents a variety of financial support to allow the charity to support the mental health and wellbeing of staff and members. This includes funding from Inspiring Scotland, East Renfrewshire Youth Participatory Budget, GCC Wellbeing, Voluntary Action North Lanarkshire and Arran CVS.

Technical Fund represents income raised at Kiltwalk 2022 and from the SCVO Digital Charter. The fund aims to tackle digital exclusion by improving access to the internet, building confidence and developing essential digital skills.

The following funds were closed as the income was utilised in full:

#### Closed in the year to 31 March 2023:

Awards for All Fund represents the income and expenditure incurred for the 20th Birthday Anniversary of the charity.

VANL Community Circle Fund is to develop a Community Circle where exchanges of information and local informal support could be take place between the residents of Motherwell and Wishaw.

#### Closed in the year to 31 March 2022:

Access to Work Fund represents funding received to purchase appropriate equipment which allows a visually impaired employee to operate effectively in the workplace. This fund was closed in the year to 31 March 2022 as the equipment is now owned by the employee.

Digital Boost Fund represents income to upgrade our server and network infrastructure together with upgrading mobile phones and digital equipment.

Forth Valley NHSB Fund represents the funding for the purpose of equipment for a filming project.

Social Care Support Fund represents the income received to support social care staff with a financial bonus.

Voluntary Sector Development Fund represents funding to support the community gardening project.

Welfare Rights Fund (Baillie Thomas) is to provide support for the members on the changing situation of claiming welfare benefits as well as to provide practical support in the form of access to a welfare rights specialist.

#### **Transfers between funds**

During the year to 31 March 2023, the sum of £2,740 was transferred from the General Fund to the Technical fund.

During the year to 31 March 2022, the Trustees realigned the designated funds in line with the current requirements of the charity. The following funds were closed and the balances were transferred to a new designated fund, Organisation Contingency Fund. Staff Contingency Fund £70,000, Network Wind Up Fund £40,000 and Member Welfare Fund £5,000 - total amount transferred to the new fund was £115,000.

**Neighbourhood Networks**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2023**

**18. EMPLOYEE BENEFIT OBLIGATIONS**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £43,029 in the year (2022 - £30,131). As at 31 March 2023, the sum of £8,420 of pension contributions (2022 - £5,240) was included in accrued charges.

**19. RELATED PARTY DISCLOSURES**

The key management of the charity are H Calvo, J Gilmour and A McKill. The total remuneration of the key management personnel in the year was £168,022 (2022 £145,121).

No Trustees made donations to the charity during either the year to 31 March 2023 or 2022.

**20. FUNDS HELD FOR OTHERS**

The sum of £311 (2022 - £311) is held for an on behalf of Scottish Campaign for a Fairer Society (SCFAFS).

**21. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

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