

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
ANNUAL REPORT AND FINANCIAL STATEMENTS
Scottish Charity Number: SC035964
YEAR ENDED 31 MARCH 2016



Company No: 282964

MIDLOTHIAN FINANCIAL INCLUSION NETWORK

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MIDLOTHIAN FINANCIAL INCLUSION NETWORK
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors have pleasure in presenting their report and audited financial statements on the activities of Midlothian Financial Inclusion Network for the year ended 31 March 2016.

Reference & Administrative Information

Charity Name: Midlothian Financial Inclusion Network

Charity Number: SC035964

Company Number: 282964

Registered Office: 14a John Street, Penicuik, EH26 8AB

Bankers: Bank of Scotland, 47 High Street, Dalkeith

Accountants: AG Accounting, 167 Curriehill Castle Drive, Balerno, EH14 5TD

Directors:

The directors, at the date of this report are:

Sue Peart (Chair)
Kirsten Cook (Vice Chair)
Susan Bowes (Secretary)
Lesley Kelly (Treasurer)
Janice Burns

Structure Governance & Management:

Midlothian Financial Inclusion Network is company limited by Guarantee regulated by its Memorandum and Articles of Association. The Board of Directors is responsible for its policies and operations.

During the year, the Charity employed 3 members of staff all line managed by the Treasurer. The Development Officer was Shirley Lamb. With additional funding sourced we now also employ a Hardship Co-ordinator for the MARCH Project and a Digital Hub Worker.

Objectives and Activities:

MFIN's objective, as outlined in the Memorandum of Association is:

- To relieve poverty and to advance public education in all matters relating to management of personal finances.

We aim to increase awareness of money advice, increase access to money advice services, target help to vulnerable groups and areas and build the capacity of community based groups to support their clients.

MFIN continued to raise awareness of Welfare Reform. Over the year four newsletters were written and distributed, our social media presence has been revamped with our Twitter page now tweeting local support information and national policy issues. Six regular MFIN meetings were held. Invited speakers covered a range of topics such as Power of Attorney, the New Warm Home Discount Scheme, Access to Advice & Legal Services, for BME Communities, Fareshare FoodCloud food donation service and RNIB's new welfare service.

Our now annual training session led by CPAG was again well attended and recapped on changes in Welfare reform.

The MARCH project, funded by the Big Lottery, continued to develop during the year. 416 bus tickets were allocated to 73 individuals in hardship and 1013 tickets to 10 support agencies across Midlothian. These enabled people in crisis to travel to important meetings and receive support. MFIN also allocated MARCH funding to three Church food projects to provide holiday meals for children. Around 3300 meals were provided over the 2015 summer holiday period to reduce food inequalities experienced by low income households.

The Digital Support Hub Project at Gorebridge library ran from April to September. During this time over 50 instances of computer support were provided, in partnership with Connect Online workers from Volunteer Midlothian. The main focus was in helping users' access government services online, job searching and using the internet to aid social inclusion and employability.

As part of our Better Banking project, funded by SCVO's Community Capacity and Resilience Fund, we produced an informational leaflet outlining the new basic bank accounts which were introduced by high street banks in response to recent UK Government legislation. This has been widely circulated.

Further details of these activities can be found on the website and annual report.

Risk Management:

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the organisation, and recognise that systems need to be in place to mitigate our exposure to the major risks.

Financial Review:

Reserves Policy:

It is the policy of the charity to maintain unrestricted funds which are the free reserves of the charity at an appropriate level. This should equate to approximately two to three months of unrestricted expenditure. This will provide sufficient funds to cover necessary operational costs. Due to the size and operations of the organisation, this is not always possible.

Results/Financial Position:

In the year to 31 March 2016, the company had a gross income of £61,110. Expenditure for the year was £59,905 (2015: £77,259 and £69,081 respectively). Net Assets of the charity at the end of the year amounted to £18,878 (2015: £17,673). The surplus income in the year will be used in the incoming year.

Plans for Future Periods:

We have secured funding for future projects in 2016-2017. These will include a Power of Attorney Day, Fuel Bank Project, and new a brand new MFIN website.

The Scotland Act (2016) devolved a range of powers over welfare benefits. Both this and the forthcoming Scottish Social Security Bill (due June 2017) will impact on the work of MFIN and member organisations.

Statement of Directors Responsibilities:

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing these financial statements the directors are required to:

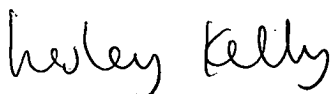
- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company, and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charity Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

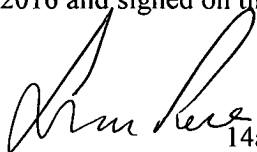
The Directors confirm their compliance with these requirements.

In preparing this report advantage has been taken of the small companies' exemption. This report has been prepared in accordance with the Statement of Recommended Practice 2015 (FESSE) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the directors on 24.11.2016 and signed on their behalf by:



L Kelly, Treasurer



14a John Street
Penicuik, EH26 8AB

**MIDLOTHIAN FINANCIAL INCLUSION NETWORK
INDEPENDENT EXAMINERS REPORT TO THE DIRECTORS
YEAR ENDED 31 MARCH 2016**

I report on the financial statements of Midlothian Financial Inclusion Network for the year ended 31 March 2016 set out on pages 6 to 11, which have been prepared under the historical cost convention, and the accounting policies set out on page 8.

Respective Responsibilities of the Trustees and the Examiner

The Trustees (who are the directors of the charity for the purposes of Company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply.

It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiners Statement


My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006.

An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the Directors concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiners Statement

In the course of my examination, no matter has come to my attention

1. Which gives me reasonable cause to believe that in any material respect the requirements
 - To keep accounting records in accordance with section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - To prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Alison Glass FCCA
AG Accounting

167 Curriehill Castle Drive
Balerno, EH14 5TD

Date: 25-11-16

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
BALANCE SHEET
AS AT 31 MARCH 2016

Company No: 282964

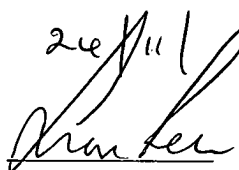
	Note	31 March 2016 £	31 March 2015 £
Current Assets:			
Debtors and Prepayments	9	-	8,342
Bank and Cash Balances		19,803	13,909
		-----	-----
		19,803	22,251
		-----	-----
Current Liabilities:			
Creditors due within 1 year:			
Creditors & Accruals	10	925	4,578
		-----	-----
		925	4,578
		-----	-----
Net Current Assets		18,878	17,673
		-----	-----
		18,878	17,673
		=====	=====
Represented by:			
Unrestricted funds:			
General Fund	12	10,417	2,967
Restricted Funds	12	8,461	14,706
		-----	-----
		18,878	17,673
		=====	=====

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2016. The members have not required the company to obtain an audit under section 476 in relation to its financial statements for the period. The directors acknowledge their responsibility for:

1. ensuring that the company keeps accounting records which comply with S386 of the CA 2006; and
2. preparing accounts which give a true and fair view of the state of the company's affairs at the end of the financial year and of its profit or loss for the year in accordance with the requirements of S396, and which otherwise comply with the requirements if the CA 2006 relating to accounts, so far as applicable to the company.

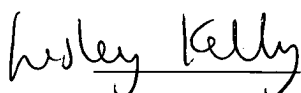
These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

Approved by the Board on:



2016 and signed on their behalf by:

S Peart, Chair



L Kelly, Treasurer

The Notes on pages 8 to 11 form part of these accounts.

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2016

		Year ended 31 March 2016			Year ended 31 March 2015 Total
	Note	Unrestricted Funds £	Restricted Funds £	Total £	£
Income and endowments from:					
Donations and legacies		-	61,110	61,110	77,259
Investments		-	-	-	-
Charitable activities		-	-	-	-
		-----	-----	-----	-----
Total Income	4	-	61,110	61,110	77,259
		-----	-----	-----	-----
Expenditure on:					
Raising funds		-	-	-	-
Charitable Activities		-	59,905	59,905	69,081
		-----	-----	-----	-----
Total Expenditure	7	-	59,905	59,905	69,081
		-----	-----	-----	-----
Net income before transfers		-	1,205	1,205	8,178
Transfers		7,450	(7,450)	-	-
		-----	-----	-----	-----
Net Movement in funds		7,450	(6,245)	1,205	8,178
Total Funds brought forward		2,967	14,706	17,673	9,495
		-----	-----	-----	-----
Total Funds carried forward	12	10,417	8,461	18,878	17,673
		-----	-----	-----	-----

All activities are continuing. There are no recognised gains or losses other than those shown above.

The Notes on pages 8 to 11 form part of these accounts.

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2016

1 Accounting Policies:

- a) Basis of Accounting - the financial statements of the charity have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities and Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention.
- b) Income - All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:
- Donations and legacies are received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognized when the charity becomes unconditionally entitled to the grant.
 - Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
 - Investment income is included when receivable.
 - Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- c) Expenditure - Expenditure is included on an accruals basis. The project is not registered for VAT thus expenditure is shown gross of irrecoverable VAT.
- Costs of raising funds comprise the costs associated with attracting voluntary income.
 - Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs including costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity are also included as part of this cost.
 - All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.
- d) Pensions: The Company provides for employees to pay money into a money purchase personal pension scheme. The pension charge in the income and expenditure account represents the amounts payable by the company to the fund in respect of the period.
- e) Funds held by the charity are:
- Unrestricted Funds: These are the funds that can be used in accordance with the charitable objects at the discretion of the directors.
 - Designated funds: These are unrestricted funds that the directors have set aside for a particular purpose.
 - Restricted funds: These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or if they have been raised for a specific purpose.

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2016

2 Principal Funds:

The principal source of funding is from Midlothian Council. This is administered under the direction of the Directors, in line with the objects of the project.

3 Taxation

Midlothian Financial Inclusion Network is accepted by the Inland Revenue as a charity for the purposes of section 505 of the Income & Corporation Taxes Act 1988. Accordingly no provision has been made for any taxation liability on surpluses.

4 Income and endowments

	2016	2015
	£	£
Donations & legacies		
Midlothian Council	17,038	17,038
Big Lottery Fund	29,149	23,252
NHS Lothian	-	10,118
Welfare Reform & Resilience Fund	10,906	26,851
SCVO	4,019	-
	-----	-----
	61,110	77,259
Investment Income		
Bank Interest Receivable	-	-
Income from charitable activities		
Newsletter	-	-
	-----	-----
	61,110	77,259
	-----	-----

Income from donations & legacies was £61,110 (2015: £77,259) all of which was restricted.

Income from charitable activities was £Nil (2015: £Nil) all of which was unrestricted.

5 Employees Remuneration

	2016	2015
	£	£
Salaries & Wages	36,718	49,373
Employers National Insurance	2,451	3,683
Pension Contributions	354	360
	-----	-----
	39,523	53,416
	-----	-----

No employees were paid in excess of £60,000. The average number of salaried employees including part time employees but excluding casual helpers was 3. (2015: 3)

6 Payments to Directors

Directors received no remuneration for their services or out of pocket expenses. (2015: £Nil).

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2016

7 Expenditure

Expenses	Cost of Charitable Activities £	2016 Total £	2015 Total £
Salaries, NI & Pension	39,523	39,523	53,416
Line Management	1,855	1,855	6,562
Staff Travel	360	360	1,569
Recruitment	-	-	400
Holiday Meals Pilot	3,000	3,000	-
Travel Tickets	1,140	1,140	1,935
Training & Events	650	650	1,662
Consultancy	5,258	5,258	-
Collaboration	-	-	374
Insurance	412	412	412
Equipment	15	15	-
Telephone, postage & Consumables	-	-	131
Printing & Publicity	3,974	3,974	1,365
Website	3,052	3,052	115
AGM & Catering	-	-	594
Sundries	343	343	223
Legal & Professional	48	48	48
Audit & Accountancy	275	275	275
	-----	-----	-----
	59,905	59,905	69,081
	-----	-----	-----

Expenditure on charitable activities was £59,905 (2015: £69,081) all of which was restricted.

8 Accountants Remuneration

	2016 £	2015 £
Examination services	275	275
	-----	-----

9 Debtors

	2016 £	2015 £
Accrued Income	-	8,343
	-----	-----

10 Creditors

	2016 £	2015 £
Due within one year:		
Other Creditors & Accruals	925	4,578
	-----	-----

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2016

11 Analysis of Net Assets

	General Fund £	Restricted Funds £	2016 Total £	2015 Total £
Bank & Cash Accounts	10,417	9,386	19,803	13,909
Debtors & Prepayments	-	-	-	8,342
Creditors & Accruals	-	(925)	(925)	(4,578)
	-----	-----	-----	-----
	10,417	8,461	18,878	17,673
	=====	=====	=====	=====

12 Reconciliation of Movements of Funds

Fund	At Start of Year £	Income £	Expenditure £	Transfers £	At End of Year £
Unrestricted funds- General fund	2,967	-	-	7,450	10,417
Restricted funds -					
Midlothian Council	6,342	17,038	14,919	-	8,461
MARCH Project	(1,744)	29,147	25,071	(2,332)	-
NHS Scotland	4,451	-	2,189	(2,262)	-
WRRF	5,657	10,906	13,132	(3,431)	-
CCRF	-	4,019	4,594	575	-
	-----	-----	-----	-----	-----
	14,706	61,110	59,905	(7,450)	8,461
	-----	-----	-----	-----	-----
Total Funds	17,673	61,110	59,905	-	18,878
	-----	-----	-----	-----	-----

Transfers:

The balances on the projects which have now completed have been transferred to general funds.

13 Restricted Funds

Restricted Small Grants comprise the following:

Midlothian Council: This money has been provided by Midlothian Council for the costs for financial inclusion and debt awareness project

MARCH Project: This funding is from Big Lottery Fund through partnership funding with Midlothian Council and Changeworks for our Hardship Co-ordinator post. This project is now finished.

NHS Scotland: This funding is from NHS Lothian to develop and pilot a screening tool for financial inclusion and hardship issues, for use by frontline health workers.

WRRF: This funding is from the Scottish Government's Welfare Reform and Resilience Fund. Payments were used to fund the Digital Support Hub at Gorebridge Library.

CCRF: This funding was from SCVO's Community Capacity and Resilience Fund to provide an information leaflet outlining the new basic bank accounts introduced by the high street banks in response to recent UK Government legislation.