

MIDLOTHIAN FINANCIAL INCLUSION NETWORK

ANNUAL REPORT AND FINANCIAL STATEMENTS

Scottish Charity Number: SC035964

YEAR ENDED 31 MARCH 2011



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 2011**

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 2011.

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)

Jo Kirby (Vice Chair)

Susan Bowes (Secretary)

Lesley Kelly (Treasurer)

Irene Hutchison

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.

The Charity directly employs 1 member of staff, Shirley Lamb who is line managed by the Treasurer.

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.

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.

Activities undertaken during the year included: production of a quarterly Newsletter; development of our website; employment of a Youth Development Officer to develop and deliver Midlothian Young Financial Learning Inclusion Programme; delivery of a Housing Need, Homelessness and Financial Inclusion event; organisation of a seminar on welfare benefit reform.

Further details of these activities are given in our Annual Report for 2010-2011.

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 2011, the company has managed to maintain its level of operations and had a gross income of £40,978. Expenditure for the year was £26,898 (2010: £26,600 and £58,692 respectively). Net Assets of the charity at the end of the year amounted to £14,948 (2010: £868).

Plans for Future Periods:

The effects of the economic downturn are being keenly felt in Midlothian and the need to increase access to money advice services has never been so great. MFIN will have a vital role to play in highlighting and hopefully minimising the impact of the Welfare Benefit reforms on the most vulnerable in our society over the coming months. MFIN will also be producing an updated Financial Inclusion Strategy for consultation in the near future.

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 - Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the directors on 6 December 2011 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 2011**

I report on the financial statements of Midlothian Financial Inclusion Network for the year ended 31 March 2011 set out on pages 5 to 10, which have been prepared under the historical cost convention, and the accounting policies set out on page 7.

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: 13/12/11

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
BALANCE SHEET
AS AT 31 MARCH 2011

Company No: 282964

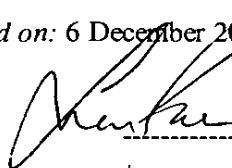
	Note	31 March 2011 £	31 March 2010 £
Current Assets:			
Bank and Cash Balances		17,548	868
		-----	-----
		17,548	868
		-----	-----
Current Liabilities:			
Creditors due within 1 year:			
Creditors & Accruals	9	2,600	-
		-----	-----
		2,600	-
		-----	-----
Net Current Assets		14,948	868
		-----	-----
		14,948	868
		=====	=====
Represented by:			
Unrestricted funds:			
General Fund	11	2,988	868
Restricted Funds	11	11,960	-
		-----	-----
		14,948	868
		=====	=====

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2011. 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:

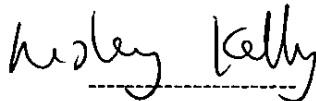
1. ensuring that the company keeps accounting records which comply with S386 of the CA 2006; and
2. preparing accounts which give a true and fair view of the state of the company's affairs at the end of the financial year and of its profit or loss for the year in accordance with the requirements of S396, and which otherwise comply with the requirements of 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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on: 6 December 2011 and signed on their behalf by:



S Peart, Chair



L Kelly, Treasurer

The Notes on pages 7 to 10 form part of these accounts.

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2011

		Year ended 31 March 2011			Year ended 31 March 2010 Total
	Note	Unrestricted Funds £	Restricted Funds £	Total £	£
Incoming Resources					
Incoming resources from generated funds					
Voluntary Income		-	40,866	40,866	24,595
Investment income		22	-	22	25
Incoming resources from charitable activities		90	-	90	1,980
		-----	-----	-----	-----
Total Incoming Resources	4	112	40,866	40,978	26,600
		-----	-----	-----	-----
Resources Expended					
Charitable Activities		4	26,064	26,068	58,142
Governance Costs		-	830	830	550
		-----	-----	-----	-----
Total Resources Expended	7	4	26,894	26,898	58,692
		-----	-----	-----	-----
Net income/(expenditure) before transfers		108	13,972	14,080	(32,092)
Transfers		2,012	(2,012)	-	-
		-----	-----	-----	-----
Net Movement in funds		2,120	11,960	14,080	(32,092)
Total Funds brought forward		868	-	868	32,960
		-----	-----	-----	-----
Total Funds carried forward	11	2,988	11,960	14,948	868
		-----	-----	-----	-----

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

The Notes on pages 7 to 10 form part of these accounts.

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2011

1 Accounting Policies:

- a) Basis of Accounting - the Accounts are prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006. In preparing these statements the Charity follows best practice as laid down in the Statement of Recommended Practice on Accounting by Charities (2005).
- b) Incoming Resources - All incoming resources are 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:
- Voluntary income is 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.
 - Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- c) Resources Expended - Expenditure is included on an accruals basis. The project is not registered for VAT thus expenditure is shown gross of irrecoverable VAT.
- Costs of generating 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 include those 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.
 - 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 2011

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. Additional funding sources this year was from the Department of Work and Pensions.

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 Incoming Resources

	2011 £	2010 £
Voluntary Income		
Fairer Scotland Fund	24,116	24,595
DWP	16,750	-
	-----	-----
	40,866	24,595
Investment Income		
Bank Interest Receivable	22	25
Incoming resources form charitable activities		
Duplicated Payment in Prior year	-	1,353
Refunds	-	627
Newsletter	90	-
	-----	-----
	90	1,980
	-----	-----
	40,978	26,600
	-----	-----

5 Employees Remuneration

	2011 £	2010 £
Salaries & Wages	1,346	14,863
Pension Contributions	540	537
	-----	-----
	1,886	15,400
	-----	-----

No employees were paid in excess of £60,000. The average number of salaried employees including part time employees but excluding casual helpers was 1. (2010: 1)

6 Payments to Directors

Directors received no remuneration for their services or out of pocket expenses. (2010: £Nil).

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2011

7 Resources Expended

Expenses	Cost of Charitable Activities £	Governance Costs £	2011 Total £	2010 Total £
Salaries, NI & Pension	1,886	-	1,886	15,400
Line Management	6,260	-	6,260	1,494
Freelance Costs	10,993	-	10,993	-
Admin Support	-	-	-	1,800
Materials	2,125	-	2,125	-
Venue Hire	120	-	120	-
Rent	-	-	-	2,083
Insurance	420	-	420	420
Tax on Bank Interest	4	-	4	5
Telephone, postage & Consumables	1,226	-	1,226	1,253
Website	-	-	-	138
Consultancy	3,034	-	3,034	3,732
Publicity & PR	-	-	-	205
AGM & Catering	-	-	-	150
Legal & Professional	-	425	425	15
Audit & Accountancy	-	405	405	180
MVA	-	-	-	2,333
Repayment to Midlothian Council	-	-	-	29,484
	-----	-----	-----	-----
	26,068	830	26,898	58,692
	-----	-----	-----	-----

8 Accountants Remuneration

	2011 £	2010 £
Examination services	225	180
	-----	-----

9 Creditors

	2011 £	2010 £
Due within one year:		
Other Creditors & Accruals	2,600	-
	-----	-----
	2,600	-
	-----	-----

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2011

10 Analysis of Net Assets

	General Fund £	Restricted Funds £	2011 Total £	2010 Total £
Bank & Cash Accounts	2,988	14,560	17,548	868
Creditors & Accruals	-	(2,600)	(2,600)	-
	-----	-----	-----	-----
	2,988	11,960	14,948	868
	=====	=====	=====	=====

11 Reconciliation of Movements of Funds

Fund	At Start of Year £	Income £	Expenditure £	Transfers £	At End of Year £
Unrestricted funds- General fund	868	112	4	2,012	2,988
Restricted funds - Fairer Scotland	-	24,116	12,156	-	11,960
DWP	-	16,750	14,738	(2,012)	-
	-----	-----	-----	-----	-----
	-	40,866	26,894	(2,012)	11,960
	-----	-----	-----	-----	-----
Total Funds	868	40,978	26,898	-	14,948
	-----	-----	-----	-----	-----

Transfers:

The DWP project came to an end at the end of March and the balance was transferred to general funds with the agreement of the funder.

12 Restricted Funds

Restricted Small Grants comprise the following:

Fairer Scotland: This money has been provided by Fairer Scotland Fund for the costs for financial inclusion and debt awareness project

DWP: Money provided by the Department of Work and Pensions to cover costs for a financial education project with young people in Midlothian.