

MIDLOTHIAN FINANCIAL INCLUSION NETWORK

ANNUAL REPORT AND FINANCIAL STATEMENTS

Scottish Charity Number: SC035964

YEAR ENDED 31 MARCH 2013

FRIDAY



SCT *S2NMED9L* 20/12/2013 #470
COMPANIES HOUSE

Company No: 282964

MIDLOTHIAN FINANCIAL INCLUSION NETWORK

CONTENTS

Report of the Directors including Statement of Directors Responsibilities

Independent Examiners Report

Balance Sheet

Income & Expenditure Account and Statement of Financial Activities

Notes to the Accounts

**MIDLOTHIAN FINANCIAL INCLUSION NETWORK
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2013**

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 2013.

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)

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.

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: 5 Newsletters were produced and distributed; expansion of our website and continuing development of social media options; continued partnership working with increasing numbers attending meetings; responding to consultations. The Network has developed a Financial Inclusion Strategy and contributed to Midlothian Council's Child Poverty Strategy. The main focus of the Network has been the Welfare Reform Legislation with two training events during the summer of 2012: one focussing on children and families and the other the effects of the reforms on disabled people and their carers.

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 2013, the company has managed to maintain its level of operations and had a gross income of £7,628. Expenditure for the year was £15,486 (2012: £8,004 and £6,643 respectively). Net Assets of the charity at the end of the year amounted to £8,451 (2012: £16,309). The excess of expenditure over income in the year was met by funds brought forward from previous years.

Plans for Future Periods:

The next year will bring us a lot of challenges in responding to the Westminster government's welfare reform agenda. However, we are fortunate to have received a Big Lottery Fund grant to employ a Hardship Coordinator to assist in coordinating the work of MFIN members, and other organisations, in this crucial area.

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 1 October 2013 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 2013**

I report on the financial statements of Midlothian Financial Inclusion Network for the year ended 31 March 2013 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: 15/12/13

**MIDLOTHIAN FINANCIAL INCLUSION NETWORK
BALANCE SHEET
AS AT 31 MARCH 2013**

Company No: 282964

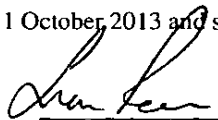
	Note	31 March 2013 £	31 March 2012 £
Current Assets:			
Debtors and Prepayments		-	147
Bank and Cash Balances		12,940	16,392
		-----	-----
		12,940	16,539
		-----	-----
Current Liabilities:			
Creditors due within 1 year:			
Creditors & Accruals	9	4,489	230
		-----	-----
		4,489	230
		-----	-----
Net Current Assets		8,451	16,309
		-----	-----
		8,451	16,309
		=====	=====
Represented by:			
Unrestricted funds:			
General Fund	11	2,967	2,967
Restricted Funds	11	5,484	13,342
		-----	-----
		8,451	16,309
		=====	=====

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2013. 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:

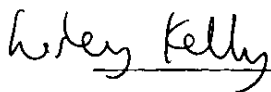
1. ensuring that the company keeps accounting records which comply with S386 of the CA 2006; and
2. preparing accounts which give a true and fair view of the state of the company's affairs at the end of the financial year and of its profit or loss for the year in accordance with the requirements of S396,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

Approved by the Board on: 1 October 2013 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 2013

		Year ended 31 March 2013			Year ended 31 March 2012
	Note	Unrestricted Funds £	Restricted Funds £	Total £	Total £
Incoming Resources					
Incoming resources from generated funds					
Voluntary Income		-	7,628	7,628	8,000
Investment income		-	-	-	4
Incoming resources from charitable activities		-	-	-	-
		-----	-----	-----	-----
Total Incoming Resources	4	-	7,628	7,628	8,004
		-----	-----	-----	-----
Resources Expended					
Charitable Activities		-	15,207	15,207	6,364
Governance Costs		-	279	279	279
		-----	-----	-----	-----
Total Resources Expended	7	-	15,486	15,486	6,643
		-----	-----	-----	-----
Net income/(expenditure) before transfers		-	(7,858)	(7,858)	1,361
Transfers		-	-	-	-
		-----	-----	-----	-----
Net Movement in funds		-	(7,858)	(7,858)	1,361
Total Funds brought forward		2,967	13,342	16,309	14,948
		-----	-----	-----	-----
Total Funds carried forward	11	2,967	5,484	8,451	16,309
		-----	-----	-----	-----

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 2013

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 2013

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 Incoming Resources

	2013 £	2012 £
Voluntary Income		
Fairer Scotland Fund	7,628	8,000
	-----	-----
	7,628	8,000
Investment Income		
Bank Interest Receivable	-	4
Incoming resources form charitable activities		
Newsletter	-	-
	-----	-----
	7,628	8,004
	-----	-----

5 Employees Remuneration

	2013 £	2012 £
Salaries & Wages	10,912	2,774
Employers National Insurance	472	-
Pension Contributions	539	540
	-----	-----
	11,923	3,314
	-----	-----

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. (2012: 1)

6 Payments to Directors

Directors received no remuneration for their services or out of pocket expenses. (2012: £Nil).

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2013

7 Resources Expended

Expenses	Cost of Charitable Activities £	Governance Costs £	2013 Total £	2012 Total £
Salaries, NI & Pension	11,923	-	11,923	3,314
Line Management	600	-	600	2,000
Staff Travel	368	-	368	168
Training Events	1,004	-	1,004	-
Insurance	361	-	361	424
Tax on Bank Interest	-	-	-	1
Telephone, postage & Consumables	73	-	73	313
Printing	734	-	734	-
Website	144	-	144	144
Consultancy	-	-	-	-
Legal & Professional	-	49	49	49
Audit & Accountancy	-	230	230	230
	-----	-----	-----	-----
	15,207	279	15,486	6,643
	-----	-----	-----	-----

8 Accountants Remuneration

	2013 £	2012 £
Examination services	230	230
	-----	-----

9 Creditors

	2013 £	2012 £
Due within one year:		
Other Creditors & Accruals	230	230
Deferred Income	4,259	-
	-----	-----
	4,489	230
	-----	-----

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2013

10 Analysis of Net Assets

	General Fund	Restricted Funds	2013 Total	2012 Total
	£	£	£	£
Bank & Cash Accounts	2,967	9,973	12,940	16,392
Debtors & Prepayments	-	-	-	147
Creditors & Accruals	-	(4,489)	(4,489)	(230)
	-----	-----	-----	-----
	2,967	5,484	8,451	16,309
	=====	=====	=====	=====

11 Reconciliation of Movements of Funds

Fund	At Start of Year	Income	Expenditure	Transfers	At End of Year
	£	£	£	£	£
Unrestricted funds- General fund	2,967	-	-	-	2,967
Restricted funds - Fairer Scotland	13,342	7,628	15,486	-	5,484
	-----	-----	-----	-----	-----
	13,342	7,628	15,486	-	5,484
	-----	-----	-----	-----	-----
Total Funds	16,309	7,628	15,486	-	8,451
	-----	-----	-----	-----	-----

Transfers:

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