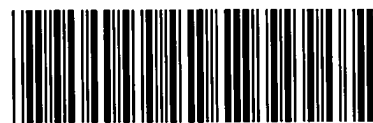


The Melting Pot
Report and Financial Statements
For the Year Ended
31 October 2016

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15/06/2017

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COMPANIES HOUSE

Company Number: SC291663

Charity Number: SC045966

The Melting Pot

Report and Financial Statements For the Year Ended 31 October 2016

Contents	Pages
Reference and Administrative information	2
Report of the Directors	3 - 4
Independent Examiner's Report	5
Statement of Financial Activities (including Income & Expenditure Account)	6
Balance Sheet	7
Notes to the Financial Statements	8 – 12

The Melting Pot

Reference and Administrative Information

Company registration: SC291663

Charity registration: SC045966

Registered and principal office address: 5 Rose Street
Edinburgh
EH2 2PR

Directors

Current board members:

M Anderson
C Carpenter
A Corkhill
R Horam
A Richards
J Cooke (appointed 29.11.16)
H Mirza (appointed 29.11.16)
J Bruce (appointed 1.3.17)

Also serving during the year:

M McRitchie (resigned 31.12.15)
T Kenrick (resigned 17.8.16)
M Viatte (resigned 9.1.17)

Bankers: The Co-operative Bank PLC
PO Box 101
1 Balloon Street
M60 4EP

Independent Examiner: Stanley Wynd ACIS FCIE
Bonnington Mill
72 Newhaven Road
Edinburgh
EH6 5QG

The Melting Pot

Report of the Directors For the Year Ended 31 October 2016

The members of the Board of Directors are pleased to present their report and the financial statements for the year ended 31 October 2016.

Structure, Governance and Management

The Melting Pot ("the company") is constituted as a company limited by guarantee and it became a registered Scottish charity on 8 September 2015. It is governed by the terms of its Articles of Association

Members of the company are admitted at the discretion of the directors and become non-executive directors on their admission to membership. The executive director is appointed by the board.

The names of directors during the year are shown on page 2 together with other reference and administrative information.

Objectives and Review of Activities

The company's objects as stated in the Articles of Association are:

1. to advance education;
2. to advance citizenship and community development; and
3. to relieve unemployment

through a range of projects, initiatives and activities which stimulate and support social innovation.

The Melting Pot is Scotland's Centre for Social Innovation and home to coworking in Edinburgh. We have continued to develop our core services of quality coworking, venue hire and virtual office provision in central Edinburgh throughout the period, increasing the numbers of beneficiaries we work with and widening the location from which we engage.

We have expanded our educational activities and they are now under a new umbrella called the Social Innovation Programme - which includes a number of different educational programmes, serving different client groups.

The Social Innovation Programme consists of:

- the Good Ideas Academy – a specialist social innovation incubation programme for 25 founders in start-up stage of creating a new socially innovative organisation. They get circa 9 months of business incubation support and resources for free. The programme is resourced through grant funding and pro-bono contributions from our partners in delivery.
- Social Entrepreneurs Chat Show – a special learning event, attended by circa 60 people which is then video-ed and disseminated free through the web.
- TMPEvents – a series of monthly specialist events for learning, networking and building relationships, attended by hundreds of people over the year.

We delivered consultative facilitation services, working with partners in Northern Ireland to facilitate the design and creation of a new cross-sector network called Social Innovation Northern Ireland, which is strengthening the local social economy and building new partnerships there.

We undertook a national consultation on the conditions that would make Social Innovation flourish in Scotland, engaging upwards of 100 people from throughout Scotland and feeding the results into the Third Sector team of Scottish Government and out into wider circulation through the press.

The Melting Pot has continued to be a member of Social Enterprise Scotland, ACOSVO and SENSCOT. Our website - <http://www.themeltingpotedinburgh.org.uk/> gives further details of the charity.

The Melting Pot

Report of the Directors (continued)

Financial Review

Total income in the year was £333,008 and expenditure totaled £266,272 resulting in a surplus for the year of £66,736. Reserves stood at £84,456, of which £55,678 was unrestricted and £28,778 restricted funds to be applied in support of particular projects.

The directors consider that the charity should have reserves of approximately three months running costs, estimated to be around £75,000, to cover redundancies and other expenses in the event of winding up. The amount of general funds of £43,312 at the year end fall short of this amount and the directors are looking at ways of increasing these.

By order of the Board


.....
H Mirza

Date: 26/5/17
.....

**Independent Examiner's Report
To the Directors (the Trustees) of The Melting Pot**

I report on the accounts of the charity for the year ended 31 October 2016 which are set out on pages 6 to 12.

Respective responsibilities of Trustees and examiner

The charity's Trustees are responsible for the preparation of the accounts 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 examiner's 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 Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's 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.



Stanley Wynd ACIS FCIE
Bonnington Mill
72 Newhaven Road
Edinburgh
EH6 5QG

Date ...13.6.17.....

The Melting Pot

Statement of Financial Activities (including Income & Expenditure Account)

For the Year Ended 31 October 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Income from:					
<i>Donations and legacies:</i>					
Donations		12,780	1,484	14,264	22,134
Grants	1	-	89,314	89,314	49,487
<i>Charitable activities:</i>					
Project delivery		23,682	-	23,682	-
Sales		202,644	-	202,644	182,333
<i>Investment income:</i>					
Bank interest		78	-	78	155
<i>Other income</i>		3,026	-	3,026	3,942
Total		<u>242,210</u>	<u>90,798</u>	<u>333,008</u>	<u>258,051</u>
Expenditure on:					
<i>Charitable activities</i>	2	<u>206,493</u>	<u>59,779</u>	<u>266,272</u>	<u>256,409</u>
Total		<u>206,493</u>	<u>59,779</u>	<u>266,272</u>	<u>256,409</u>
Net income / (expenditure)		35,717	31,019	66,736	1,642
Transfers		<u>2,241</u>	<u>(2,241)</u>	<u>-</u>	<u>-</u>
Net movement in funds		37,958	28,778	66,736	1,642
Total funds brought forward		<u>17,720</u>	<u>-</u>	<u>17,720</u>	<u>16,078</u>
Total funds carried forward	10	<u><u>55,678</u></u>	<u><u>28,778</u></u>	<u><u>84,456</u></u>	<u><u>17,720</u></u>

The notes on pages 8 to 12 form part of these financial statements.

The Melting Pot

Balance Sheet at 31 October 2016

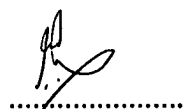
	Note	2016 £	2015 £
Fixed Assets			
Tangible assets	5	12,366	17,039
Investments	6	<u>100</u>	<u>-</u>
		<u>12,466</u>	<u>17,039</u>
Current Assets			
Debtors	7	11,093	8,566
Cash at bank and in hand		<u>86,479</u>	<u>42,937</u>
		<u>97,572</u>	<u>51,503</u>
Creditors:			
<i>Amounts due within one year</i>	8	<u>16,082</u>	<u>31,322</u>
Net Current Assets		<u>81,490</u>	<u>20,181</u>
Total assets less current liabilities		93,956	37,220
Creditors:			
<i>Amounts due after more than one year</i>	9	9,500	19,500
Total net Assets		<u>84,456</u>	<u>17,720</u>
Funds			
Restricted funds	11	28,778	-
Unrestricted funds	11	<u>55,678</u>	<u>17,720</u>
Total Funds	12	<u>84,456</u>	<u>17,720</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

For the financial year ended 31 October 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts on pages 6 to 12 were authorised by the Board of Directors and are signed on its behalf by:



H Mirza

Date

26/5/17

The notes on pages 8 to 12 form part of these financial statements.

The Melting Pot

Notes to the Accounts

Accounting policies

Basis of accounting

The financial statements have been prepared under the historic cost convention and in accordance with 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 published on 16/7/14 (the Charities SORP), the Financial Reporting Standard for Smaller Entities - effective January 2015 (the FRSSE) and the Companies Act 2006.

The charity has applied the alternative structure allowed by paragraph 4.17 of the Charities SORP and has not reported on an activity basis. Since the charity is preparing accounts in accordance with the FRSSE, a cash flow statement is not required.

Some of the comparative figures have been restated in compliance with the revised Charities SORP and the alternative reporting structure referred to above.

Following the company's registration as a charity on 8 September 2015, all funds at the start of the accounting year were deemed to be unrestricted charitable funds.

Incoming resources

Grants and donations are recognised in full in the Statement of Financial Activities in the period in which they are receivable, provided any conditions for use of the grant or donation have been fulfilled. Where a grant or donation is received for a specific purpose, it is included within restricted income and any unexpended portion carried forward as a restricted fund.

Expenditure

All expenditure is accounted for on an accruals basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated by the straight line method to write off the cost of fixed assets over their estimated useful lives at the following rate:

Office equipment:	25% per annum
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Debtors

Debtors are recognised at the settlement amount due.

Creditors and provisions

Creditors and provisions are recognised, at settlement amount, where the charity has a present obligation resulting from a past event, which is likely to result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably.

Fund Accounting

Unrestricted funds arise from donations without a specified purpose and other income generated and are available to be used for any of the objects of the charity at the discretion of the trustees.

Restricted funds are to be used for specific purposes as laid down by the donor or funder. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme

The Melting Pot

Notes to the Accounts

1. Income	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
Grants:	£	£	£	£
City of Edinburgh Council	-	6,800	6,800	6,353
Creative Scotland	-	19,588	19,588	9,996
Scottish Government	-	25,000	25,000	33,138
William Grant Foundation	-	500	500	-
MacRoberts Trust	-	400	400	-
Royal Bank of Scotland	-	2,500	2,500	-
Charities Trust	-	250	250	-
Awards For All	-	4,385	4,385	-
People's Postcode Trust	-	19,938	19,938	-
Big Lottery Fund	-	9,953	9,953	-
Total	-	89,314	89,314	49,487

2. Expenditure	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
Charitable activities:	£	£	£	£
Staff costs (note 3)	49,988	35,150	85,138	107,027
Events	21,021	-	21,021	22,381
Training	488	-	488	226
Travel and subsistence	1,477	202	1,679	1,245
Rent and rates	60,946	6,058	67,004	66,711
Service charges	21,930	-	21,930	21,245
Repairs and maintenance	-	-	-	980
Cleaning	360	-	360	569
Telecoms	5,423	-	5,423	5,476
Postage	83	-	83	57
Office supplies	1,244	5	1,249	1,241
Admin support and payroll	13,307	-	13,307	13,296
Subscriptions	165	-	165	88
Bank charges	716	-	716	454
Insurance	863	-	863	836
IT support and software	5,714	-	5,714	3,504
Conferences	-	-	-	285
Accountancy fees	850	-	850	700
Advertising and PR	3,463	1,721	5,184	916
Other legal and professional	11,209	16,143	27,352	2,500
Grant made	-	500	500	-
Sundry expenses	3	-	3	72
Depreciation	7,243	-	7,243	6,600
	206,493	59,779	266,272	256,409

The Melting Pot

Notes to the Accounts (continued)

3. Staff costs	2016	2015
	£	£
Wages & salaries	79,224	100,733
Social security costs	4,156	6,294
Pensions	264	-
Recruitment	1,494	-
	<u>85,138</u>	<u>107,027</u>

The average number of employees in the period was 4 (2015:6). There were no employees with emoluments above £60,000. Volunteers assisted with daily operations, supporting users to make the most of the Information Technology and Communications and other resources.

4. Independent examiner	2016	2015
	£	£
Remuneration of independent examiner	300	n/a
Cost of other financial services provided	1,195	n/a

5. Tangible Fixed Assets	Equipment & furniture
Cost:	£
At 1 November 2015	60,625
Additions	<u>2,570</u>
At 31 October 2016	<u>63,195</u>
Depreciation:	
At 1 November 2015	43,586
Charge for period	<u>7,243</u>
At 31 October 2016	<u>50,829</u>
Net Book Value:	
At 31 October 2016	<u><u>12,366</u></u>
At 31 October 2015	<u><u>17,039</u></u>

6. Fixed asset investments	2016	2015
<i>Shares in subsidiary undertakings at cost:</i>	£	£
The Melting Pot Trading Ltd	100	-

7. Debtors	2016	2015
	£	£
Trade debtors	11,093	8,525
Other debtors	-	41
	<u>11,093</u>	<u>8,566</u>

The Melting Pot

Notes to the Accounts (continued)

8. Creditors	2016	2015
<i>Amounts falling due within one year:</i>	£	£
Trade creditors	5,644	5,870
Other taxes and social security costs	7,731	6,779
Pension costs	113	-
Amounts owed to group and associated undertakings	100	-
Other creditors	2,494	18,673
	<u>16,082</u>	<u>31,322</u>

9. Creditors	2016	2015
<i>Amounts falling due after one year:</i>	£	£
Other creditors	<u>9,500</u>	<u>19,500</u>

10. Related party transactions

A salary of £42,000 was paid to Claire Carpenter, the executive director (2015: £39,637). This is provided for in the Articles of Association. Travel expenses totalling £1,724 were also paid to one director (2015 £413). At the year end the charity owed £100 (2015: nil) to its subsidiary company, The Melting Pot Trading Ltd, for the purchase of its shares.

11. Movement on Funds

	Note	At 1/11/15 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31/10/16 £
<i>Restricted funds:</i>						
Social Innovation Programme	(a)	-	80,845	(49,826)	(2,241)	28,778
Coworking Accelerator Network	(b)	-	9,953	(9,953)	-	-
Total restricted funds		<u>-</u>	<u>90,798</u>	<u>(59,779)</u>	<u>(2,241)</u>	<u>28,778</u>
<i>Unrestricted funds:</i>						
General fund		681	241,881	(199,250)	-	43,312
Fixed asset fund	(c)	17,039	329	(7,243)	2,241	12,366
Total unrestricted funds		<u>17,720</u>	<u>242,210</u>	<u>(206,493)</u>	<u>2,241</u>	<u>55,678</u>
Total funds		<u>17,720</u>	<u>333,008</u>	<u>(266,272)</u>	<u>-</u>	<u>84,456</u>

Notes on Funds

- The Social Innovation Programme, funded by the Scottish Government, Creative Scotland, People's Postcode Trust and others - to stimulate social innovation by enabling social innovators. The transfer represents the cost of assets purchased in the year, moved to the fixed assets fund.
- Coworking Accelerator Network (CAN) - project funded by the Big Lottery to promote global networking and the development of quality coworking.
- The Fixed Assets fund corresponds to the net book value of tangible fixed assets. Depreciation is charged to the fund and the cost of fixed assets purchased is transferred into the fund.

The Melting Pot

Notes to the Accounts (continued)

12. Analysis of Net Assets Between Funds

	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£
Fixed assets	-	12,466	12,466
Current assets	28,778	68,794	97,572
Current liabilities	-	(16,082)	(16,082)
Long term liabilities		<u>(9,500)</u>	<u>(9,500)</u>
Net assets at 31 October 2016	<u>28,778</u>	<u>55,678</u>	<u>84,456</u>

13. Statement of Financial Activities - Comparative figures by class for the year ended 31 October 2015

Paragraph 4.2 of the Statement of Recommended Practice for Charities requires an analysis by class of the comparative figures in the SOFA for the previous year. As the company was not a charity in that year, all of its funds were unrestricted funds.