

The Melting Pot
Report and Financial Statements
For the Year Ended
31 October 2017

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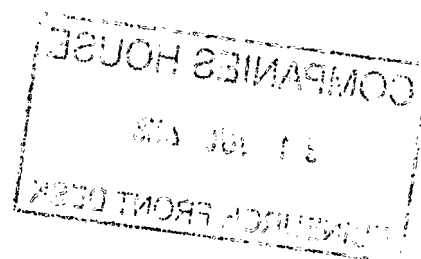
Company Number: SC291663

Charity Number: SC045966

The Melting Pot

Report and Financial Statements For the Year Ended 31 October 2017

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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
J Bruce (appointed 1.3.17)
C Carpenter
A Corkhill
C Henderson (appointed 8.5.18)
R Horam
H Mirza (appointed 29.11.16)
L Morison (appointed 8.5.18)
A Richards
R Wilson (appointed 8.5.18)

Also serving during the year:

J Cooke (appointed 29.11.16, resigned 8.12.17)
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
122 Giles Street
Edinburgh
EH6 6BZ

The Melting Pot

Report of the Directors For the Year Ended 31 October 2017

The members of the Board of Directors are pleased to present their report and the financial statements for the year ended 31 October 2017.

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.

With our Coworking Accelerator Network, we are promoting, developing and providing practical resources for leaders of Quality Coworking spaces. This was our grant-funded pilot year. We provide a network for coworking spaces to promote their space and learn from experienced operators around the world.

We also help with feasibility study, market research, business plan design and essential capacity-building work and offer learning events and resources. During 2016/17 we provided consultancy services to 10 organisations around Scotland who are planning to open coworking spaces. We assisted with the initial planning stages; including feasibility studies, business plans and start-up financial planning. We also had an international presence at coworking events in Brussels, Greece, Australia & New Zealand as well as our own launch event in Edinburgh, which was attended by coworking leaders & pioneers from around the world.

We have continued with our educational activities under the umbrella 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.
- TMPEvents – a series of monthly specialist events for learning, networking and building relationships, attended by hundreds of people over the year.

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

The Melting Pot

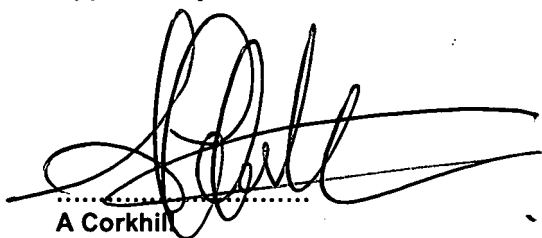
Report of the Directors (continued)

Financial Review

Total income in the year was £408,082 and expenditure totaled £388,563 resulting in a surplus for the year of £19,519. Reserves stood at £103,975, of which £100,277 was unrestricted and £3,698 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 £89,657 achieved this level.

Approved by the Board on 30th July 2018 and signed on its behalf by:



A Corkhill

**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 2017 which are set out on pages 6 to 13.

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.

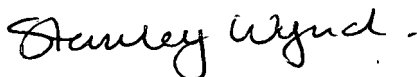
Independent examiner's statement

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
122 Giles Street
Edinburgh
EH6 6BZ

Date30/7/18.....

The Melting Pot

Statement of Financial Activities (including Income & Expenditure Account)

For the Year Ended 31 October 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income from:					
<i>Donations and legacies:</i>					
Donations		582	9,974	10,556	14,264
<i>Charitable activities:</i>					
Grants	1	-	148,467	148,467	89,314
Sales		152,644	-	152,644	157,717
Project delivery		-	-	-	23,682
<i>Other trading activities:</i>					
Other coworking and event income		94,623		94,623	44,927
<i>Investment income:</i>					
Bank interest		64	-	64	78
Other income		1,728	-	1,728	3,026
Total		<u>249,641</u>	<u>158,441</u>	<u>408,082</u>	<u>333,008</u>
Expenditure on:	2				
<i>Raising funds</i>		69,711	-	69,711	43,525
<i>Charitable activities</i>		<u>131,193</u>	<u>187,659</u>	<u>318,852</u>	<u>222,747</u>
Total		<u>200,904</u>	<u>187,659</u>	<u>388,563</u>	<u>266,272</u>
Net income / (expenditure)		48,737	(29,218)	19,519	66,736
Transfers		<u>(4,138)</u>	<u>4,138</u>	<u>-</u>	<u>-</u>
Net movement in funds		44,599	(25,080)	19,519	66,736
Total funds brought forward		<u>55,678</u>	<u>28,778</u>	<u>84,456</u>	<u>17,720</u>
Total funds carried forward	11	<u><u>100,277</u></u>	<u><u>3,698</u></u>	<u><u>103,975</u></u>	<u><u>84,456</u></u>

The notes on pages 8 to 13 form part of these financial statements.

The Melting Pot

Balance Sheet at 31 October 2017

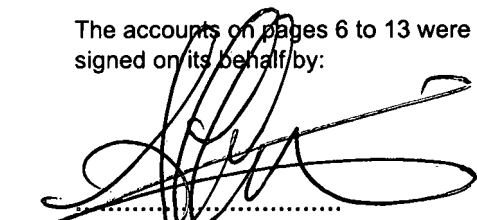
	Note	2017 £	2016 £
Fixed Assets			
Tangible assets	5	10,620	12,366
Investments	6	<u>100</u>	<u>100</u>
		10,720	12,466
Current Assets			
Debtors	7	9,326	11,093
Cash at bank and in hand		<u>253,884</u>	<u>86,479</u>
		263,210	97,572
Creditors:			
<i>Amounts due within one year</i>	8	<u>169,955</u>	<u>16,082</u>
Net Current Assets		<u>93,255</u>	<u>81,490</u>
Total assets less current liabilities		103,975	93,956
Creditors:			
<i>Amounts due after more than one year</i>	9	-	9,500
Total net Assets		<u>103,975</u>	<u>84,456</u>
Funds			
Restricted funds	11	3,698	28,778
Unrestricted funds	11	<u>100,277</u>	<u>55,678</u>
Total Funds	12	<u>103,975</u>	<u>84,456</u>

For the year ending 31 October 2017 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts on pages 6 to 13 were approved by the Board of Directors on 30th Jan 2018 and are signed on its behalf by:


A Corkhill

The notes on pages 8 to 13 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 applicable in the UK and Republic of Ireland (FRS 102)' - (referred to as 'the Charities SORP'), the 'Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The charity constitutes a public benefit entity as defined by FRS 102.

The charity has applied the alternative structure for smaller charities allowed by paragraph 4.22 of the Charities SORP and has not reported on an activity basis. Similarly, as a smaller charity, a cash flow statement has not been prepared.

This is the first year in which the financial statements have been prepared under FRS 102 and the Charities SORP (FRS 102) and the directors have considered whether any restatement of comparative figures is required under those standards. In the event no restatement has been required.

Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the charitable company's ability to continue as a going concern and have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Accounting estimates

The directors do not consider there are any areas of the financial statements where significant judgements are being carried out.

Income

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. Income from charitable activities includes income received where entitlement to grant funding is subject to specific performance conditions and is recognised as and when it is earned. Income from non-charitable trading activities and fundraising is included under other trading activities.

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, as follows:

Equipment, fixtures and furniture 20% per annum

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.

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Notes to the Accounts (continued)

Accounting policies (continued)

1. Income	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Grants:				
Scottish Government	-	148,647	148,647	25,000
City of Edinburgh Council	-	-	-	6,800
Creative Scotland	-	-	-	19,588
Royal Bank of Scotland	-	-	-	2,500
Awards For All	-	-	-	4,385
People's Postcode Trust	-	-	-	19,938
Big Lottery Fund	-	-	-	9,953
Other grants	-	-	-	1,150
Total	-	148,647	148,647	89,314

2. Expenditure	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Raising funds:				
Staff costs (note 3)	17,876	-	17,876	11,082
Rent and other running costs	48,389	-	48,389	30,838
Depreciation	3,446	-	3,446	1,605
	69,711	-	69,711	43,525

The above amounts represent the costs of generating the income included in 'Other trading activities'.

Charitable activities:

Staff costs (note 3)	37,151	89,589	126,740	74,056
Events	13,689	5,609	19,298	16,361
Training	936	1,443	2,379	380
Travel and subsistence	365	6,452	6,817	1,658
Rent, rates and service charges	44,056	23,184	67,240	70,586
Repairs and maintenance	3,630	-	3,630	-
Cleaning	222	-	222	280
Telecoms	2,722	1,454	4,176	4,221
Office supplies	2,591	1,362	3,953	1,057
Admin support and payroll	6,515	-	6,515	10,357
Subscriptions	120	-	120	129
Bank charges	651	36	687	557
Insurance	697	216	913	672
IT support and software	3,990	6,522	10,512	4,447
Conferences	-	2,454	2,454	-
Accountancy fees	1,496	-	1,496	825
Advertising and PR	3,896	7	3,903	4,433
Other legal and professional	2,405	49,094	51,499	26,589
Grant made	-	-	-	500
Sundry expenses	502	237	739	2
Depreciation	5,559	-	5,559	5,637
	131,193	187,659	318,852	222,747

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Notes to the Accounts (continued)

3. Staff costs	Raising funds	Charitable activities	2017	2016
	£	£	£	£
Wages & salaries	16,273	117,062	133,335	79,224
Social security costs	1,189	8,126	9,315	4,156
Pensions	169	1,158	1,327	264
Recruitment	245	394	639	1,494
	<u>17,876</u>	<u>126,740</u>	<u>144,616</u>	<u>85,138</u>

The average number of employees in the period was 6 (2016:4). 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. The total amount paid to key management personnel was £44,506 (2016: £42,140).

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.

4. Independent examiner	2017	2016
	£	£
Remuneration of independent examiner	500	300
Cost of other financial services provided	1,913	1,195

5. Tangible Fixed Assets	Equipment, fixtures & furniture
Cost:	£
At 1 November 2016	63,195
Additions	7,259
Disposals	<u>(33,909)</u>
At 31 October 2017	<u>36,545</u>
Depreciation:	
At 1 November 2016	50,829
Charge for period	9,005
On disposals	<u>(33,909)</u>
At 31 October 2017	<u>25,925</u>
Net Book Value:	
At 31 October 2017	<u>10,620</u>
At 31 October 2016	<u>12,366</u>

In the year a review of equipment, fixtures and furniture was carried out. A significant amount was found to be obsolete or to have little use or value and has been written off.

6. Fixed asset investments		2017	2016
Shares in subsidiary undertakings at cost:	Holding	£	£
The Melting Pot Trading Ltd	100%	100	100

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Notes to the Accounts (continued)

7. Debtors	2017	2016
	£	£
Trade debtors	9,103	11,093
Prepayments and accrued income	223	-
	<u>9,326</u>	<u>11,093</u>
8. Creditors	2017	2016
	£	£
<i>Amounts falling due within one year:</i>		
Trade creditors	10,510	5,644
Amounts owed to group and associated undertakings	100	100
Received on account for performance related grants	143,097	-
Accruals and deferred income	3,450	2,494
Other taxes and social security costs	10,863	7,731
Other creditors	1,935	113
	<u>169,955</u>	<u>16,082</u>
9. Creditors	2017	2016
	£	£
<i>Amounts falling due after one year:</i>		
Other creditors	-	9,500

10. Related party transactions

A salary of £44,065 and pension contributions totalling £441 were paid to Claire Carpenter, the executive director (2016: £42,000 / £140). Consultancy fees totalling £1,222 were paid to Jane Bruce, also a director in the year. These payments are provided for in the Articles of Association. Travel and telephone expenses totalling £1,006 were also paid to one director (2016: £1,724 - one director). At the year end the charity owed £100 (2016: £100) to its subsidiary company, The Melting Pot Trading Ltd, for the purchase of its shares.

11. Movement on Funds

	Note	At 1/11/16 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31/10/17 £
Restricted funds:						
Good Ideas Academy	(a)	28,778	24,974	(49,192)	(4,560)	-
National Learning Event	(b)	-	4,467	(4,467)	-	-
Good Ideas Academy Catalyst	(c)	-	10,000	(6,535)	(1,215)	2,250
Coworking Accelerator Network	(d)	-	90,000	(102,618)	12,618	-
Coworking Canvas	(e)	-	4,000	(1,445)	(1,790)	765
Internationalisation	(f)	-	10,000	(9,045)	(272)	683
Network Event Launch	(g)	-	15,000	(14,357)	(643)	-
Total restricted funds		<u>28,778</u>	<u>158,441</u>	<u>(187,659)</u>	<u>4,138</u>	<u>3,698</u>
Unrestricted funds:						
Fixed asset fund	(h)	12,366	-	(9,005)	7,259	10,620
General fund		43,312	249,641	(191,899)	(11,397)	89,657
Total unrestricted funds		<u>55,678</u>	<u>249,641</u>	<u>(200,904)</u>	<u>(4,138)</u>	<u>100,277</u>
Total funds		<u>84,456</u>	<u>408,082</u>	<u>(388,563)</u>	<u>-</u>	<u>103,975</u>

The Melting Pot

Notes to the Accounts (continued)

Notes on Funds (continued)

- (a) The Good Ideas Academy (formally the Social Innovation Programme) is an annual series of events, workshops and training, 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 (£713) and a contribution to the cost of overheads (£3,847).
- (b) Funds provided by the Scottish Government for the Good Ideas Academy National Learning Event, to enable people in Scotland to explore models, motivations and aspirations for social innovation.
- (c) Funds provided by the Scottish Government for a series of catalyst events and workshops, as part of the Good Ideas Academy programme, for participants to gain inspiration from others and generate new ideas. The transfer represents a contribution to the cost of overheads.
- (d) The Coworking Accelerator Network is a project funded by the Scottish Government to promote global networking and the development of quality coworking. The transfer represents the cost of assets purchased in the year, moved to the fixed assets fund (£775) and the addition of unrestricted funds to complete the work in the year (£13,393).
- (e) Funded by the Scottish Government, the Coworking Canvas project is the creation of a standard methodology for designing, defining and developing quality coworking businesses. The transfer represents the cost of assets purchased in the year, moved to the fixed assets fund.
- (f) Funds provided by the Scottish Government to support dissemination of the Coworking Accelerator Network overseas. The transfer represents a contribution to the cost of overheads.
- (g) Funds provided by the Scottish Government for the official UK launch of the Coworking Accelerator Network held in June 2017. The transfer represents a contribution to the cost of overheads.
- (h) 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.

12. Analysis of Net Assets Between Funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Fixed assets	-	10,720	10,720
Current assets	3,698	259,512	263,210
Creditors	-	(169,955)	(169,955)
Net assets at 31 October 2017	3,698	100,277	103,975

The Melting Pot

Notes to the Accounts (continued)

13. Statement of Financial Activities - Comparative figures by class for the year ended 31 October 2016

The following provides an analysis by class of the comparative figures in the SOFA as required by paragraph 4.2 of the Statement of Recommended Practice for Charities.

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
Income from:			
<i>Donations and legacies:</i>			
Donations	12,780	1,484	14,264
<i>Charitable activities:</i>			
Grants	-	89,314	89,314
Sales	157,717	-	157,717
Project delivery	23,682	-	23,682
<i>Other trading activities:</i>			
Other coworking and event income	44,927	-	44,927
<i>Investment income:</i>			
Bank interest	78	-	78
<i>Other income</i>	<u>3,026</u>	<u>-</u>	<u>3,026</u>
Total	<u>242,210</u>	<u>90,798</u>	<u>333,008</u>
Expenditure on:			
<i>Raising funds</i>	43,525	-	43,525
<i>Charitable activities</i>	<u>162,968</u>	<u>59,779</u>	<u>222,747</u>
Total	<u>206,493</u>	<u>59,779</u>	<u>266,272</u>
Net income / (expenditure)	35,717	31,019	66,736
Transfers	<u>2,241</u>	<u>(2,241)</u>	<u>-</u>
Net movement in funds	37,958	28,778	66,736
Total funds brought forward	<u>17,720</u>	<u>-</u>	<u>17,720</u>
Total funds carried forward	<u><u>55,678</u></u>	<u><u>28,778</u></u>	<u><u>84,456</u></u>

14. Prior year adjustment

In the course of preparing these accounts it came to light that the previous year income from non-charitable trading activities (£44,927) and the associated expenditure (£43,525) was included in income and expenditure relating to charitable activities. The comparative amounts for the prior year have been reallocated and are now presented correctly under the headings 'Other trading activities' and 'Raising funds'.