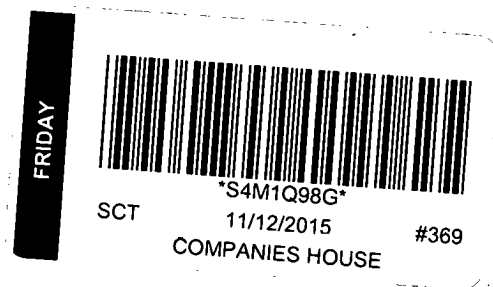


MIDLOTHIAN FINANCIAL INCLUSION NETWORK

ANNUAL REPORT AND FINANCIAL STATEMENTS

Scottish Charity Number: SC035964

YEAR ENDED 31 MARCH 2015



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 2015**

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 2015.

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

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.

The Charity currently employs 3 members of staff. The Development Officer Shirley Lamb is line managed by the Treasurer. 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 five newsletters were written and distributed with social media updates continuing and an expanded MFIN website. Well attended MFIN meetings have provided an opportunity for organisations to exchange information, identify potential pieces of partnership work and new resources available. Invited speakers have also highlighted resources available such as Castle Credit Union. Previous training and meetings during the year had indicated that organisations were increasingly concerned about the impact of changes to benefits on their clients. In response to

this MFIN organised training led by CPAG on Universal Credit and Sanctions. Over 40 delegates attended this training in November 2014 and March 2015. MFIN also undertook research on sanctions during 2014. Questionnaires were distributed over the summer and follow up interviews with organisations were held. The report was launched at the AGM on 5 November and a presentation was given to the IOM meeting on 22 January 2015. The evidence was also submitted to the House of Commons Work and Pensions Committee inquiry on Benefit sanctions policy beyond the Oakley review in December 2014. The MARCH project, funded by the Big Lottery, continued to develop during the year with Hardship and Crisis Guides published and updated and a new website established. MFIN has greatly improved links with health during the year. Tracey McLeod from the NHS Lothian Health Promotion Service regularly attends MFIN meetings and joint work has been undertaken with MFIN including visits to doctors' surgeries and health professionals by the MARCH coordinator. The Digital Support Hub's Project Officer has been engaged in a wide range of promotional work in support of the project at Gorebridge library from January to March 2015. The Project had a core aim of supporting vulnerable Midlothian residents with computing tasks, as well as offering useful materials about hardship support, welfare benefits, job searching and getting advice. MFIN also updated their Action Plan during the year. The revised Plan now includes links with health, Midlothian Foodbank and input from Income Maximisation and Welfare Rights Officers.

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 2014, the company has managed to expand its level of operations and had a gross income of £77,259. Expenditure for the year was £69,081 (2014: £28,664 and £27,620 respectively). Net Assets of the charity at the end of the year amounted to £17,673 (2014: £9,495). The surplus income in the year will be used in the incoming year.

Plans for Future Periods:

It is hoped to continue development of the MARCH Project with a view to extending the project post April 2015. Furthermore it is also hoped to extend the Digital Support Hub into other libraries throughout Midlothian. During 2015 MFIN will also have to update their Financial Inclusion Strategy with an event planned for organisations to participate in this process.

The devolved powers of the Scottish Parliament, following the setting up of The Smith Commission in September 2014 and the subsequent Scottish Welfare Bill will all 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 - 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 29 September 2015 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 2015**

I report on the financial statements of Midlothian Financial Inclusion Network for the year ended 31 March 2015 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.

AGAS

Alison Glass FCCA
AG Accounting

167 Curriehill Castle Drive
Balerno, EH14 5TD

Date: 27/11/15

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
BALANCE SHEET
AS AT 31 MARCH 2015

Company No: 282964

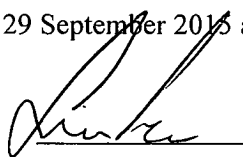
	Note	31 March 2015 £	31 March 2014 £
Current Assets:			
Debtors and Prepayments	9	8,342	-
Bank and Cash Balances		13,909	10,778
		-----	-----
		22,251	10,778
		-----	-----
Current Liabilities:			
Creditors due within 1 year:			
Creditors & Accruals	10	4,578	1,283
		-----	-----
		4,578	1,283
		-----	-----
Net Current Assets		17,673	9,495
		-----	-----
		17,673	9,495
		=====	=====
Represented by:			
Unrestricted funds:			
General Fund	12	2,967	2,967
Restricted Funds	12	14,706	6,528
		-----	-----
		17,673	9,495
		=====	=====

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2015. 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:

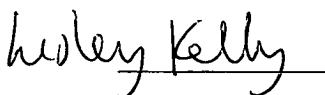
1. ensuring that the company keeps accounting records which comply with S386 of the CA 2006; and
2. preparing accounts which give a true and fair view of the state of the company's affairs at the end of the financial year and of its profit or loss for the year in accordance with the requirements of S396, 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: 29 September 2015 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 2015

		Year ended 31 March 2015			Year ended 31 March 2014 Total
	Note	Unrestricted Funds £	Restricted Funds £	Total £	£
Incoming Resources					
Incoming resources from generated funds					
Voluntary Income		-	77,259	77,259	28,664
Investment income		-	-	-	-
Incoming resources from charitable activities		-	-	-	-
		-----	-----	-----	-----
Total Incoming Resources	4	-	77,259	77,259	28,664
		-----	-----	-----	-----
Resources Expended					
Charitable Activities		-	68,758	68,758	27,355
Governance Costs		-	323	323	265
		-----	-----	-----	-----
Total Resources Expended	7	-	69,081	69,081	27,620
		-----	-----	-----	-----
Net income before transfers		-	8,178	8,178	1,044
Transfers		-	-	-	-
		-----	-----	-----	-----
Net Movement in funds		-	8,178	8,178	1,044
Total Funds brought forward		2,967	6,528	9,495	8,451
		-----	-----	-----	-----
Total Funds carried forward	12	2,967	14,706	17,673	9,495
		-----	-----	-----	-----

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 2015

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 2015

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

	2015	2014
	£	£
Voluntary Income		
Fairer Scotland Fund	17,038	17,038
Big Lottery Fund	23,252	11,626
NHS Lothian	10,118	-
Welfare Reform & Resilience Fund	26,851	-
	-----	-----
	77,259	28,664
Investment Income		
Bank Interest Receivable	-	-
Incoming resources form charitable activities		
Newsletter	-	-
	-----	-----
	77,259	28,664
	-----	-----

5 Employees Remuneration

	2015	2014
	£	£
Salaries & Wages	49,373	18,511
Employers National Insurance	3,683	1,056
Pension Contributions	360	539
	-----	-----
	53,416	20,106
	-----	-----

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. (2014: 1.5)

6 Payments to Directors

Directors received no remuneration for their services or out of pocket expenses. (2014: £Nil).

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2015

7 Resources Expended

Expenses	Cost of Charitable Activities	Governance Costs	2015 Total	2014 Total
	£	£	£	£
Salaries, NI & Pension	53,416	-	53,416	20,106
Line Management	6,562	-	6,562	3,246
Staff Travel	3,504	-	3,504	984
Recruitment	400	-	400	400
Training & Events	1,662	-	1,662	490
Collaboration	374	-	374	
Insurance	412	-	412	361
Equipment	-	-	-	350
Telephone, postage & Consumables	131	-	131	34
Printing & Publicity	1,365	-	1,365	316
Website	115	-	115	223
AGM & Catering	594	-	594	845
Sundries	223	-	223	-
Legal & Professional	-	48	48	35
Audit & Accountancy	-	275	275	230
	-----	-----	-----	-----
	68,758	323	69,081	27,620
	-----	-----	-----	-----

8 Accountants Remuneration

	2015	2014
	£	£
Examination services	275	230
	-----	-----

9 Debtors

	2015	2014
	£	£
Other Debtors & Prepayments	-	-
Accrued Income	8,343	-
	-----	-----
	8,343	-
	-----	-----

10 Creditors

	2015	2014
	£	£
Due within one year:		
Other Creditors & Accruals	4,578	1,283
Deferred Income	-	-
	-----	-----
	4,578	1,283
	-----	-----

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2015

11 Analysis of Net Assets

	General Fund	Restricted Funds	2015 Total	2014 Total
	£	£	£	£
Bank & Cash Accounts	2,967	10,942	13,909	10,778
Debtors & Prepayments	-	8,342	8,342	-
Creditors & Accruals	-	(4,578)	(4,578)	(1,283)
	-----	-----	-----	-----
	2,967	14,706	17,673	9,495
	=====	=====	=====	=====

12 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	6,789	17,038	17,485	-	6,342
MARCH Project	(261)	23,252	24,735	-	(1,744)
NHS Scotland	-	10,118	5,667	-	4,451
WRRF	-	26,851	21,194	-	5,657
	-----	-----	-----	-----	-----
	6,528	77,259	69,081	-	14,706
	-----	-----	-----	-----	-----
Total Funds	9,495	77,259	69,081	-	17,673
	-----	-----	-----	-----	-----

Transfers:

13 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

MARCH Project: This funding is from Big Lottery Fund through partnership funding with Midlothian Council and Changeworks for our Hardship Co-ordinator post. There is further funding due which will cover the current deficit on this project.

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.