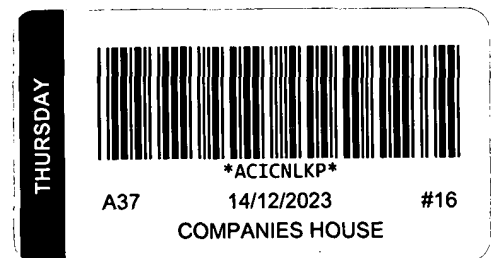


MIDLOTHIAN FINANCIAL INCLUSION NETWORK

ANNUAL REPORT AND FINANCIAL STATEMENTS

Scottish Charity Number: SC035964

YEAR ENDED 31 MARCH 2023



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 2023

The directors have pleasure in presenting their report and unaudited financial statements on the activities of Midlothian Financial Inclusion Network for the year ended 31 March 2023.

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. We deliver our service through supporting the capacity of local advice agencies, and through delivering projects in partnership with other organisations.

Achievements & Performance:

The following activities were undertaken in 2022/23:

MFIN meetings are held every 6 weeks. 8 MFIN meetings have been held in this timeframe. We have moved to holding every 2nd meeting hybrid and that has been working well with about 50% of attendees attending in person and 50% online. MFIN meetings are minuted and the minutes are circulated with the network. Information exchange is important to allow info to be shared about different services in Midlothian that may not be shared otherwise.

Through regular MFIN meetings and weekly newsletters, resources are shared between members and for members to pass onto their staff and clients/service users on welfare reform, money, benefits, food, energy, net zero, digital and health. A weekly newsletter is sent out every Thursday with updates covering topics including:

- Money
- Fuel
- Food
- Digital
- Net Zero
- Health
- Training and Events

The feedback from MFIN members about the newsletter is extremely positive.

MFIN has a Twitter account which retweets relevant information pertinent to Midlothian

Scottish Government and UK Government updates are also shared in the newsletter. This can include information around legislation, policies and consultations. The feedback from MFIN members about the newsletter is extremely positive. MFIN also has a Twitter account which retweets relevant information pertinent to Midlothian.

MFIN feeds into other groups including the Child Poverty Working Group and the Cost-of-Living Taskforce. The MFIN worker attends the CPWG on behalf of MFIN. In September, a few MFIN members from Dalkeith CAB, MAEDT, Changeworks, Social Security Scotland, Melville Housing and the MFIN worker attended a 'Cost of Living Briefing Session' for Elected Members. This was a request from the Cost-of-Living Taskforce.

MFIN commissioned a piece of research to be carried out on affordable food in Midlothian. The research is being carried out by GrowGreen Scotland. Stage 1 was completed in May and a report was produced that covered:

- Where there are affordable food projects in Midlothian such as food fridges and food pantries
- Whether there are growing projects in Midlothian that might want to support affordable food projects
- What part affordable food could play in twenty-minute neighbourhoods
- The best way for our local affordable food

Stage 2 of the research was mostly completed in this time period but the report was not delivered until April '23. It focussed on sustainability of projects and support of the development of a pantry network. Members of MFIN have been a part of the Steering Group which has supported the research. Regular updates are given at the meetings on this work.

As part of Challenge Poverty Week, MFIN held an Affordable Food Event to discuss what an affordable food network might look like in Midlothian. GrowGreen Scotland attended to present the findings from the stage 1 report and attendees were able to have a discussion about opportunities, barriers and what they would like to see in Midlothian. These discussions fed into the stage 2 research.

An MFIN document was produced to have all relevant information around funds and money available to support people struggling with fuel bills and living in fuel poverty in 1 easily accessible place. This is updated and circulated as and when there are changes made or additional information added.

Training for staff around energy advice was highlighted as a need so the MFIN worker liaised with Changeworks in August to organise training sessions for MFIN members and other staff in their organisations to take place during Challenge Poverty Week.

Climate Action was added as a permanent addition to the agenda at every MFIN meeting in January '22. This has continued. Additionally, the work around the affordable food network ensures MFIN is continuing to tackle the climate emergency as a group.

Plans for Future Periods:

We anticipate that our key work moving forward will be supporting our members to deal with the challenges presented by the cost-of-living crisis. We will continue to focus work on Woodburn and Central Dalkeith and will engage with the new Climate Action Hub for Midlothian.

Financial Review:

Results/Financial Position:

In the year to 31 March 2023, the company had a gross income of £14,112. Expenditure for the year was £15,079 (2022: £13,444 and £13,160 respectively). Net Assets of the charity at the end of the year amounted to £36,477 (2022: £37,444). The surplus income in the year will be used in the incoming year.

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.

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.

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.

During the year, the Charity employed 1 member of staff, line managed by the Treasurer.

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)

Lesley Kelly (Treasurer)

Janice Burns

Julie Podet

Andrew Collinge (From February 2023)

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:

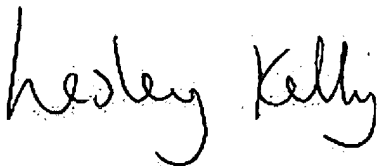
- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 2015 (FRS 102) - and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the directors on 11 December 2023 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'L. Kelly'.

L Kelly, Treasurer

14a John Street
Penicuik, EH26 8AB

**MIDLOTHIAN FINANCIAL INCLUSION NETWORK
INDEPENDENT EXAMINERS REPORT TO THE DIRECTORS
YEAR ENDED 31 MARCH 2023**

I report on the financial statements of Midlothian Financial Inclusion Network for the year ended 31 March 2023 set out on pages 7 to 13, which have been prepared under the historical cost convention, and the accounting policies set out on page 9-10.

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.

AG

*Alison Glass FCCA
AG Accounting*

*167 Curriehill Castle Drive
Balerno, EH14 5TD*

Date: 11 December 2023

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
BALANCE SHEET
AS AT 31 MARCH 2023

Company No: 282964

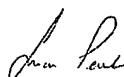
	Note	31 March 2023 £	31 March 2022 £
Current Assets:			
Debtors and Prepayments	9	-	-
Bank and Cash Balances		45,021	48,492
		-----	-----
		45,021	48,492
		-----	-----
Current Liabilities:			
Creditors due within 1 year:			
Creditors & Accruals	10	8,544	11,048
		-----	-----
		8,544	11,048
		-----	-----
Net Current Assets		36,477	37,444
		-----	-----
Net Assets		36,477	37,444
		=====	=====
Represented by:			
Unrestricted funds:			
General Fund	12	13,568	13,568
Restricted Funds	12	22,909	23,876
		-----	-----
		36,477	37,444
		=====	=====

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2023. 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:

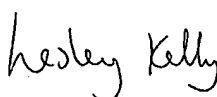
1. ensuring that the company keeps accounting records which comply with S386 of the CA 2006; and
2. preparing accounts which give a true and fair view of the state of the company's affairs at the end of the financial year and of its profit or loss for the year in accordance with the requirements of S396,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

Approved by the Board on 11 December 2023 and signed on their behalf by:



S Peart, Chair



L Kelly, Treasurer

The Notes on pages 9 to 13 form part of these accounts.

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME & EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2023

		Year ended 31 March 2023			Year Ended 31 March 2022 Total
	Note	Unrestricted Funds £	Restricted Funds £	Total £	£
Income and endowments from:					
Donations and legacies		-	14,112	14,112	13,444
Investments		-	-	-	-
Charitable activities		-	-	-	-
		-----	-----	-----	-----
Total Income	6	-	14,112	14,112	13,444
		-----	-----	-----	-----
Expenditure on:					
Raising funds		-	-	-	-
Charitable Activities		-	15,079	15,079	13,160
		-----	-----	-----	-----
Total Expenditure	7	-	15,079	15,079	13,160
		-----	-----	-----	-----
Net income/expenditure before transfers		-	(967)	(967)	284
Transfers		-	-	-	-
		-----	-----	-----	-----
Net Movement in funds		-	(967)	(967)	284
Total Funds brought forward		13,568	23,876	37,444	37,160
		-----	-----	-----	-----
Total Funds carried forward	12	13,568	22,909	36,477	37,444
		-----	-----	-----	-----

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

The Notes on pages 9 to 13 form part of these accounts.

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2023

1 Accounting Policies:

- a) Basis of Accounting - The financial statements of the charity have been prepared in accordance with the Charities SORP (FRS102) '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) (effective 1 January 2019), the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006.
The presentation currency is £ sterling.
The company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the accounting policies.
- b) Income - All income is 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:
- Donations and legacies are received by way of grants, donations and gifts and are 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.
 - Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- c) Expenditure - Expenditure is included on an accruals basis. The project is not registered for VAT thus expenditure is shown gross of irrecoverable VAT.
- Costs of raising 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 including costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity are also included as part of this cost.
 - 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.
- f) **Financial instruments** - The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.
- g) **Debtors** - Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- h) **Creditors and provisions** – Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- i) **Significant judgements and estimates** - Preparing the financial statements may require the trustees to make significant judgements and estimates. There were no items in the financial statements where these judgements and estimates were required.

2 Legal Status

The charity is a Company Limited by Guarantee, registered in Scotland, and has no share capital. The liability of each member in the event of winding up is limited to £1.

3 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.

4 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.

5 Accountants Remuneration

	2023	2022
	£	£
Examination services	350	340
	-----	-----

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2023

6 Income and endowments

	2023	2022
	£	£
Donations & legacies		
Midlothian Council	14,112	13,444
	-----	-----
	14,112	13,444
Investment Income		
Bank Interest Receivable	-	-
	-----	-----
	14,112	13,444
	-----	-----

Income from donations & legacies was £14,112 (2022: £13,444) all of which was restricted.

Income from Investments was £Nil (2022: £Nil) all of which was unrestricted.

7 Expenditure

Expenses	Cost of Charitable Activities	2023 Total	2022 Total
	£	£	£
Salaries, NI & Pension	10,081	10,081	9,077
Line Management	1,000	1,000	1,000
Aspiring Communities Development Worker	-	-	-
Food Project Costs	3,000	3,000	2,000
Insurance	601	601	558
Equipment	-	-	-
Telephone, postage & Consumables	-	-	-
Printing & Publicity	12	12	150
Website	-	-	-
Sundries	-	-	-
Legal & Professional	35	35	35
Audit & Accountancy	350	350	340
	-----	-----	-----
	15,079	15,079	13,160
	-----	-----	-----

Expenditure on charitable activities was £15,079 (2022: £13,160) all of which was restricted.

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2023

8 Payments to Directors and Employee Remuneration

	2023	2022
	£	£
Salaries & Wages	9,023	8,091
Employers National Insurance	787	398
Pension Contributions	271	588
	-----	-----
	10,081	9,077
	-----	-----

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. (2022: 1).
Pension contributions are to a money purchase pension scheme, no amounts were outstanding at the year end.

Directors received no remuneration for their services or out of pocket expenses. (2022: £Nil).

The Key Management Personnel of the charity comprises the Trustees. The total employee benefits of the key management personnel during the year were £Nil (2022: £Nil).

There were no related party transactions in 2022 or 2023 which require disclosure in the financial statements.

9 Debtors

	2023	2022
	£	£
Accrued Income	-	-
	-----	-----

10 Creditors

	2023	2022
	£	£
Due within one year:		
Other Creditors & Accruals	8,544	3,992
Deferred Income	-	7,056
	-----	-----
	8,544	11,048
	-----	-----

11 Analysis of Net Assets

	General Fund	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Bank & Cash Accounts	13,568	31,453	45,021	48,492
Debtors & Prepayments	-	-	-	-
Creditors & Accruals	-	(8,544)	(8,544)	(11,048)
	-----	-----	-----	-----
	13,568	22,909	36,477	37,444
	=====	=====	=====	=====

MIDLOTHIAN FINANCIAL INCLUSION NETWORK
NOTES TO THE ACCOUNTS (Cont.)
YEAR ENDED 31 MARCH 2023

12 Reconciliation of Movements of Funds

Fund	At Start of Year £	Income £	Expenditure £	Transfers £	At End of Year £
Unrestricted funds- General fund	13,568	-	-	-	13,568
Restricted funds - Midlothian Council	12,136	14,112	15,079	-	11,169
Food Poverty	11,740	-	-	-	11,740
	-----	-----	-----	-----	-----
	23,876	14,112	15,079	-	22,909
	-----	-----	-----	-----	-----
Total Funds	37,444	14,112	15,079	-	36,477
	-----	-----	-----	-----	-----

Prior Year

Fund	At Start of Year £	Income £	Expenditure £	Transfers £	At End of Year £
Unrestricted funds- General fund	13,358	-	-	210	13,568
Restricted funds - Midlothian Council	11,852	13,444	13,160	-	12,136
Food Poverty	11,740	-	-	-	11,740
MRRRF Funding	210	-	-	(210)	-
	-----	-----	-----	-----	-----
	23,802	13,444	13,160	(210)	23,876
	-----	-----	-----	-----	-----
Total Funds	37,160	13,444	13,160	-	37,444
	-----	-----	-----	-----	-----

Transfers:

The small balances on the projects which have now completed have been transferred to general funds where this has been agreed with the funders.

13 Restricted Funds

Restricted Small Grants comprise the following:

Midlothian Council: This money has been provided by Midlothian Council for the running costs of the Network.

Food Poverty Project: This funding was from the Community Capacity and Resilience Fund administered by SCVO to look at Food poverty. This project ended in 2020 and we are consulting with SCVO in relation to the use of the remaining funds.