

# Midlothian Financial Inclusion Network

MFIN

## Annual Accounts

1<sup>st</sup> April 2008 to 31 March 2009

Company Limited by Guarantee  
Registered in Edinburgh no: SC282964  
and is recognised as a charity  
Ref. no SC035964

14a John Street, Penicuik, EH26 8AB

### Directors

*Susan Peart*

*Jo Kirby*

*Lesley Kelly*

*Susan Bowes*

*William Peacock*

**Company Secretary:** Dr Lesley Kelly



1. The first part of the report is a summary of the work done during the year.

2. The second part is a list of the publications.

3. The third part is a list of the names of the authors.

4. The fourth part is a list of the titles of the papers.

5. The fifth part is a list of the subjects of the papers.  
6. The sixth part is a list of the names of the institutions.  
7. The seventh part is a list of the names of the countries.

8. The eighth part is a list of the names of the cities.

9. The ninth part is a list of the names of the streets.

10. The tenth part is a list of the names of the houses.

11. The eleventh part is a list of the names of the rooms.

12. The twelfth part is a list of the names of the furniture.

13. The thirteenth part is a list of the names of the objects.

14. The fourteenth part is a list of the names of the people.

15. The fifteenth part is a list of the names of the things.

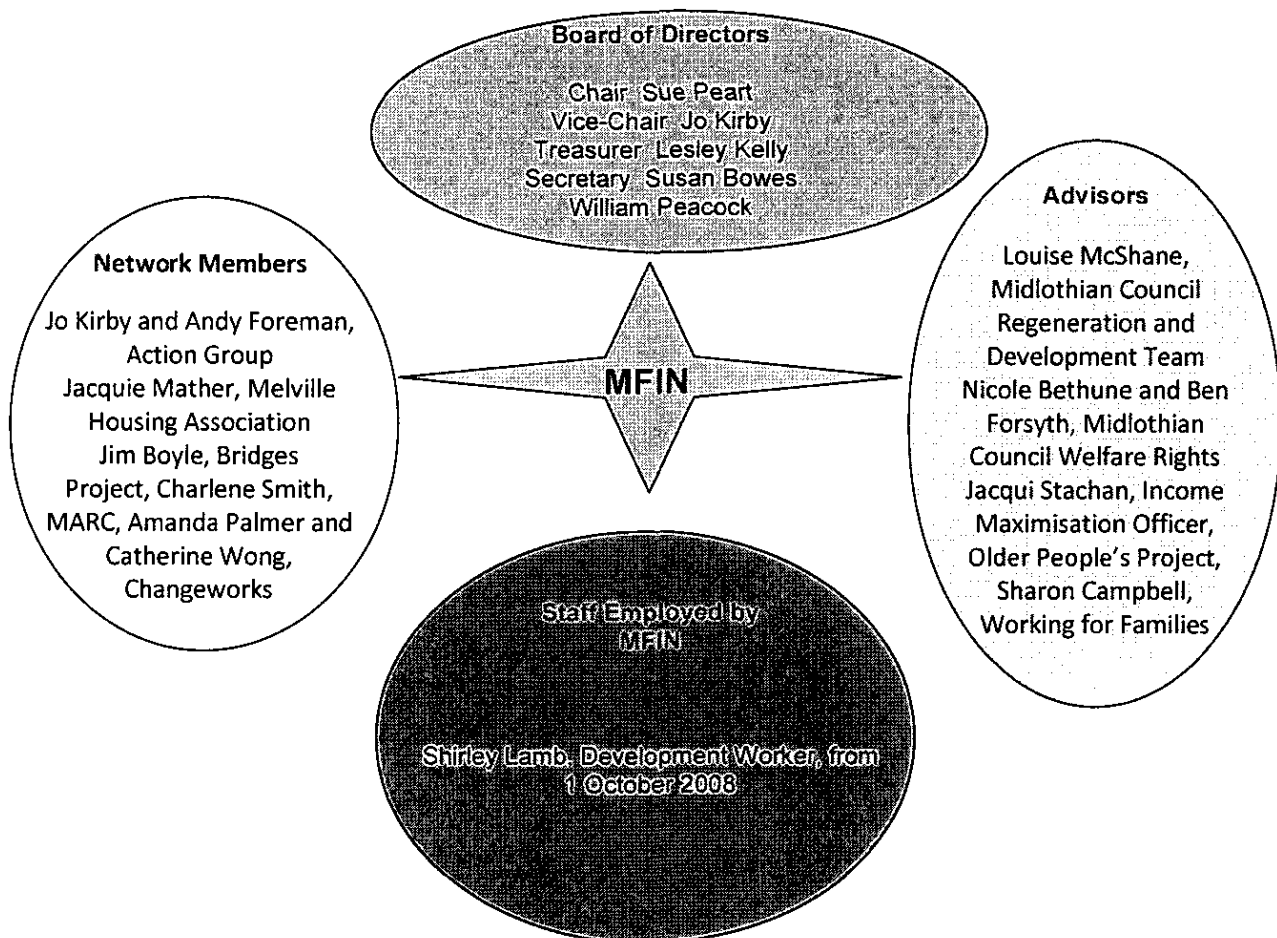
# Midlothian Financial Inclusion Network

MFIN is a charity (SC035964) and a company limited by guarantee (282964). We were first constituted in May 2004, and became a company in April 2005.

MFIN's objective, as outlined in our Memorandum of Association is:

*'To relieve poverty and to advance public education in all matters relating to the management of personal finances.'*

We aim to increase awareness of money advice; increase access to money advice services; target help on vulnerable groups and areas; and build the capacity of community-based groups to support their clients.



**Midlothian Financial Inclusion Network is a Company Limited by Guarantee No 282964 and is recognised as a Charity by the Inland Revenue - Reference Number SC035964**

## Chair's Report

Writing as Chairman for an organisation's Annual Report is both a privilege and a responsibility. The aims of the Network and its work in meeting those aims have already established a well deserved reputation for the Network. However, no one could have predicted how pertinent those aims were to become this year. The effects of the current economic down turn are being keenly felt within Midlothian and the need to increase access to money advice services has never been so great.



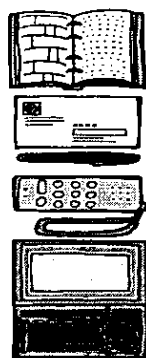
During 2008-2009 the Network was able to review its strategy and produce a three year Business Plan with the assistance of Awards for All funding. Astonishingly two projects are already up and running and with the appointment of Shirley Lamb as Development Worker the Network was also able to achieve a major piece of research work on access to credit.

The success of Midlothian's Financial Inclusion Network is a reflection of the shared vision, ongoing commitment and dedication of the members, directors and staff. This year we have been fortunate in securing the appointment of Shirley as a full time Development Worker. Without her enthusiastic hard work and the considerable contribution of Lesley Kelly, of Midlothian Voluntary Action few of the achievements outlined in this report could have been achieved.

I opened my remarks by reflecting on the responsibility and privilege of writing this report. The position of Chairman of such a vibrant, committed organisation is indeed a privilege but adequately reflecting the work of the Network in my short report is an impossible task. Fortunately, the excellent Newsletters and this Annual Report have achieved that without my assistance. This Annual Report demonstrates the considerable achievements of the past year and my thanks go to the members, staff and our colleagues in Midlothian Council who have helped to take the strategy forward to meet the challenges ahead.

*Sue Peart*

## MFIN Chair



### Contact

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## **The Network**

MFIN is a local charity which aims to increase awareness of money advice; increase access to money advice services; target help on vulnerable groups and areas; and build the capacity of community-based groups to support their clients. We work toward the targets outlined in the Midlothian Financial Inclusion Strategy.

We do not directly deliver money advice service, but concentrate on undertaking strategic and preventative work. Our meetings are attended by the CABx, Midlothian Voluntary Action, Midlothian Council (Welfare Rights and Regeneration and Development Team), Melville Housing, The Bridges Project, and The Action Group. Over the course of 2008/09 MFIN also welcomed new members and advisors to the Network – Amanda Palmer and Catherine Wong from Changeworks, Charlene Smith from Midlothian Advice and Resource Centre and Sharon Campbell from Working for Families.



MFIN was successful in 2008 in securing £9,400 from Awards for All to employ consultants to draft a Business Plan for the next three years. This strategy development process has produced four complementary projects that, between them and in partnership with existing services, provide a comprehensive response to the challenge of financial inclusion in Midlothian. The Plan identifies four projects, two of which are currently running – Preventing Financial Inclusion and the CAB Reachout project. Copies of the Business Plan can be accessed through our website [www.mfin.org.uk](http://www.mfin.org.uk)

MFIN's strategy development process has produced four complementary projects that, between them and in partnership with existing services, provide a comprehensive response to the challenge of financial inclusion in Midlothian. The four projects identified are as follows:-

- 1. Preventing Financial Exclusion**
- 2. Financial Literacy / Education / Learning / Awareness / Capability**
- 3. Midlothian CABx Reachout Project**
- 4. Affordable Accessible Banking**

Projects one and three are currently running with the Development Worker and through the CAB Outreach service respectively. During the period covered by this report the credit crunch has had a major impact on many residents with soaring unemployment and levels of debt.

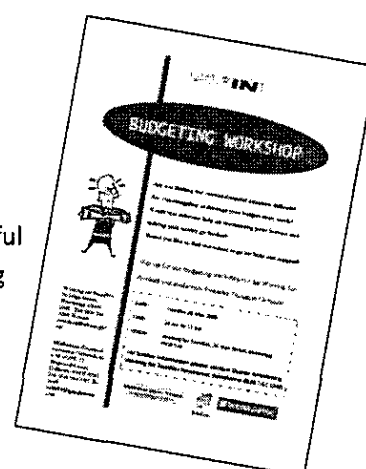
The project appointed a full time Development Worker on 1 October 2008 to undertake capacity building, research and promote partnership working. Funding for this post after 1 April 2009 has been secured on a part-time basis through the Fairer Scotland Fund.

## Preventing Financial Exclusion

The project promotes financial inclusion in Midlothian, by supporting voluntary sector organisations to identify clients at risk of financial exclusion and to support them in dealing with their clients with debt issues. The project encourages work with clients to prevent them getting into debt in the first instance and furthermore by attempting to ensure projects help individuals in debt address their indebtedness earlier in the process. This preventative work complements the money advice services offered locally by other agencies.

## Training

During the past year MFIN has worked with Family Reachout and Working for Families to deliver training to individuals on budgeting help and advice. MFIN has also distributed the Financial Services Agency's Practical Guide to Money, which contains a number of useful contacts and information. In the coming months MFIN and Working for Families will be delivering budgeting help to parents at the new Woodburn Primary School.



## Credit Union

MFIN has worked with Capital Credit Union to promote the benefits of credit unions. On 3 December 2008 we held an open day in partnership with Mayfield and Easthouses Development Trust. Local residents were encouraged to come along and find out what financial services are available from Capital Credit Union, including:



- Savings accounts
- Personal and household insurance
- Bank accounts with ATM or direct debit facilities
- Low cost affordable loans from £50 to £15,000 with a typical APR of 12.7%

Despite the in-clement weather a number of local residents met with representatives from Capital Credit Union and enjoyed the coffee and mine pies. Councillor Peter Boyes for Education and Communities said just after the event, *"Joining the Capital Credit Union and saving just a small amount each month, can make a big difference, especially at this time of year where budgets are stretched."*



MFIN and MAEDT also operate a Credit Union Information Service every Friday 9.30 to 11.30am at MAEDT offices at 12 Bogwood Court, Mayfield. As well as the open session, trained staff are also available during the week to assist local residents to complete application forms, photocopy papers required for membership and to answer any general queries.

## Secondment

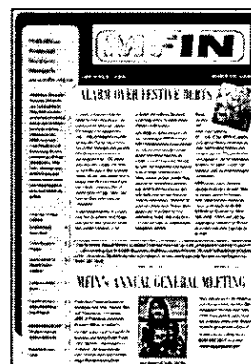
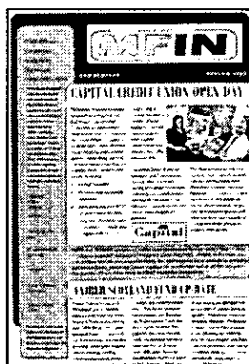
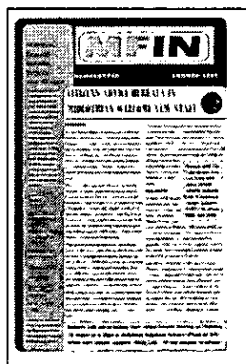
The network hopes to appoint a secondment from a major bank or insurance company in the near future. The secondee will be based in the Regeneration and Development Team at Midlothian Council and will work on access to basic bank accounts, automated cash machines and improving links with the banks and the Network.

## Glasgow Illegal Moneylending Unit

MFIN also joined forces with Glasgow Illegal Moneylending Unit to raise awareness of illegal moneylending in Midlothian. An article featured in the local paper the Dalkeith Adviser and John Pollock, Enforcement Officer with the GIMU attended MFIN's AGM to highlight the problems many people face when they simply cannot access affordable sources of credit and are frequently forced to seek out expensive alternative such as moneylenders. Often known as loan sharks they claim to be providing a community service, befriending people with debt worries and those in areas of deprivation. Offered an apparent short-term lifeline, their victims are then likely to find themselves faced with extortionate interest rates or unachievable repayment periods. MFIN has recently distributed a questionnaire from GIMU to local organisations.

## Newsletter

MFIN updated and revamped their newsletter during the year. Starting from the final quarter of 2008, MFIN's newsletter updates organisations and individuals on the projects that we are involved with, informs organisations on other projects with similar aspirations and provides news to advisors in supporting clients with financial inclusion issues. Copies are available from the website, or contact Shirley Lamb on 0131 663 5317 for a paper copy.



## Financial Inclusion Action Research

MFIN participated in an exchange review run by Glasgow Caledonian University. The Review Forum consisted of representatives from Shelter, Citizens Advice Scotland, and Local Councils etc. The day was run by the Scottish Poverty Information Unit and one of the aims was to improve dialogue between different experts/develop a base for future research and practice. MFIN also participated in the Review Conference held on 14 January 2009 in Glasgow.



## Access to Credit Research

During 2008 feedback from advice agencies throughout Midlothian and work with Family Reachout identified important issues and concerns around access to credit. Members of MFIN were also concerned that the worsening economic climate was impacting on residents' ability both to access credit and find loans at reasonable interest rates. Levels of debt, particularly an increase in the level of bankruptcies, were also causing concern in the Network.

At the Board Meeting on 17 December 2008 members of Midlothian Financial Inclusion Network agreed to undertake research on access to credit in Midlothian. One hundred questionnaires were prepared and distributed to a wide range of relevant agencies, together with notes for completing the questionnaire. Seventy five completed forms were returned and entered into an Access database. It is hoped that the results of this research will:

- Contribute to improved service delivery by providing agencies with a more informed picture of the problems clients may be facing accessing affordable credit
- Identify to what extent and where support is needed
- Highlight the key issues
- Promote advice organisations/agencies work
- Improve networking and communication
- Inform MFIN's future workplan
- Raise MFIN's profile

The final report will be launched at MFIN's Annual General Meeting in October.

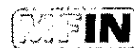
Two of the initiatives featured in last year's Annual Report are now stand alone projects and continue to perform well.

## Older Peoples Project



The Older People's Project provides a valuable service to older people in Midlothian. Set up over three years ago, the project employs Jacqui Stachan as Income Maximisation Officer (IMO) to promote benefit up-take for older people. The project is based in Midlothian Council's Welfare Rights Department. Since the project's inauguration Jacqui has contacted over 3,000 clients, assisting older people in making claims for benefits and making referrals to other services on their behalf.





The Older People's Project has also promoted joint working with partners in order to cascade information about benefits as widely as possible. The post is currently funded by the Fairer Scotland Fund.

### **Working for Families**

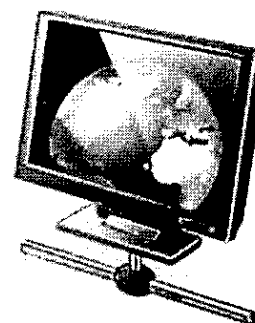
The Working for Families project, based in Dalkeith CAB, continues to grow with an ever increasing emphasis on debt and employment issues, largely due to the current recession. Over the last year there has been a substantial increase in the number of threatened evictions through rent arrears. Mortgage arrears and threat of repossession have also become a more predominant issue that has required increasing levels of attention over recent months. Between January 2008 and 31 March 2009, 183 referrals were made with £506,539 of debt negotiated and an average £18,761 owned per client. This project is also funded through the Fairer Scotland Fund.

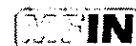
### **Website**

We are pleased to announce that MFIN has its own website at

[www.mfin.org.uk](http://www.mfin.org.uk)

The website contains information on our members, meetings, newsletters, past, current and future research. The website is updated on a regular basis.





**Midlothian Financial Inclusion Network  
SC282964**

**Annual Accounts to 31st. March, 2009**

	2008-2009	2007-2008
<b><u>Receipts</u></b>		
Midlothian Council Grant (SPR Fund)		3000
Working for families	29890	35383
Pensions Service		28000
Awards for All		9400
Quality of Life		40481
Bank Interest	366	447
Unidentified	<u>40868</u>	<u>0</u>
	71124	116711
<b><u>Payments</u></b>		
Payments for charitable purposes		
Staff costs		
Salaries		405
Pension	450	0
Recruitment and advertising	650	1186
Web site		5898
Postage, telephone and consumables	573	467
Dalkeith Income maximisation worker		22593
Working for Families	46649	32900
Penicuik CAB Pension Service		8316
MARC Working for Families	7501	21380
Consultancy	2695	3000
Travel	174	491
Insurance	394	394
Tax on Bank Interest	73	74
Premises		
Rent	3952	2973
Bank Charges		86
FSF	200	
MVA	17051	
Governance		
Companies House	15	30
Independent Examiner	250	180
GAP Training		90
AGM	36	
Sundry	43	
	<u>80706</u>	<u>100463</u>
	<u>-9582</u>	16248



**Midlothian Financial Inclusion Network  
Balance Sheet as at 31st. March, 2009**

	2009	2008
<b>Current Assets</b>		
Cash at Bank	32910	42542
Cash in Hand	<u>50</u>	<u>0</u>
	32960	42542
<b>Net Assets</b>	<b><u>32960</u></b>	<b><u>42542</u></b>
<b>Financed by</b>		
Reserves brought forward	42542	26294
Surplus for the year	<u>0</u>	<u>16248</u>
Deficit for the year	<u>9582</u>	<u>0</u>
	<b><u>32960</u></b>	<b><u>42542</u></b>

Please note: As at 31 March 2009 £29,483.81 remains outstanding to Midlothian Council re the Older People's Project. This figure will be repaid during the 09/10 financial year.

For the year ended 31 March 2009 the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in questioning accordance with section 249b(2). The directors acknowledge their responsibility for

- (i) Ensuring the company keeps accounting records which comply with section 221; and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the company.

Signed on behalf of the directors/trustees

Signed:

Mrs Susan Peart 22 January 2010

## Midlothian Financial Inclusion Network

### Report by the Independent Examining Accountant

I report on the accounts of Midlothian Financial Inclusion Network for the year ended 31<sup>st</sup>. March, 2009. I have examined the trustees' report; the association's accounting records, and Receipts and Payments Account and Statement of Balances that are attached as part of this document.

Respective responsibilities of trustees and examiner.

The charity trustees or directors 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 charity trustees consider that the audit requirement of Regulation 10(10) (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 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 do not express an audit opinion on the view given by the accounts.

Independent examiner's statement.

- (a) the accounts of the company for the financial year in question are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985; and
- (b) having regard only to, and on the basis of, the information in those accounting records, those accounts have been drawn up in a manner consistent with the provisions of the Act as specified in subsection (6) of section 249C, so far as applicable to the company;
- (c) having regard only to, and on the basis of, the information in the accounting records, the company satisfied the requirements of section 249A(4), for the financial year in question, and did not fall within section 249(B)(1)(a) to (f) at any time within that financial year.
- (d) 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
  - (2) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
  - (3) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed



Date: 8<sup>th</sup>. June, 2009.

Graham McG White, FCA. Belwood Accountancy Services, 5, High Street, Penicuik.