



# Hillingdon Credit Union

## Hillingdon Credit Union 26th AGM

9<sup>th</sup> March 2017

### DIRECTORS' MISSION STATEMENT

Hillingdon Credit Union exists to empower everyone within our Common Bond (Hillingdon, Harrow, Hounslow, Ealing, Brent, Slough and South Bucks) to take control of their finances, so that money supports them to achieve their goals and to live well and safely within a fair, equal and supportive society.

### PEOPLE HELPING PEOPLE

- Enhance people's knowledge of the values of the Credit Union
- Encourage members to save regularly
- Enable members to take 'not for profit low cost loans'
- Help members manage their money wisely
- Empower all members to make full and profitable use of their accounts



**Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.**



# Hillingdon Credit Union

## 26<sup>th</sup> AGM - AGENDA

### 1. Opening introduction

Chair – David Williams

### 2. Apologies

### 3. Minutes of last AGM

### 4. Election of Directors

### 5. Election of Supervisory Committee

### 6. Reports *(to be read prior to meeting)*

- President
- Treasurer/Audit report
- Credit Committee
- Supervisory Committee
- Directors attendance 2016
- Compliance confirmation

### 7. Motions to the AGM

- Dividend
- Honorary
- Auditor – Appleby & Wood
- Common Bond Change
- Any Other Motions

### 8. Speakers

- The Mayor – Cllr John Hensley

### 9. Presentations

- The Mayor to Peter Rhodes Annual Memorial Award Winner
- Chair to The Mayor Cllr John Hensley

### 10. Close

**Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.**



# Hillingdon Credit Union

## Hillingdon Credit Union 25th AGM Minutes 2016

### Present:

|                       |                              |
|-----------------------|------------------------------|
| Debbie Allen          | Office Manager               |
| Steve Allen           | Business Development Manager |
| Garry Burgess         | Director                     |
| Jill Rhodes           | Member                       |
| Phil Hughes           | Administrator                |
| Kathy Kendall         | Director                     |
| David Kendall         | Member                       |
| George Cooper         | Mayor                        |
| Mayoress Cooper       |                              |
| David Williams        | President                    |
| Barbara Kalopsidiotis | Member                       |
| Nick Green            | Supervisory Member           |
| Pete James            | Treasurer                    |
| Patrick Von Mahoney   | Member                       |
| Harry Panesar         | Director                     |
| Timi Olubokun         | Member                       |
| Steph Harrison        | Director                     |
| Lawrence Greenberg    | Director                     |
| Elaine Ewusie-Wilson  | Member                       |
| Tom Newbold           | Member                       |
| Catherine Thomas      | Member                       |
| Des Daly              | Member                       |
| Graham Tomlin         | Member                       |
| Tom Byrne             | Member                       |
| Alexander Akutwi      | Member                       |

### Apologies:

|                   |                    |
|-------------------|--------------------|
| Jacky Peacock MBE | Director           |
| Richard Ashaye    | Director           |
| Lee Moi Green     | Supervisory Member |
| William Asante    | Member             |

### 1 OPEN MEETING

David Williams thanked members for attending and welcomed the Mayor.

### 2 APOLOGIES

Noted above.



# Hillingdon Credit Union

## **3 MINUTES OF THE AGM 2014**

The minutes were signed and adopted as a true record.

## **4 ELECTION OF DIRECTORS**

New director Lawrence Greenberg who was co-opted onto the board during 2015 was voted on unanimously for a term of 3 years.

Director Kathy Kendall has decided to step down from the board following her non-attendance during 2015 due to illness and she was thanked by all for her contributions to HCU.

## **5 ELECTION OF THE SUPERVISORY COMMITTEE**

Supervisory members Nick Green and Lee Moi Green voted on unanimously for a further 3 years.

## **6 REPORTS - circulated and read prior to meeting**

**President-David Williams**

**Treasurer/Audited Accounts-Peter James**

**Supervisory Committee -Nick Green**

**Loans Committee-Steve Allen**

**Director's confirmation report covering the new Cred's requirements**

## **7 MOTIONS TO THE AGM**

### **a) Dividend**

'We agree a 1.5% dividend be paid on shares for the year 2014/2015. Proposed by Pete James, Seconded by David Williams. Motion carried unanimously by members present.

### **b) Auditor**

We wish to reappoint Appleby & Wood as auditors for next year'. Proposed by Pete James, Seconded by Steve Allen. Motion carried unanimously by members present.

### **c) Honorarium**

This is a payment made to the Treasurer. We propose that this remains at £1000 per year in line with 2014/15.

Proposed by Steve Allen, Seconded by Steph Harrison. Motion carried unanimously by members present.

### **d) Common Bond Change**

The bond proposes to adopt the proposed rule change to rule 7 of the credit unions rule book to add Catalyst Housing Group as a corporate member. Proposed Steve Allen, Seconded by Patrick Von Mahoney. Motion carried unanimously by members present.



# Hillingdon Credit Union

## **8 SPEAKERS**

**The Mayor-Cllr George Cooper**

## **9 PRESENTATIONS**

Dave presented a cheque to the Mayor for his charities.

The Mayor then presented Debbie Allen with the Peter Rhodes Award.

## **10 CLOSE**

David thanked everyone for attending. He showed appreciation on behalf of members to the Directors, volunteers and staff for their efforts and hard work.

Meeting ended at 13:30 pm

**DEBBIE ALLEN**  
**Credit Union Office Manager**  
**6 March 2016**

**Signed**

**Date**

**DAVID WILLIAMS**  
**President**  
**Hillingdon Credit Union**

**Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.**



# Hillingdon Credit Union

## 26th AGM

### THURSDAY 9<sup>th</sup> MARCH 2017 Middlesex Suite, Civic Centre, 1.00 – 2.00 pm

Agenda Items 4 and 5

4) Election for Membership of the Board of Directors

Motion: In accordance with rule 50 (3) the Board moves election to the Board of Directors be subject to election by a single block vote. An election shall proceed.

For information: serving directors to serve for a further 1 year are:

Garry Burgess

Timi Olubokun

For information: retiring directors to stand again are:

**None**

For information: new nominations received are:

Richard Ashaye

Pete James

David Williams

Harry Panesar

Jacky Peacock

Steph Harrison

5) Election for Membership of the Supervisory Committee

None

For information: new nominations received are:

None

Motion: In accordance with rule 50 (3) the Board moves election to the Supervisory Committee be subject to election by a single block vote. An election shall proceed.

**Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.**



# Hillingdon Credit Union

## 26th AGM

### Presidents Report

There is one phrase I am beginning to get used to hearing in the credit union office, but still smile at: for several years now I have heard our Treasurer say to everyone that it is “Our best year yet!”

He is saying it again this year. We are holding more savings and lending more money at very competitive rates to our members. We are reaching more new people than ever before and we continue to offer a dividend at a rate at the high end of the spectrum for immediately accessible savings.

Additional services we offer to borrowers include the peace of mind of free loan insurance. Many people overlook this benefit. Contact the office if you want to know more about this.

We have always been an ethical place to put your money and to borrow from. This has meant that many families who have come across hard times have been able to turn to us for help without needing to turn to high cost lenders or loan sharks. Our commitment is to continue in this way.

Because of the commitment of the unpaid board and volunteers in schools and other places we keep our costs very low. We lend to people that many other financial institutions would not touch. Not in a charitable way, but in a financially empowering way which enables the borrower to continue to save while they repay the loan and over time build their confidence to deal with a range of financial problems.

Our monthly email newsletter gives hints and tips on maximising the benefits of the money you have. Sometimes this is the latest news of a good deal on your phone or utility bill. Rest assured we pass on these hints and tips at no benefit to ourselves from the organisations we recommend. We’re merely passing on a tip to you as you would do to a family member.

As we grow we are able to offer more and more financial services to our members. Our pre-pay debit card offers many of the benefits of a current account – without the worry of going into debt. It can have money held in separate “pots” so that you can’t accidentally spend your rent or the money you put aside for bills. A great way to help you manage your money and it also gets you “cashback” from high street retailers to reduce your annual outgoings.



# Hillingdon Credit Union

Overall this has been a great year for Hillingdon Credit Union and that means that it has been a great year for our members and that's what we are here for.

**David Williams,**  
**President Hillingdon Credit Union**

**Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.**





# Hillingdon Credit Union

## 26<sup>th</sup> AGM

### Treasurers Report

This year has been another successful year for HCU. Our continuing focus on sound financial practices has yet again paid dividends with gross income up and costs showing only a small relative rise. Members' savings have significantly increased again for the fourth year in succession and are now in excess of £3m. In addition, our loan portfolio is gradually increasing with performing loans (net loans after bad debt provision) at £1.64m compared to £1.47m in 2015. With national base rates continuing to remain at a low of 0.25%, I will be recommending a dividend of 1.0% which is still a very competitive return for an instant access account.

Some points to note in the accounts:

Following legislative changes our accounts look very different from previous year's accounts, increasing from 7 pages to 19 pages. However the important aspects are on pages 6 and 7 which show a summarized revenue statement and balance sheet.

Income has increased in several areas, but down in others. The core areas have performed well with loan interest from members is up by £16k, and increases in interest from bank deposits. However about a third of this increase in bank deposits is largely artificial because of the different treatment of this income i.e. this income must now accrued in the current financial year rather than being accounted for in the year the bond matures. This change also has the direct result that we will pay significantly more corporation tax this year. Other previously strong performing income opportunities (e.g. Local Housing Allowance payments to landlords) have diminished this year, however the core of the business is performing strongly.

Expenses have stayed largely flat apart from increases in a few areas. The first area is the dividend paid last year, up to £38k from £31k the previous year. Another area of increase is in IT with one-off expenditure of £8,000 on the new web site, providing increased functionality and a better service to members. The third area is increases in the bad debt provision. Following legislative changes to bad debt provisioning, we have chosen to increase our bad debt provision by over £84k (up from £70k last year) to ensure we have funds available to write off any future bad debts once this legislation becomes clear (it should also be noted that because of the uncertainty with prospective legislation, we have chosen not to write any debts off for the second year running).

Members shares (including junior deposits) have again increased from £2.85m to over £3.3m as members increasingly recognize that the dividend of offered by HCU is extremely



# Hillingdon Credit Union

competitive when compared with any other instant access accounts on the open market. This has also resulted in our bank balances increasing to over £2m. Whilst we would prefer to lend this money out and increase our return, we believe our policy of only lending to members who we believe can afford to repay the loans is both justifiable and sustainable.

The accounts show that we have made an operating profit of over £66k this year. As in previous year we will be using approximately half of this will be reserved to pay the proposed dividend with the rest being paid into our reserves, which will keep our statutory reserves above the recommended level of more than 10% of our share capital. This makes us one of the healthiest Credit Unions in the country and provides even more stability for our members and their savings.

As treasurer Hillingdon Credit Union Ltd I am recommending a dividend of 1.0% this year which reflects the current economic climate where base rates remain at 0.25%. Although this is a small fall from last year, it is a result of the large deposits we retain but it is still very competitive when compared to other savings and investment rates which are available on the market.

It is the auditor's opinion that the financial statements (attached) give a true and fair view of the Credit Union's affairs as at 30 September 2016, and of its income and expenditure and cash flow for the year ended on that date. Hillingdon Credit Union has complied with the set of rules as laid down by the Prudential Regulation Authority and the Financial Conduct Authority, the Regulators of all financial institutions in the UK. I would propose to the members today that Messrs. Appleby & Wood, continue to be appointed as the credit union auditors for the current financial year.

## **CONCLUSION**

The Credit Union is taking active steps to grow and increase its member base. We have strong liquidity with large cash balances which are available for further expansion into the areas of our common bond and for lending out to existing and new members. Compared to many Credit Unions we are in an enviable position. We believe that we have a solid financial base on which to build and flourish in the future and will continue to provide a sound financial investment as well as providing low cost loans to members and those in the community to whom normal credit facilities are not available.

**Peter James**  
**Treasurer**  
**February 2017**

**Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.**



# Hillingdon Credit Union

## 26th AGM

### Supervisory Committee Report

During the year the following were members of the Supervisory Committee

Nick Green FCA

Lee Moi Green

Both of the above are members of the Credit Union. Neither of the current committee members is on the Board of Directors.

Work carried out since the last report

The following activities have been carried out:

- (i) The accounts for the year ended 30th September 2016 have been reviewed in detail. We have also reviewed the monthly reports presented to the Board of Directors and made comment thereon where appropriate.
- (ii) Various tests and checks have been carried out on the members and nominal accounts and documentation held by the Credit Union during the year and these tests and checks are continuing and will continue this year. Relatively few problems were noted as a result of this work and action has been taken thereon where necessary.
- (iii) We carried out regular checks on the bank reconciliations.
- (iv) We have reviewed a number of the loans made and rejected during the year and have commented thereon where appropriate. We have also monitored the servicing of loans provided where we consider it necessary.
- (v) We have also reviewed a number of the withdrawals requested by members of the Credit Union and commented thereon as appropriate.

**Hillingdon Credit Union is owned and managed by its members for its members.**



# Hillingdon Credit Union

- (vi) We have and will continue to make suggestions as to how the accounting, computer and general systems in use at the Credit Union can be improved.

We wish to thank all directors and members of staff for their help and assistance during the course of the year.

**N. Green (Chair)**

**Lee Moi Green**

**28<sup>th</sup> December 2016**

**Hillingdon Credit Union is owned and managed by its members for its members.**



# Hillingdon Credit Union

## 26<sup>th</sup> AGM

### Credit Committee Report

The past 12 months has seen continued subdued inflation and employment prospects have continued improving, with more people in work since records began. On the downside, rents and property prices continue to show strong increases and with benefit payment cap falling further a number of members have seen a fall in living standards. Universal Credit, still has some way to go before being fully launch but over the next 18 months or so it is likely that members on benefits will move to this new structure.

In line with past years, I am pleased to confirm that we have helped more members than ever to access affordable lending and provided substantial savings over the interest rates charged on the high street and by payday lenders. We continue to ensure we help those most at need and to ensure where possible we provide affordable lending solutions to both new and existing members.

Our presence in Harrow has help with the increase in member numbers and we are forecasting a further increase in the number of loans granted in the year ahead. The current year has started in line with last year's performance and we are forecasting a further pick up in the second half of our financial year as we seek to commence operations in Ealing and we are looking at the potential of launching a new secured lending product for members that own their own property – more details to follow later in 2017. In our current financial year we expect to provide over 2000 new loans and £1.6m of new and top up loans.

| Financial year | Number of loans | Growth | Value loans | Growth |
|----------------|-----------------|--------|-------------|--------|
| 2011           | 448             |        | £680,000    |        |
| 2012           | 624             | 39%    | £684,000    | 1.25%  |
| 2013           | 904             | 45%    | £831,300    | 28.3%  |
| 2014           | 1340            | 48%    | £994,765    | 19.7%  |
| 2015           | 1822            | 36%    | £1,254,897  | 26%    |
| 2016           | 1956            | 7%     | £1,449,597  | 15%    |
| Q1 2017*       | 591             | 20%    | £439,678    | 21%    |

\*Pro rata growth rate albeit Q1 tends to be our busiest quarter.



# Hillingdon Credit Union

As can be seen from the table above, growth slowed in the number of loans drawn but the average size of each loan increased, in part driven by our new unsecured homeowner loan that provides loans between £7,500 and £15,000 with interest rates from 5.9% APR.

Further changes in the regulatory environment have impacted on the level of provisions for non-performing loans, required by Credit Unions. Whilst our provision reserves exceeded the new minimum standard, the Board agreed to tighten further our provision policy thus ensuring we are comfortably above the current minimum required by our regulator and ensure we are better placed than the vast majority of other Credit Unions. In addition our capital reserves remain in the top quartile position in our industry and we are in the top six of all Credit Unions in the South East of England. This very strong financial position ensures member's interests are fully protected.

Finally I would confirm all members' deposits are covered by the Government FSCS scheme, guaranteeing all qualifying deposits up to the increased limit of £85,000.

The Credit Committee would like to thank all of our staff for their support during this very busy year and our members for their continued support and co-operation during the year and we wish you all a prosperous 2017.

**STEVE ALLEN**

**On behalf of the Credit Committee**

**February 2017**

**Hillingdon Credit Union is owned and managed by its members for its members.**



# Hillingdon Credit Union

## Director attendance during 2016

### DIRECTORS ATTENDANCE AT BOARD MEETINGS 2016

|                          | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Total |
|--------------------------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-------|
|                          |     |     |     |     |     |     |     |     |      |     |     |     | %     |
| Garry Burgess            | P   | P   | P   | AS  | P   | AS  | P   | N/A | AS   | P   | N/A | AS  | 60%   |
| Kathy Kendall            | A/S | AS  | L   | L   | L   | L   | L   | N/A | L    | L   | N/A | L   | 0%    |
| Pete James               | P   | A/S | P   | AS  | P   | P   | P   | N/A | A/S  | AS  | N/A | P   | 60%   |
| Richard Ashaye           | P   | AS  | P   | P   | P   | P   | P   | N/A | P    | P   | N/A | P   | 90%   |
| Timi Olubokun            | P   | P   | AS  | P   | P   | P   | AS  | N/A | P    | P   | N/A | P   | 80%   |
| Harry Panesar            | A/S | P   | P   | AS  | P   | AS  | A/S | N/A | P    | AS  | N/A | A   | 40%   |
| Nick Green (Supervisory) | P   | AS  | P   | AS  | AS  | A/S | A/S | N/A | A/S  | P   | N/A | AS  | 30%   |
| Jacky Peacock            | P   | P   | P   | P   | P   | P   | P   | N/A | P    | P   | N/A | AS  | 90%   |
| Steph Harrison           | P   | P   | AS  | P   | AS  | A/S | AS  | N/A | P    | P   | N/A | P   | 60%   |
| Abhineet Rai             | P   | L   | L   | L   | L   | L   | L   | N/A | L    | L   | N/A | L   | 10%   |
| David Williams           | P   | P   | P   | AS  | P   | P   | AS  | N/A | AS   | AS  | N/A | P   | 60%   |
| Lawrence Greenberg       | A/S | P   | P   | P   | P   | P   | P   | N/A | P    | P   | N/A | P   | 90%   |
|                          | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep  | Oct | Nov | Dec |       |

#### Meeting cancelled

**P = Present**

**A = Absent**

**A/S = Absent / Apologies sent**

**N/A = Not applicable if volunteer not in attendance.**

**L = Left**

**Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.**



# Hillingdon Credit Union

## 26<sup>th</sup> AGM

### Compliance confirmation

In line with Rule 10 of the PRA Rule Book, the Board confirms compliance with the following governance issues:

1] The Board confirms compliance with the Depositor Protection Scheme and specifically the following items:

- Identification of eligible deposits
- Production of the report to the PRA within 24 hours of a request, in an electronic form with the data sent in a secure form

2] The Board confirms compliance with the insurance requirements with the following cover in place until 30<sup>th</sup> September 2017. Cover is maintained at all times.

The Credit Union is covered in respect of loss suffered or liability incurred by reason of the fraud or other dishonesty of any of its officers or employees;

The Credit Union is covered up to the following limits

|                                |                           |            |
|--------------------------------|---------------------------|------------|
| Aggregate limit of liability   |                           | £1,500,000 |
| Single loss limit of liability | Clauses A, D, E, F, G & M | £300,000   |
|                                | Clause B                  | £100,000   |
|                                | Clause C                  | £5,000     |
|                                | Clause H                  | £1,000     |
|                                | Clauses I, J, K & L       | £6,400     |
| Deductible                     | Each and every loss       | £2,500     |
| Employers liability            |                           | £5,000,000 |

3] The board confirms that we participate with “additional activities” in respect of Investments. As such we confirm:

We maintain an up to date financial risk management policy that covers the following key areas:





# Hillingdon Credit Union

- Both interest rate and funding risk
- Aggregate limits are in place on individual investments
- Limits are in place to ensure there is not excessive funding concentration risk for both source and time band concentrations
- Systems and controls are in place in respect of these matters
- The governing body monitors and assesses risks associated with carry on investment activities on at least a monthly basis.

**Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.**



# Hillingdon Credit Union

## 26th AGM - MOTIONS

**DIVIDEND PERCENTAGE** - 'We propose a 1% dividend to be paid on shares for the year 2015/2016.' Proposer Lawrence Greenberg, Director

**AUDITOR** – 'We wish to reappoint Appleby & Wood as auditors for next year'. Proposer Lawrence Greenberg, Director

**HONORARIUM** – This is a payment made to the Treasurer. We propose that this remains at £1,000 per year, in line with 2015/2016. Proposer Lawrence Greenberg, on behalf the board.

**COMMON BOND CHANGE** – The Board proposes to adopt the proposed rule change to rule 7 of the credit unions rulebook, which is set out on the enclosed sheet with changes marked in bold.

Hillingdon Credit Union is owned by its members for the benefit of its members and the local community.



# Hillingdon Credit Union

## Partial amendment of rules of Hillingdon Credit Union

Register number: 238C

Rule No:

Rule 7

Rescind the rule and substitute with the following:

## MEMBERSHIP

### Common bond qualifications for membership

7. Admission to membership of the Credit Union is restricted to:

- a. An individual residing in or being employed within the localities of the London Boroughs of Hillingdon, Brent, Harrow, Ealing, Hounslow, South Bucks and Slough as delineated in red on the attached map
- b. A body corporate, an individual in his/her capacity as a partner in a partnership, an individual in his/her capacity as an officer or a member of the governing body of an unincorporated association, if the body corporate, partnership or unincorporated association has a place of business in the above locality
- c. An individual who is employed by one of the following employers:
  - i. Genesis Housing Association
  - ii. Salvation Army Housing Association
  - iii. Innisfree Housing Association
  - iv. YMCA West London
  - v. Catalyst Housing Group
  - vi. **Paradigm Housing Group**
- d. An individual who is associated with other individuals through being in receipt of housing services or tenancy support services from:
  - i. Genesis Housing Association
  - ii. Salvation Army Housing Association
  - iii. Innisfree Housing Association
  - iv. YMCA West London
  - v. Catalyst Housing Group
  - vi. **Paradigm Housing Group**
- e. An individual who is a member of the same household as, and is a relative of, an individual who is a member of the credit union and falls directly within a common bond specified above

## MEMBERSHIP

Signature of the secretary: \_\_\_\_\_