**Hillingdon Credit Union 27th AGM**

**22nd February 2018**

**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.**

**27th AGM - AGENDA**

1. **Opening introduction**

Chair – David Williams

1. **Apologies**
2. **Minutes of last AGM**

1. **Election of Directors**
2. **Election of Supervisory Committee**

* Request for additional volunteers

1. **Reports *(to be read prior to meeting)***

* President
* Treasurer/Audit report
* Credit Committee
* Supervisory Committee
* Directors attendance 2017
* Compliance confirmation

1. **Motions to the AGM**

* Dividend
* Honorarium
* Auditor – Appleby & Wood
* Any Other Motions

1. **Speakers**

* The Mayor – Cllr Carol Melvin

1. **Presentations**

* The Mayor to Peter Rhodes Annual Memorial Award Winner
* Chair to The Mayor Cllr Carol Melvin

1. **Close**

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**Hillingdon Credit Union 26th AGM Minutes 2017**

##### Present:

**Debbie Allen Office Manager**

**Steve Allen Business Development Manager**

**Garry Burgess Director**

**Kathy Kendall Member**

**David Kendall Member**

**John Hensley Mayor**

**Diane Hensley Mayoress**

**David Williams President**

**Barbara Kalopsidiotis Member**

**Suzanne Cave Administrator**

**Meo Cheong Member**

**Patrick Von Mahoney Member**

**Diane Jackman Member**

**Michael Jackman Member**

**Steph Harrison Director**

**Lawrence Greenberg Director**

**Jacky Peacock MBE Director**

**Freeman Rusere Member**

**Greg Watson Member**

**Manpreet Thind Administrator**

**Helen Slaughter Member**

**Richard Ashaye Member**

**Apologies:**

**Peter James Treasurer**

**Jill Rhodes Member**

**Timi Olunkan Director**

**Graham Tomlin Member**

**Lourdes Miguel Member**

**Luis Camargo Member**

**1 OPEN MEETING**

David Williams thanked members for attending and welcomed the Mayor.

**2**  **APOLOGIES**

Noted above.

**3 MINUTES OF THE AGM 2016**

The minutes were signed and adopted as a true record.

**4 ELECTION OF DIRECTORS**

Director Harry Panesar has decided to step down from the board following his non attendance during 2016 due to work issues.

All other directors mentioned were voted on unanimously for a further 3 years.

**5 ELECTION OF THE SUPERVISORY COMMITTEE**

No new nominations received.

**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 attendance 2016**

**Compliance confirmation**

**7 MOTIONS TO THE AGM**

**a) Dividend**

‘We agree a 1.00% dividend be paid on shares for the year 2015/2016. Proposed by Lawrence Greenberg, Seconded by Richard Ashaye. Motion carried unanimously by members present.

**b) Auditor**

‘We wish to reappoint Appleby & Wood as auditors for next year’. Proposed by Lawrence Greenberg, Seconded by Patrick Von Mahoney. 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 2015/16.

Proposed by Steph Harrison, Seconded by Jacky Peacock. 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 Lawrence Greenberg, Seconded by Patrick Von Mahoney. Motion carried unanimously by members present.

**8 SPEAKERS**

**The Mayor-Cllr John Hensley**

**9 PRESENTATIONS**

Dave presented a cheque to the Mayor for his charities.

The Mayor then presented Debbie Allen with the Peter Rhodes Award on behalf of Pete James.

**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 13:20 pm

**DEBBIE ALLEN**

**Credit Union Office Manager**

**3 April 2017**

**Signed Date**

**DAVID WILLIAMS**

**President**

**Hillingdon Credit Union**

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**27th AGM**

# THURSDAY 22nd FEBRUARY 2018

# 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:

**Lawrence Greenburg**

For information: retiring directors to stand again are:

**Garry Burgess**

**Timi Olubokun**

For information: new nominations received are:

**Adrian Dean**

**5)** **Election for Membership of the Supervisory Committee**

None

For information: new nominations received are:

**Freeman Rusere**

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.

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**27th AGM**

**Presidents Report**

I’m not normally a man for repetition. I try and be original as much as possible but I cannot get away from the fact that the figures provided to me by our hard working team and confirmed by our auditors tell us that it is once again “Our best year yet!”

Maybe because of austerity and everyone having to be wiser with their money we continue to be the lender of choice for a lot of people on benefits. Our highest rates are but a tiny fraction some of our members have had to pay to unscrupulous payday lenders in the past.

Quoting from our common bond statement, which you will find at the beginning of this year’s annual report we are proud to be helping people to achieve their goals, to live well, to live safely and to help the society we live in to be more equal, fair and supportive.

**For your Goals:** We lent money to help you do the things you dream of such as pay for weddings,

**Live Well:** We helped people to have the holiday of a lifetime,

**Safely:** When something went wrong in your house we lent money for house improvements

**Supportive:** We are also there when things don’t go so well: paying for people to visit sick family members who live in another country, pay for unexpected car repairs, even paid for funeral costs.

**More equal:** We did this by helping families to cope with the roller coaster of daily finance and we lent when the pressure was highest and allowed people to pay it off when the pressure was not so great.

**We are Fair:** We obtained registration with “FairLife Personal Loans” which looks at how people lend and judge them on whether this is done in a fair way. We proudly print this on all of our stationery.

We still offer additional services to borrowers including the peace of mind of free loan insurance. Many people overlook this benefit. This is aimed to take the pressure of you if things go really wrong.

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.

The commitment of the unpaid board and volunteers in schools and other places keeps our running 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.

Did You Know? 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 friend or family member.

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.

We will be supporting people on Universal Credit in the coming months and years and hope that the service we offer will be good enough for people who are in very difficult circumstances. We are not sure how it will turn out, but our aim will be to be as useful to local people as we can be.

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.

**David Williams,**

**President Hillingdon Credit Union**

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**27th AGM**

**Treasurers Report**

This year has been another successful year for HCU.  Our continuing focus on sound financial practices has yet again led to financial rewards with gross income up and our continuing monitoring of costs keeping expenditure well under control.  Members’ savings have increased again for the fifth year in succession and are now well in excess of £3m.  The continued vigilance on loan performance has meant that whilst our loan book has only shown a small growth, we have only had to write-off a smaller number of non-performing loans, the lowest amount for 4 years.  With national base rates continuing to remain at a low of 0.5%, 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:

This is the second year of the new accounts format which was a radical change from previous years.  However the important aspects are on pages 7 and 8 which show a summarized revenue statement and balance sheet.  More detail of income and expenditure is given on page 14.

Income has increased in several areas, but down in a few others.  The core business has continued to perform well with loan interest from members up from £278k to £309k and thanks to good treasury management we continue to get a good return from the cash and bank balances we hold at other financial institutions.  In addition our continual focus on credit control has resulted in only having to write-off or make additional provision for a relatively small number of bad debts this financial year.  Part of this has been the recovery of some large sums from debts previously written out of our accounts.

HCU were also successful in receiving a grant of £50k from Lloyds bank, partially inflating our income.  A limited amount of this grant has been spent in this financial year so we have transferred the whole amount to a special reserve account in our balance sheet for the anticipated expenditure in the 2017/18 financial year.

Thanks to continued vigilance our expenses have stayed largely flat and decreased overall this financial year.  However there are a number of areas where we will have to increase spending in the near future, one of these areas being IT where we will need to upgrade our systems to ensure they are reliable.

Member’s shares (including junior deposits) have again increased by about £65k to just under £3.4m. Again the dividend of 1% offered by HCU is extremely competitive when compared with any other instant access accounts on the open market.  Bank balances are now standing at over £2.4m, and 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 almost £140k, over double the profit of £66k in the previous year.  As in previous year we will be using this 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 0.5%.  This is the same as last year and very competitive when compared to other instant access 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 2017, 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 2018**

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**27th AGM**

**Supervisory Committee Report**

During the year the following were members of the Supervisory Committee:

Freeman Rusere FCCA

A member of the credit union and not a current member of the Board of Directors.

The supervisory committee`s role is to maintain oversight of the financial position and soundness of the credit union, operating independently from the credit union staff and directors.

The following activities have been carried out:

1. I reviewed the financial statements for the year ended 30 September 2017, I also reviewed some monthly reports presented to the board
2. I also carried out various checks on bank reconciliations for the month of April and September 2017, a few large loans, a list of debts written off during the year and all my enquiries were answered correctly by the office staff.
3. I felt that Hillingdon Credit Union followed accounting rules appropriately and that the financial reports are an accurate representation of Hillingdon Credit Union.

I can say with complete confidence that HCU continues to maintain a high level of financial safety and soundness with a very strong cash position at balance sheet date of over £2.4 Million of liquid cash in UK financial institutions.

I thank all directors and staff members for all their help and assistance during the entire course of the year.

**Freeman Rusere**

**February 2018**

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**27th AGM**

**Credit Committee Report**

The past 12 months has seen the first increase in the Base Rate for over a decade to 0.5%, an increase in inflation although wage increases have been subdued. Whilst there remains more people in work since records began, there is a clear squeeze on living standards.

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.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Financial year | Number of loans | Growth | Average loan | Net bad loans |
| 2012 | 624 | 39% | £1,096 | 3.36% |
| 2013 | 904 | 45% | £919 | 3.34% |
| 2014 | 1340 | 48% | £742 | 4.55% |
| 2015 | 1822 | 36% | £688 | 4.22% |
| 2016 | 1956 | 7% | £741 | 4.39% |
| 2017 | 1992 | 2% | £716 | 2.1% |
| Q1 2018\* | 565 | 13% | £576 | 1.9% |

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

As can be seen from the table above, growth slowed in the number of loans drawn and the average size of each loan has reduced. This reflects the fall in confidence by our members in borrowing larger sums, where there has been a notable reduction since the Brexit vote, together with the increase in Child Benefit loans.

I have also set out the level of loans where payments are in arrears/default. The improved credit checks introduced over 2 years ago are now showing through in reduced default rates. The national average for Credit Unions is in excess of 5%, so we are very pleased with our outturn, which confirms the suitability of our policies and the substantial work carried out by our office manager.

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 that 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 2018.

**STEVE ALLEN**

**On behalf of the Credit Committee**

**February 2018**

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**Director attendance during 2017**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **DIRECTORS ATTENDANCE AT BOARD MEETINGS 2016** | | | | | | | | | | | | | | | | | | | | |
| **Total** | | | | | | | | | | | | | | | | | | | | |
|  | Jan | Feb | Mar | Apr | May | Jun | | Jul | | Aug | | Sept | Oct | Nov | | Dec | | % | |
| Garry Burgess | A | AS | N/A | P | P | AS | | P | | N/A | | AS | A | N/A | | P | | 44% | |
| Adrian Dean |  |  | N/A |  |  |  | |  | | N/A | | P | P | N/A | | P | | 33% | |
| Pete James | P | A/S | N/A | P | P | P | | P | | N/A | | P | L | N/A | | L | | 67% | |
| Richard Ashaye | P | P | N/A | P | P | P | | P | | N/A | | A | P | N/A | | P | | 89% | |
| Timi Olubokun | AS | AS | N/A | P | A | AS | | P | | N/A | | A | P | N/A | | P | | 44% | |
| Freeman Rusere |  |  | N/A |  |  |  | | P | | N/A | | P | P | N/A | | AS | | 33% | |
| Nick Green (Supervisory) | AS | AS | N/A | L | L | L | | L | | N/A | | L | L | N/A | | L | | 0% | |
| Jacky Peacock | AS | A | N/A | P | AS | AS | | L | | N/A | | L | L | N/A | | L | | 11% | |
| Steph Harrison | P | P | N/A | P | P | AS | | P | | N/A | | AS | P | N/A | | P | | 78% | |
| Lawrence Greenberg | A/S | P | N/A | AS | P | P | | P | | N/A | | P | P | N/A | | AS | | 67% | |
| David Williams | P | P | N/A | P | P | P | | P | | N/A | | P | P | N/A | | P | | 100% | |
|  |  |  |  |  |  |  | |  | |  | |  |  |  | |  | |  | |
|  | 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** | | | | | | | | |  | |  | |  | |  | |  | |
|  | | | | | | | | |  | |  | |  | |  | |  | |

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**27th 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 30th 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:

* 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.

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**27th 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.

**TRADING NAMES – Whilst a motion is not required,** the Board proposes to adopt the additional trading name “Ealing Savings and Loans”, in addition to the existing trading names of “Harrow Savings and Loans” and “Brent Mutual” N o proposal is required.

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