



# Hillingdon Credit Union

## Hillingdon Credit Union 28th AGM

14<sup>th</sup> February 2019

### 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

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

### 1. Opening introduction

Chair – Lawrence Greenberg

### 2. Apologies

### 3. Minutes of last AGM

### 4. Election of Directors

### 5. Election of Supervisory Committee

- Request for additional volunteers

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

- President
- Treasurer/Audit report
- Credit Committee
- Supervisory Committee
- Directors attendance 2018
- Compliance confirmation

### 7. Motions to the AGM

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

### 8. Speakers

- The Mayor – Cllr John Morgan

### 9. Presentations

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

### 10. Close

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# Hillingdon Credit Union

## Hillingdon Credit Union 27th AGM Minutes 2018

Present:

|                                    |                             |
|------------------------------------|-----------------------------|
| <b>Debbie Allen</b>                | <b>Office Manager</b>       |
| <b>Steve Allen</b>                 | <b>Business Manager</b>     |
| <b>Richard Ashaye</b>              | <b>Director</b>             |
| <b>Garry Burgess</b>               | <b>Director</b>             |
| <b>Suzanne Cave</b>                | <b>Administrator</b>        |
| <b>Adrian Dean</b>                 | <b>Director</b>             |
| <b>Elaine Ewusie Wilson</b>        | <b>Member</b>               |
| <b>Lawrence Greenberg</b>          | <b>Director</b>             |
| <b>Steph Harrison</b>              | <b>Director</b>             |
| <b>The Mayor Cllr Carol Melvin</b> |                             |
| <b>Consort Andrew Melvin</b>       |                             |
| <b>Lourdes Miguel</b>              | <b>Member</b>               |
| <b>Jill Rhodes</b>                 | <b>Member</b>               |
| <b>Coral Wilkes</b>                | <b>Administrator</b>        |
| <b>David Williams</b>              | <b>President</b>            |
| <b>Peter James</b>                 | <b>Reconciliation Clerk</b> |
| <b>Nigel White</b>                 | <b>Director</b>             |
| <b>Van Dorosh</b>                  | <b>IT Consultant</b>        |
| <b>Petrona Jackson</b>             | <b>Member</b>               |

**Apologies:**

|                        |                 |
|------------------------|-----------------|
| <b>Stuart Mathers</b>  | <b>Member</b>   |
| <b>Timi Olubokun</b>   | <b>Director</b> |
| <b>Genieveve Evans</b> | <b>Member</b>   |

### **1 OPEN MEETING**

Dave Williams thanked members for attending and welcomed the Mayor.

### **2 APOLOGIES**

Noted above.

### **3 MINUTES OF THE AGM 2017**

The minutes were signed and adopted as a true record.

### **4 ELECTION OF DIRECTORS**



# Hillingdon Credit Union

All directors proposed were voted on unanimously for a further 3 year term.

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

Freeman Rusere was voted on unanimously for 3 years.

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

**President-David Williams**

**Treasurer/Audited Accounts-Peter James**

**Supervisory Committee –Freeman Rusere**

**Loans Committee-Steve Allen**

**Directors Attendance 2017**

**Compliance confirmation**

## **7 MOTIONS TO THE AGM**

### **A) Dividend**

'We agree a 1% dividend be paid on shares for the year 2016/2017. Proposed by Lawrence Greenberg, Seconded by Jill Rhodes. 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 Adrian Dean. 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 2015/2016. Proposed by Lawrence Greenberg, Seconded by Steph Harrison. Motion carried unanimously by members present.

### **D) Trading Name**

Whilst not a formal motion, the board proposed to adopt an additional trading name, "Ealing Savings and Loans". This was agreed by a majority vote.



# Hillingdon Credit Union

## 8 SPEAKER

The Mayor - Cllr Carol Melvin

## 9 PRESENTATIONS

Dave presented a cheque to the Mayor for her charities

The Mayor then presented Richard Ashaye with the Peter Rhodes Award

## 10 CLOSE

Dave thanked everyone for attending and closed the meeting.

Meeting ended at 13:30 pm

**DEBBIE ALLEN**  
Credit Union Office Manager  
26<sup>th</sup> February 2018

Signed  
Date

**Lawrence Greenberg**  
President  
Hillingdon Credit Union

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# Hillingdon Credit Union

## 28th AGM

**THURSDAY 14th FEBRUARY 2019**  
**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:

**Steph Harrison**

**Richard Ashaye**

For information: retiring directors to stand again are:

**Lawrence Greenberg**

For information: new nominations received are:

**Nigel White**

**Ben Beadle**

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

**Andrew Smith**

For information: new nominations received are:

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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# Hillingdon Credit Union

## 28th AGM

### Presidents Report

I'm delighted to say that, once again the figures provided to me by our hard working team and confirmed by our auditors demonstrate our continuing success!"

In December 2018, Hillingdon Credit Union had 2,677 savers, total deposits of over £3.5 million and total loans of just under £2 million. We can't lend everything that comes in because we have to meet legal requirements to ensure we could settle our obligations in the event of disaster, as well as meeting on-going costs and paying a competitive dividend to our members.

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.

We are proud that we continue to help 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 helped 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 continue to be registered 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 also publicly committed to pay staff no less than the London Living Wage.

We still offer additional services to borrowers including the peace of mind of free loan insurance, which can take the pressure off you if things go really wrong.



# Hillingdon Credit Union

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 assurance to you 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 rejected by many other financial institutions. Not in a charitable manner, but to enable 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. We pass on these hints and tips at no benefit to ourselves from the organisations we recommend, 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. You can hold money 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 continue to support people on Universal Credit for the foreseeable future 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.

**Lawrence Greenberg**

**President Hillingdon Credit Union**

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# Hillingdon Credit Union

## 28<sup>th</sup> AGM

### Treasurers Report

This year has seen another solid trading year for Hillingdon Credit Union. Our continuing focus on sound financial practices has yet again led to an improved capital position, driven by our continuing monitoring of costs and keeping expenditure well under control. Members' savings have increased again for the sixth year in succession and are now stand well in excess of £3.5m. The continued vigilance on loan performance has meant that whilst our loan book balances have remained in line with last year, we have written-off a smaller number of non-performing loans and also recovered some bad debts written-off years ago.

Some points to note in the accounts:

Net fees, Interest and commissions receivable have decreased this year by £10,364 or 3.6% down when compared to last year. The core business has also seen reduced loan interest from members, down from £309k to £301k this year although we continue to see an improved 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, a trend that continues to date.

Our administrative expenses have increased by £11,251 to £101,392 when compared to last year as we had to hire an additional member of staff, salaries increased as we implemented the London Living Wage and also auto-enrolment pension costs increased. However, we will have to increase spending further in the near future, one of the key areas being IT where we will be upgrading our systems to allow for future product offerings and improved customer service.

Member's shares (including junior deposits) have again increased by about £163k to just over £3.5m. The proposed dividend of 1.25% offered by HCU is extremely competitive when compared with any other instant access accounts on the High Street and the online market. Our bank balances are now standing at over £2.8m up by £400K from last year, and whilst we would prefer to lend this money to existing and new members, we believe our policy of only lending where we believe there is clear ability and intent to repay the loans, is both justifiable and sustainable.

The accounts show that we have made an operating profit of almost £113K this year which is down by £27k on last year. As in previous years, we will be using this profit to pay the proposed dividend with the rest being retained in our balance sheet, which will keep our statutory reserves above the recommended level of more than 10% of total assets. This



# Hillingdon Credit Union

makes us one of the healthiest Credit Unions in the country and provides improved stability for our members and their savings.

As treasurer Hillingdon Credit Union Ltd I am recommending a dividend of 1.25% this year which reflects the current economic climate where base rates have increased slightly from 0.5% to 0.75%. This dividend is 0.25% more than 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 2018, 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.

## **CONCLUSION**

The Credit Union is taking active steps to grow and increase its member base within our common bond area. We have strong liquidity with large cash balances which are available for further expansion into the areas of our common bond and for lending 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 low cost loans to all members and those in the community to whom low cost credit facilities are not available.

**Freeman Rusere FCCA**

**Treasurer**

**February 2019**

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# Hillingdon Credit Union

## 28th AGM

### Supervisory Committee Report

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.

During the early part of the financial year, Freeman Rusere FCCA formed the Supervisory function. Following Freeman's departure to the Treasury role the post does not have an elected official

Having recently joined Hillingdon Credit Union I have attended two Board meetings as a guest and in November met with Steve Allen, Business Development Manager and Emma Cawthorne, Office Manager to find out more about how HCU is run. I have been very impressed with the organisation and its office personnel and have now formally volunteered to join the Supervisory Committee and undertaken several online courses required to carry out the role.

Should I be elected I look forward to working with and supporting the officers and its' members to ensure that HCU continues to be a well-run and efficient organisation.

**Andrew Smith**

**Prospective Supervisory Committee member.**

**February 2019**

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# Hillingdon Credit Union

## 28<sup>th</sup> AGM

### Credit Committee Report

The past 12 months has seen a further increase in the Base Rate to 0.75%, inflation has held fairly steady and at long last wage increases have exceeded inflation pointing to a potential improvement in living standards. In addition there are more people in work since records began, despite the number of shops closing on the High Street.

The dampening effect of the dreaded B word – Brexit – has impacted confidence and this has been reflected with a slight reduction in both the number of loans granted and the average loan size. We continue to ensure we provide access affordable credit and provided substantial savings over the interest rates charged on the high street and by payday lenders, for all our members.

| Financial year | Number of loans | Growth | Average loan | Net bad loans |
|----------------|-----------------|--------|--------------|---------------|
| 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%          |
| 2018           | 1926            | -3.3%  | £693         | 2.5%          |
| Q1 2019*       | 571             | 18%    | £713         | 1.1%          |

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

As can be seen from the above chart, in the first quarter of our new financial year we have seen an increase in loan applications and November 2018 saw the most lent and the most loans granted in any month in our history. It is too early to say this is an established trend and I suspect the outcome of Brexit will be the key determining factor.

I have also set out the level of loans where payments are in arrears/default. The improved credit checks introduced over 3 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



# Hillingdon Credit Union

outturn, which confirms the suitability of our policies and the substantial work carried out by our Credit Controller.

Further changes in the regulatory environment have impacted on the financial sector with a large reduction seen in the number of payday loan companies. There is now close focus on the rent to own market with the FCA now seeking to ensure costs are also capped in this sector, which includes Brighthouse.

Our provision reserves exceeded the minimum standard required by the regulator, thus ensuring we hold a good buffer against future defaults, which places us in a better position 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 five of all Credit Unions in the South East of England. This very strong financial position ensures member's interests are fully protected and allows us to pay a healthy dividend.

Finally I would confirm all members' deposits are covered by the Government FSCS scheme, guaranteeing all qualifying deposits up to the 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 happy, healthy and prosperous 2019.

**STEVE ALLEN**

**On behalf of the Credit Committee**

**February 2019**

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# Hillingdon Credit Union

## Director attendance during 2018

### DIRECTORS ATTENDANCE AT BOARD MEETINGS 2018

|                      |     |     |     |     |     |     |     |     |     |     |     |     |     | <b>Total</b> |
|----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------|
|                      | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |     |              |
| Garry Burgess        |     | P   | P   | A/S | P   | P   | P   | P   |     | A/S | A/S |     | P   | 70%          |
| Richard Ashaye       |     | A/S | A/S | P   | P   | P   | P   | P   |     | A/S | P   |     | P   | 70%          |
| Timi Olubokun        |     | P   | A/S | P   | P   | A/S | P   | P   |     | A   | P   |     | P   | 70%          |
| Steph Harrison BPTRG |     | P   | P   | P   | P   | P   | A/S | P   |     | P   | P   |     | A/S | 80%          |
| David Williams       |     | P   | P   | A/S | A/S | P   | P   | P   |     | P   | P   |     | L   | 70%          |
| Lawrence Greenberg   |     | P   | P   | P   | A/S | P   | A/S | P   |     | P   | A/S |     | P   | 70%          |
| Freeman Rusere       |     | P   | A   | A/S | P   | P   | P   | P   |     | P   | P   |     | P   | 80%          |
| Nigel White          |     | P   | A   | A/S | A/S | P   | A/S | P   |     | A/S | P   |     | A/S | 40%          |
| Adrian Dean          |     | P   | P   | A/S | P   | L   | L   | L   | L   | L   | L   | L   | L   | 30%          |

#### 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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# Hillingdon Credit Union

## 28<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 2019. 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 – One employee                                | £1,000     |
|                                | Two or more employees                                  | £5,000     |
|                                | Clause H   | £1,000     |
|                                | Clauses I, J, K & L                                    | £6,400     |
| Deductible                     | Each and every loss in respect of clause C             | £500       |
|                                | Each and every loss in respect of all insuring clauses | £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:



# Hillingdon Credit Union

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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# Hillingdon Credit Union

## 28th AGM - MOTIONS

**DIVIDEND PERCENTAGE** - 'We propose a 1.25% dividend to be paid on shares for the year 2017/2018.' Proposer Freeman Rusere, Treasurer

**AUDITOR** – 'In line with our established policy, we will obtain quotes from a number of auditors to ensure we have best value and service. We seek agreement to appoint the winning auditor'. Proposer Freeman Rusere, Treasurer

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