

# Annual Report for 2014

Annual General Meeting

29<sup>th</sup> April 2015

6.15pm

The Mechanics

North Sherwood Street

Nottingham

NG1 4EZ

The logo for Nottingham Credit Union is displayed on a teal rectangular background. It features a white stylized 'U' shape above the word 'nottingham' in a lowercase, bold, sans-serif font. Below 'nottingham' is the word 'CREDIT UNION' in a smaller, uppercase, bold, sans-serif font.

nottingham  
CREDIT UNION

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## Minutes of the 2014 Annual General Meeting

AGM Minutes 2014

Clive Rix welcomed everyone to the meeting and apologies were received from :

- Peter Hill - Diocese of Southwell Nottingham
- Marjorie Paling - member
- Ian Salmon - member
- Chipu Shumba - member
- Seamus Grant - member

The minutes from the previous AGM were approved

### **Vice Chair's report**

- 2013 was a year of consolidation - membership was up by 7% and these members were of a better quality as they are using NCU's services more. Assets are up by 22%, as well as shares and loan growth and earned income was up by 50% due to the one-off EHS contract that is due to end in May 2015. But without the EHS funding, earned income was up by 28%
- New regulations have meant new changes for NCU, such as Corporate Membership and extended the common bond to include Housing Associations in Lincolnshire ensuring that everyone has access to Current Account
- Changes to regulations yesterday - able to charge 3% on some loans (42.8% APR) which will mean that NCU can earn income on smaller loans, which it did not previously
- Cost savings - Irene left in June, Ella became General Manager, but Operations Manager has not been replaced, redundancies in August and closing the Bulwell branch.
- Loan protection and loans savings insurance was dealt on an opt-in/out basis and those who opted out receive a higher dividend. In June/July, new members were no longer offered insured shares which has saved money
- In Operational terms NCU is running better than ever, customer service has improved and phones are being answered quicker

### **General Managers report**

- The previous year was challenging but NCU is offering the same service whilst cutting expenditure which led to the difficult decisions of closing Bulwell and redundancies.
- Bulwell branch - the robbery in June at MMW raised concerns about security and £30k was needed to make Bulwell premises secure, the transactions at Bulwell had decreased by 75% on previous year, whilst they had increased by the same amount at MMW due to longer opening hours
- It has been a difficult year for the staff and the Board and the General Manager thanked everyone for keeping things going
- Projects -
  1. Introduction of new lending platform which will half the time it takes to process a loan - working towards one day loan turnaround
  2. EHS loans - started in April 2013 but the take up has been low which leads to questions to where people are accessing finance
  3. Green Loans in Clifton - gave out £100k in loans in three months, but British Gas have pulled the funding and NCU are currently looking into similar projects
  4. 100X100 scheme that is being promoted by Martyn - 130 people signed up and deposited £60-70k
- Positive about 2014 - looking into a Green loan scheme in Newark & Sherwood. There is lots of great work with CUEP such as a national marketing scheme to promote what we do as currently only 1% of Nottingham's population is a member of NCU. New IT platform means we can offer services that we need such as internet and mobile access
- Launched a new members area where people can join, apply for loans, check balances and apply for withdrawals online which is growing in popularity
- Over the next year NCU would like to more input from its members and get people involved in the democracy of the organisation
- Plans for Bulwell - NCH contact points in Riverside, Bulwell and Cornerstone, Clifton. This project is currently on hold but will find out more within the next 8 weeks.

### **Treasurers Report**

- Figures in the Annual Report
- Highlights
  1. Loan interest is up by 20% and the quality of the loan book is better, although bad debt is higher than ideal
  2. Income is also up including the EHS funding for longer opening hours
  3. 50% less grant funding than previous year
  4. Reductions have been offset with income
  5. Staff costs are down - admin costs are up but due to an increase in membership
  6. proposing to pay £8.5k dividend and the rest will be put into resources
- Balance sheet - there is a steady growth in loans, assets are up, liability is down
- Net worth - £2.08m, net assets - 22% increase on previous year
- An error was pointed out on the Balance Sheet - the Treasurer confirmed that this should read £1.64m
- A question was asked about admin costs and if they included the building and if there had been any progress on this. The Treasurer explained that there is a break point in the lease in November so have to give notice my May. NCU are considering a move to the Central Library to be more accessible and to save money. At MMW the rent is fixed, whilst the service charge goes up with inflation
- Current Account costs are up, but income is also up

### **Decisions**

- It was agreed to keep the dividend at 0.5%
- Accounts were approved
- It was agreed to appoint PWH Accounting as this year auditors - but this is up for tender next year.

**Money Laundering Report**

- The General Manager stated that everything went smoothly and training resources have been updated

**Motions**

- Proposing to reduce the number of Directors from 12 to 10 to create a representative Board - this motion was passed.
- Election of Officers - Liz Blackman offered to stand again for another three years - this motion was passed. Co-opting another board member for volunteering. The Treasurer requested that anyone interested should contact him
- Supervisory - all 5 current members are willing to stand again - all 5 members co-opted

## Chair's Report

Nottingham Credit Union exists to professionally and ethically serve both our current and future Members in all that we do. Our organisation has made very good progress in 2014 as we move towards long term sustainability. It is vital that we continue to improve and develop in the financially competitive world in which we operate.

We offer great products and customer services, including our new Online Branch and an ISA soon to be launched.

Our surplus was in line with 2013 but we achieved it with far less grant funding. In 2013, one pound in three was from grants; in 2014 this was down to one pound in eight. Overall grants were one third the level of the previous year so we are well on the way to not needing grant funding in the future.

Bad debt is at an all-time low. Again we have had to reduce costs and restructure our staffing complement. Some staff have left, some we have let go but we have appointed new staff where we have recognised gaps in our capacity.

To achieve this progress, leadership and team working have been vital. Ella Ferris, our General Manager, has played a huge role in leading and shaping our way forward. Our staff has been amazing in adopting new ways of working to ensure Members have the best possible service.

The Board (all voluntary) has a wide range of backgrounds and skills - financial, business, Local Government, housing including private sector, C of E, HR, community and other credit union experience. Their considerable input has helped us move forward.

Our many partners (**see below**) have also been vital in sustaining and improving our performance and we thank them all for their support.

I am optimistic that Nottingham Credit Union will continue to see us make further significant progress in 2015.

**Liz Blackman**

**Chair**

### Our Partners

Nottingham City Council   Nottinghamshire County Council   Nottingham Community Housing Association   Lloyds Banking Group   Ashfield District Council   Broxtowe Borough Council   Gedling Borough Council   Mansfield District Council   Newark & Sherwood District Council   Nottingham City Homes   Nottingham Energy Partnership   Rushcliffe Borough Homes.

# Annual Accounts 2014

*PWH Accountancy Ltd*

NOTTINGHAM CREDIT UNION LIMITED

31 DECEMBER 2014



**PWH Accountancy Ltd**  
**Chartered Accountants**  
**Statutory Auditors**  
**The Counting House, High Street**  
**Lutterworth, Leicestershire LE17 4AY**

## **REPORT OF THE INDEPENDENT AUDITOR**

### **TO THE MEMBERS OF NOTTINGHAM CREDIT UNION LIMITED**

We have audited the financial statements of Nottingham Credit Union Limited for the year 31 December 2014 which comprise the Statement of Financial Position, the Statement of Income and Expenditure, Statement of Changes in Equity and the related notes.

#### ***Significant accounting policies***

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and FRS 102 which is the Financial Reporting Standard applicable to United Kingdom and Republic of Ireland.

#### ***Information and judgements***

Information and judgements that the Credit Union has applied in preparing these Accounts are based on the carrying amounts of all income, expenses, assets and liabilities as at the end of the financial year subject to any adjustments mentioned in the Accounts and also in the notes and disclosures to the Accounts

#### ***Estimation Techniques***

Except for Note 1(d) on Provision for Impaired Loans and Note 5 on Impaired Loans Written Off, there were no assumptions made concerning the future or estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Apart from this, there is nothing to report under FRS 102 section 8.7.

This report is made solely to the Credit Union's members, as a body, in accordance with the Industrial and Provident Societies Acts 1965 to 2002 and the Credit Unions Act 1979. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

The directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**PWH Accountancy Ltd**  
**Chartered Accountants**  
**Statutory Auditors**  
The Counting House, High Street  
Lutterworth, Leicestershire LE17 4AY

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF NOTTINGHAM CREDIT UNION LIMITED CONT.**

**Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the Credit Unions affairs as at 31 December 2014 and of its income and expenditure for the year ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice **and in particular in accordance with FRS 102 and also** in accordance with the Industrial and Provident Societies Acts 1965 to 2002 and the Credit Unions Act 1979.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Friendly and Industrial Provident Societies Act 1965 to 2002 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Credit Union in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Credit Union in accordance with the requirements of legislation;
- the revenue account or the other accounts (if any) to which the report relates, and the balance sheet are not in agreement with the books of account of the Credit Union;
- we have not obtained all the information and explanations necessary for the purpose of our audit.

**Antony E Humphreys**  
**Statutory Auditor**  
For and on behalf of  
**PWH Accountancy Ltd**  
**Statutory Auditors**  
The Counting House  
High Street  
Lutterworth  
Leics LE17 4AY

## NOTTINGHAM CREDIT UNION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

		2014		2013	
	Note	£	£	£	£
<b>Assets</b>					
<i>Tangible Fixed Assets</i>					
	(1b) & (4)				
IT server and software			0		412
<i>Cash, cash equivalents and liquid deposits</i>					
Cash, loans and advances to banks:					
Bank current accounts - ordinary		103,869		87,671	
Bank current accounts - CUCA		221,509		155,882	
Bank deposit accounts - ordinary		<u>680,602</u>		<u>402,817</u>	
			1,005,980		646,370
Loans and advances to members:					
	(2) & (9)				
Standard loans		2,104,299		2,315,213	
MARS loans		10,842		6,084	
EHS loans		26,909		5,437	
Less impaired loan provisions	(1d) & (5)	<u>(785,487)</u>		<u>(893,229)</u>	
			1,356,562		1,433,506
<i>Other Receivables</i>					
Other receivables			428		28,528
<i>Prepayments and accrued income</i>					
Prepayments		23,064		20,024	
Accrued income		<u>9,487</u>		<u>13,865</u>	
			32,551		33,889
<b>Total assets</b>			<u>2,395,849</u>		<u>2,142,706</u>

<b>Liabilities</b>		<b>2014</b>		<b>2013</b>	
	Note	£	£	£	£
<i>Subscribed capital - repayable on demand</i>	(2)				
Ordinary members shares		1,859,630		1,674,759	
Corporate members shares		67,835		29,322	
CUCA Members		221,838		155,882	
Junior members shares		93,615		100,872	
Dividends proposed but not paid		<u>9,348</u>		<u>7,863</u>	
			2,252,265		1,968,698
<i>Other payables</i>					
Deferred income	(10)	7,297		33,299	
MARS		5,000		0	
Holiday Pay Accrual	(6)	826		0	
Tax payable		335		178	
All other payables		<u>445</u>		<u>31,584</u>	
			13,902		65,061
<i>Retained earnings</i>					
General reserve		18,616		16,465	
Growth Fund Reserve		81,287		81,287	
Special reserve		10,450		11,195	
Subordinated Loan		<u>19,000</u>		<u>0</u>	
			129,353		108,947
<i>Total liabilities</i>			<u>2,395,521</u>		<u>2,142,706</u>

## NOTTINGHAM CREDIT UNION LIMITED

## STATEMENT OF INCOME &amp; EXPENDITURE FOR THE YEAR ENDED 31.12.2014

Income	Note	2014		2013	
		£	£	£	£
<i>Loan interest receivable &amp; similar income</i>					
Interest on loans to members	(1c)	242,824		246,075	
<i>Interest payable</i>					
Interest payable to bank & other lenders		(82)		0	
Net interest income			242,742		246,075
<i>Fees and commission receivable and payable</i>					
EHS fees received		82,832		55,991	
CUCA fees received		40,337		33,736	
Other fees and commission receivable		14,194		20,697	
CUCA fees payable		(44,356)		(27,811)	
Other fees and commission payable		(28,854)		(24,013)	
Net fees and commission receivable			64,152		58,600
<i>Other income</i>					
Bank interest		1,662		888	
Impaired loans recovered		30,298		31,387	
Grant Income		53,573		174,959	
All other income		22,561		1,507	
Total other income			108,095		208,741
<b>Total Income</b>			<b>414,989</b>		<b>513,416</b>

<b>Expenditure</b>		<b>2014</b>		<b>2013</b>	
	Note	£	£	£	£
<i>Administration expenses</i>					
Salaries and wages (including volunteer cost)		236,809		278,682	
Educational and social cost		3,055		2,044	
Property cost		28,518		35,648	
Office running cost		44,893		53,909	
Insurance cost		6,929		15,263	
<b>Total administration cost</b>			<b>320,204</b>		<b>385,546</b>
<i>Depreciation and amortisation</i>					
Depreciation		412		1,850	
<b>Total depreciation and amortisation</b>			<b>412</b>		<b>1,850</b>
<i>Other operating expenses</i>					
National affiliation cost		6,944		6,740	
Holiday pay accrual	(6)	826		0	
Other operating expenses		19,437		18,920	
<b>Total other operating expenses</b>			<b>27,207</b>		<b>25,659</b>
<i>Impairment losses on loans to members</i>					
Impairment Cost	(1d)	56,077		90,972	
<b>Total impairment losses on loans to members</b>			<b>56,077</b>		<b>90,972</b>
<b>Total Expenditure</b>			<b>403,900</b>		<b>504,028</b>
<b>Surplus(+)/deficits(-) for the year before taxation</b>					
			11,089		9,389
<b>Taxation</b>			335		178
<b>Surplus(+)/deficits(-) for the year after taxation</b>			<b>10,754</b>		<b>9,211</b>

**Appropriations:**

To General Reserve	2,151	1,842
Transfer from(-)/to(+) Special Reserve	(745)	(494)
Transfer to dividends proposed:		
Adults - 0.5% (2013 - 0.5%)	8,876	7,366
Juniors - 0.5% (2013 - 0.5%)	472	497
Total proposed dividend	9,348	7,863
<i>Total appropriations</i>	10,754	9,211
<i>Retained (Deficit) for the year</i>	<u>0</u>	<u>0</u>
<i>Unappropriated Surplus brought forward</i>	0	0
<i>Unappropriated Surplus carried forward</i>	<u>0</u>	<u>0</u>

Note: There are no recognized gains or losses other than those included on the income and expenditure account. All figures included on the income and expenditure account are from continuing activities.

**NOTTINGHAM CREDIT UNION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**

	<i>General Reserve</i>	<i>Special Reserve</i>	<i>Growth Fund Reserve</i>	<i>Subordinated Loan</i>	<i>Total</i>
	£	£	£	£	£
Brought forward	16,465	11,195	81,287	-	108,947
Surplus for the year	10,754	-	-	19,000	29,754
Dividend	(9,348)	-	-	-	(9,348)
Transfers to/from Spec. reserve	745	(745)	-	-	-
Carried forward	18,616	10,450	81,287	19,000	129,353

**NOTES ON THE ACCOUNTS****1. Accounting Policies****a. *Accounting policies applied***

The Credit Union is registered under the Industrial and Provident Societies Act 1965. The financial statements have been prepared under the historic cost accounting rules in accordance with FRS 102, the Industrial and Provident Societies Act 1965 – 2002 and the Credit Union Act 1979. Applicable accounting standards have been followed.

**b. *Fixed Assets***

Fixed assets are stated at cost. Depreciation of fixed assets is charged by equal instalments commencing in the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives as follows:

Office furniture and fittings	5 years
Computers	3 years

**c. *Interest – calculation and application***

The Credit Union does not use fair value accounting in calculating interest on loans. Both received and accrued interest is based on simple interest and this is calculated automatically by the accounting system. In cases where the account is frozen, no interest is recognised in the accounts from the date the account is frozen.

Interest is accounted for on the basis of amounts receivable or payable in the year covering the accounts.



NOTTINGHAM CREDIT UNION LIMITED**NOTES ON THE ACCOUNTS CONTINUED****d. *Provision for Impaired Loans***

Provision for Impaired Loans is stated after specifically reviewing all loans in arrears. The criteria used are whether the loan will be repaid within the medium term and whether there is a regular pattern of repayments.

The Prudential Regulation Authority (PRA) requirement is that provision for impaired loans should be calculated on the basis of net liability (i.e. customer's loan balance plus accrued interest less customer's shares held) and at the following provision rates:

Loans over 90 days but within 12 months in arrears – 35%

Loans over 12 months in arrears – 100%

The Credit Union has a more prudent policy and provision for impaired loans shown in the Accounts have been based on the following rates:

Loans 91 to 180 days in arrears – 35%

Loans 181 to 270 days in arrears – 60%

Loans 271 to 365 days in arrears – 80%

Loans over 365 days in arrears – 100%

In addition, in cases where Individual Voluntary Agreement (IVA), Debt Relief Orders (DRO) and bankruptcy have been recorded on a loan, such loans are written off. These are included in the 'Impaired Loans Cost' amount of £56,077 (2013 - £90,972) shown in the Income and Expenditure Statement.

**e. *Juvenile transactions***

Juvenile transactions are included within the accounts unless specifically shown otherwise.

NOTTINGHAM CREDIT UNION LIMITED**NOTES ON THE ACCOUNTS CONTINUED****2. Summary of Members Share (including juniors) and Loan Accounts**

	Shares		Loans	
	2014	2013	2014	2013
Balances brought forward from last year	1,804,953	1,483,580	1,533,872	1,410,944
Shares saved and loans repaid	3,743,874	3,255,592	(1,663,603)	(1,604,841)
Dividend credited to shares	7,789	6,542		
Shares withdrawn	(3,535,536)	(2,940,762)		
Loans granted			1,359,885	1,481,694
Interest charged			242,824	246,075
	_____	_____	_____	_____
Balances carried forward to next year	2,021,080	1,804,952	1,472,978	
1,533,872				
	=====	=====	=====	=====

NOTTINGHAM CREDIT UNION LIMITED

**NOTES ON THE ACCOUNTS CONTINUED****3. Number of Members (including juniors)**

	2014	2013
Number at beginning of year	7,802	7,355
Joined during year	1,779	2,090
Lapsed during year	1,570	1,643
	_____	_____
Number at end of year	8,011	7,802
	=====	=====
Junior members	877	942
Adult members (of whom dormant: 2014 – 594; 2013 – 928)	7,134	6,860
	_____	_____
	8,011	7,802
	=====	=====

NOTTINGHAM CREDIT UNION LIMITED

## NOTES ON THE ACCOUNTS CONTINUED

**4. Tangible Fixed Assets**

	<b>Computer Hardware</b>	<b>Office Furniture</b>	<b>Software</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 December 2013	7,919	817	5,340
Additions	-	-	-
	-----	-----	-----
As at 31 December 2014	7,919	817	5,340
	=====	=====	=====
<b>Depreciation</b>			
At 31 December 2013	7,919	817	4,928
Charge for the year	-	-	412
	-----	-----	-----
As at 31 December 2014	7,919	817	5,340
	=====	=====	=====
<b>Written Down Value 31 December 2013</b>	-	-	412
	=====	=====	=====
<b>Written Down Value 31 December 2014</b>	-	-	-
	=====	=====	=====

**5 Impaired Loans Written Off**

The cumulative value of Impaired Loans Written Off as at 31 December 2014 was £943,049, (2013 - £940,121). This amount has been adjusted by £273,977 (2013 - £147,258) to show a reasonable estimation of written off loans where there is no legal right to repayment. The remainder of written off loans of £669,072 (2013 - £792,863) have been added back to and included in the amounts for Standard Loans and Impaired Loan Provision in the Statement of Financial Position.

NOTTINGHAM CREDIT UNION LIMITED**NOTES ON THE ACCOUNTS CONTINUED****6 Holiday Pay Accrual**

The Credit Union's holiday period is from 1<sup>st</sup> April to 31<sup>st</sup> March. Holiday pay accrual has been based on average annual basic salary for the last 12 weeks of the year and holiday entitlement equivalent up to 31<sup>st</sup> December 2014. At 31<sup>st</sup> December 2014 this was £826.

**7 Key Management Remuneration**

Directors of the credit union do not receive any remuneration.

Total remuneration including on-costs paid to key management during the year was £ 83,254. This has been included in the Salaries and Wages amount of £236,809 in the Statement of Income and Expenditure.

**8 Government Grants**

Government grants received during the year included grants from the Credit Union Expansion Project and were paid by the DWP via Cornerstone Mutual Services for growth in line with agreed targets. The Credit Union also received grants from local authorities and these were for core costs. All the grants received had no restrictions for usage and were accounted for on accrual basis.

NOTTINGHAM CREDIT UNION LIMITED**NOTES ON THE ACCOUNTS CONTINUED****9 Related Party Disclosures**

The Credit Union does not grant loans to Directors, Officers, Approved Persons and employees of the Credit Union with terms more favourable than those available to other members.

Total shares and loans to Staff & Directors as at 31<sup>st</sup> December 2014 were as follows

	<b>Shares</b>	<b>Loans</b>
	<b>£</b>	<b>£</b>
Staff	2,270	12,093
Directors	6,954	1,284
<b>Total</b>	<b>9,224</b>	<b>13,377</b>

These are included in the amounts for Ordinary Members and Standard Loans in the Statement of Financial Position.

**10 Deferred Income**

The Credit Union received various unrestricted grant funds during the year from different organisations to cover core costs. The funds are recognised as income on accrual basis as and when used and as mentioned above under Note 8. The amount of £7,297 shown in the Statement of Financial Position is the balance remaining unused as at 31 December 2014.

NOTTINGHAM CREDIT UNION LIMITED**NOTES ON THE ACCOUNTS CONTINUED****11 Financial Commitments**

The Credit Union had the following lease agreements which existed as at 31 December 2014

Lease item	Date of Lease	Expiry date	Amount & frequency of rental payment
Office premises – Nottingham Main Office			
69 Maid Marian Way Nottingham	16.11.2009	15.11.2019	£20,000 p.a. + VAT up to 15.11.2014 £15,000 p.a. + VAT from 16.11.2014
Office premises - Mansfield Branch	no lease agreement		£338.75 p.q.
Printer-copiers			
Ricoh MP301SPF	09.05.2013	08.05.2018	£117 p.q. + VAT
Ricoh MP C3503 and Kyocera 520i	22.11.2013	21.11.2018	£407 p.q. + VAT

All rental payments are up to date.

An amount has been set aside as provision for repairs of the Maid Marian Way office premises. This amount was £6,200 as at 31 December 2014.

## Supervisory Committee Report to AGM

In recent years, the Supervisory Committee has had difficulties in recruiting and retaining volunteers to carry out its work. Near the beginning of the financial year under review, Mr Barry Clarke who was the secretary had to resign from the committee. He had done good work for the committee for several years and is greatly missed. Two junior members also left during the year under review. This left only Eric Amofa (Chairman) and Brendan Breen (who took over as secretary in November). We feel that this is an insufficient number for the task. We have made a proposal to the board to tackle this problem.

The following checks have been carried by Supervisory Committee into the work of the Credit Union:

**Loan Sample Checks:** A review of selected loan documentation was conducted in the credit union by the committee. No major problems were identified; however there were issues of poor record keeping in respect of loan application contract and the approval process. This problem has been looked into and all loan documentations are scanned into a data base for proper records keeping.

**Customer Journey Checks:** It was noticed that the credit Union had no effective customer journey process in place. This considers Treating Customers Fairly and FCA Dispute Resolution (DISP). Complaint handling was identified as not meeting the regulatory standard during the year under review. A discussion and review was conducted by Mr Eric Amofa and Mrs Ella Ferries which has shown a sign of improvement. Six complaints were received during the year under review; this was resolved with no financial cost to the Business. No complaints were upheld by the financial Ombudsman. No financial Malpractice has been identified in the Credit Union

### **Resourcing the Committee**

The Committee has had difficulties recruiting and retaining volunteers to do its work. For this reason, the two member committee recommended that the board should consider employing a qualified Auditor to do auditing work, which would be for only once in a month and report to the Board via the Supervisory Committee. This was approved by the Board and it's in the implantation stage.

The remaining two member committee is willing to volunteer for the next financial year if given the mandate by the members.

We recommend that there should be a little financial commitment given to the volunteers for their work. This will motivate and retain skills and qualified volunteers who will be willing to support the Credit Union.

Signed

Eric Amofa

Brendan Breen

Chairman Supervisory Committee

Secretary Supervisory Committee

## Money Laundering Report Officer Report

The role of the MLRO carries significant responsibility and should be undertaken by an appropriately experienced individual.

An MLRO should be in a position of sufficient responsibility to enable them to have access to all of the business's client files and business information to enable them to make the required decisions on the basis of all information held by the business.

The identity of the MLRO is only known internally to Staff and Board.

During the year training has taken place for the staff and MLRO to ensure full compliance with regulations. During the year reports of suspicions have been made to the MLRO and where necessary passed on to SOCA (Serious Organised Crime Agency). It has been agreed to undertake annual training for all staff and relevant volunteers. Training materials have been updated and now include a test with minimum standards.



## Attendance of Officers

	jan	feb	march	april	may	june	july	august
Malcolm Pattman	√	√	-	-	-	-	-	-
Clive Rix	√	√	√	√	√	√	√	√
Peter Cowley	√	√	√	√	√	√	√	√
Paul Worsnop	√	√	√	x	x	x	√	x
Liz Blackman	√	√	√	√	√	√	√	√
Giles Inman	√	x	√	√	x	√	√	x
Tamara Pattman-Wilson	√	√	x	√	√	√	x	√
Sam Webster	√	√	√	x	√	x	√	x
Stuart Cunningham	√	√	√	-	-	-	-	-
Moby Farrands	√	√	√	√	√	√	√	√
Steve Yemm	x	x	-	-	-	-	-	-
Jo Dowson	-	-	-	-	-	-	-	-
Philip Elliott	-	-	-	-	-	-	-	-

	sept	oct	nov	dec	
Malcolm Pattman	-	-	-	-	resigned Feb 2014
Clive Rix	√	√	√	√	
Peter Cowley	x	√	√	√	
Paul Worsnop	x	x	√	√	
Liz Blackman	√	√	√	√	
Giles Inman	x	√	√	x	
Tamara Pattman-Wilson	√	x	x	√	
Sam Webster	√	√	√	x	
Stuart Cunningham	-	-	-	-	resigned May 2014
Moby Farrands	√	√	√	x	
Steve Yemm	-	-	-	-	resigned March 2014
Jo Dowson	√	x	√	x	Co-opted September 2014
Philip Elliott	-	-	-	x	Co-opted November 2014

Thanks to Stuart Cunningham for serving on the Board of the former Oakleaf Credit Union and then following merger in 2011 on the Board of Nottingham Credit Union until he retired from Nottinghamshire County Council.

## Election of Officers

The following directors are standing for re-election for a term of three years:

Clive Rix

Peter Cowley

Tamara Pattman-Wilson

Paul Worsnop

## Election of Supervisory Committee

The members of Supervisory Committee are elected on an annual basis:

Brendan Breen

Eric Amofa