

Annual General Meeting of Northumberland Credit Union Ltd

held at Morpeth Methodist Church, Howard Road, Morpeth on
Monday 23rd February 2017

The meeting started at 19:45hrs

Present:

Members: Maureen Best, Nic Best, Roger Bland, Graham Cook, Cllr Duncan Couchman (Prudhoe TC), Tom Frankland, Linda Glascott, Roger Hawkins, Joan Howard, Anne Howie, Betty Hutton, Ian Hutton, Tony Medd, Jane Osborne, Maggie Phillips, Maureen Robson

Guest: Cllr Bob Robertson (Morpeth TC)

Apologies:

Guests: Hannah Garrard (NCC), Tony Kirsop (NCC)

Members: Vince Dudley, Ron Forster, Christine Hawkins, Karyn Medd, Sally Medd

1. Quorum:

The Chairman welcomed everyone, particularly identifying Cllr Bob Robertson from Morpeth Town Council attending as a guest and Cllr Duncan Couchman of Prudhoe Town Council who is a member of the credit union. There were more than 15 members present so the AGM was quorate.

2. Minutes:

The minutes of the 2016 AGM, having been previously circulated were agreed and accepted without any changes. There were no matters arising.

3. Directors Report:

The Chairman (Nic Best) reported a fall in membership, a slight growth in savings over the year, and a level demand for loans over the year. The main project over the year had been the issuing of a new format passbook to all members who use passbooks. This operation went very smoothly thanks to the hard work of all involved.

The PiP at the Prior Park First School in Tweedmouth did not re-open at the start of the school year in September, but a new PiP has opened at the Berwick Youth Project. The Hexham PiP moved with the Isos Housing office from No. 28 to the Gateway.

Northumberland CC has not awarded a grant to the credit union for the year Apr 16 – Mar 17, and it does not seem likely that further grants will be forthcoming in the near future. We are still receiving grantfunding from a number of parish councils. There is no immediate funding crisis but the Board are proposing measures at this AGM to secure financial stability in the longer term.

Tony Medd, one of the last two founder members left on the Board, is standing down due to work commitments. The Chairman thanked him, all other Board members and all credit union volunteers for their hard work and commitment.

The report was accepted unanimously.

4. Treasurer's Report:

The Treasurer (Ian Hutton) presented the audited accounts for the year ending Sept '16. Since the new format accounts run to 21 pages, only the key pages were

circulated at the meeting, though the full accounts are available for download from the website.

The accounts show a small increase in income and a much larger increase in expenditure largely due to increases regulatory fees, resulting in a deficit of £1300 for the year. However will still have reserves of some £30,000 giving us a capital-to-total-assets ratio of 12.44%. These reserves give the credit union some breathing space following the withdrawal of the annual grant (£5500) from Northumberland CC, however the Board are proposing to increase the standard rate of interest on loans to 1.25% with effect from October this year. It is predicted that additional income from this increase will more than cover the loss of grant income.

Our current bank, Unity Trust Bank, restructured their charging framework midyear resulting in dramatically increased bank charges being payable. The Board decided to change banks and identified the Co-Op Bank as a suitable alternative. However, following the recent announcement of intent to sell by the Co-Op Bank, the Treasurer has suspended the process of switching banks and will be referring the matter back to the Board.

Ian concluded by thanking Maureen Best for her data input work, Joan Howard for the day to day maintenance of the financial records, Maggie Phillips for her support as Assistant Treasurer and to Linda Glascott for carrying out the quarterly independent bank reconciliation.

After some discussion about their new format, the audited Annual Accounts were unanimously accepted.

5. Dividend:

The credit union made a small loss in the past financial year, so the Board recommendation was that no Dividend would be paid in 2016/17. Agreed unanimously

6. Resolution proposed by the Board:

“That the standard rate of interest on new loans be increased from 1% per calendar month (12.7% APR) to 1.25% per calendar month (16.1% APR) with effect from 1st October 2017”

This change should increase loan income to cover the loss of the Northumberland CC grant whilst still leaving the credit union offering a very competitive rate of interest for loans up to £3000. After some discussion where it was clarified that the resolution established the principle of the increase, and that the Board would have delegated powers to implement it appropriately, *the resolution was agreed unanimously.*

7. Credit Committee:

It was noted that the Director's Report records that 120 loans totalling £117,781 were made in the year ending Sept '17. There were no questions for the credit committee.

8. Supervisory Committee:

Anne Howie, chairman of the committee, noted that the role of the committee aka Internal Audit is to protect members and staff against circumstances where genuine error could be mistaken for fraud, and to protect members money and NCUL funding from undetected error or actual fraud. Their role is to examine process design and operation to ensure that error and fraud might be revealed easily. She reported that:

- All regulatory requirements were being met
- Quarterly account reconciliation had revealed no significant issues
- Visits to the office and to various paying-in points (PIPs) had been carried out, with matters raised being promptly resolved with no significant issues outstanding

9. Branches and Outstations:

There were no additions or supplements to the information in the Directors' Report,

10. Questions:

There were no questions from the floor.

11. Auditors

The AGM *unanimously agreed* to appoint Lindsey-Adams Ltd as external Auditors for the coming year.

12. Election of Directors:

Ian Hutton and Betty Hutton were both re-elected to the Board unanimously, both to serve till 2020. There were no other nominations. The total number of directors in post is now seven.

13. Credit Committee:

Betty Hutton, Maureen Best, Claire Heaviside, Joan Howard and Maureen Robson were re-elected to the credit committee unanimously.

14. Supervisory Committee:

Elizabeth Frankland, Thomas Frankland, Linda Glascott and Anne Howie were re-elected to the Supervisory Committee unanimously.

15. Size of Board

It was agreed unanimously to reduce the number of Board members to 8, which means that the quorum for Board meetings is four Directors. The Board can therefore co-opt one new Board member and can call an EGM if there was an urgent need to increase the number of Board members during the year.

The meeting closed at 20:15hrs