

HASTINGS & ROTHER CREDIT UNION LTD
Minutes of the Annual General Meeting for the year ending on 30th September 2019 held
online on 15th July 2020 at 19:00

Present: Richard Street (President), Dawn Poole (Senior Office Manager), Jackie Littlewood (ABCUL) and 13 members (see below)

1. To ascertain that a quorum (10 members) is present.

2. To receive apologies for absence: Rachel Paynter, Ian Gray, Mike Richardson.

3. To agree the Minutes of the AGM held in March 2019: - agreed as a correct record.

4. To appoint tellers: DP and JL were appointed.

5. Report of the President: see below

6. Report of the Senior Office Manager (see below) + acceptance of the annual accounts.
These were accepted proposed: Peter Hooper; seconded: Susannah Farley-Green.

7. Board proposal not to pay a dividend – agreed unanimously.

8. Report of the Credit Committee (see below)

The Committee was thanked for its work during the year.

9. Report of the Supervisory Committee:

Tracey Garrett explained that Christine Rogers was standing down and she was prepared to continue until a new committee was in place. Christine was thanked for its work over the years.

10. Election of Directors:

That Richard Street, Ian Gray and Georgiana de Lussy be re-elected for a three-year term: proposed Michael Foster; seconded Ken Maitland; agreed unanimously.

That Graeme Clark and Alan Matthews be elected for a three-year term: proposed Richard Street, seconded Ken Maitland; agreed unanimously.

11. Election of Credit Committee:

Mike Richardson, Mike Grigg, Richard Hayes and Robert Walpole were re-elected unanimously: proposed Peter Hooper, seconded Julie Eason.

The Committee was thanked for its work during the year.

12. Election of Supervisory Committee:

It was agreed unanimously that Tracey Garrett be re-elected and others be sought to join the Committee and co-opted as soon as practicable.

The Committee was thanked for its work during the year.

13. Election of Lottery Committee:

Peter Hooper, Georgiana de Lussy and Richard Street were elected unanimously: proposed Ken Maitland, seconded Graeme Clark.

14. Appointment of Auditor.

It was agreed unanimously that AshdownHurrey be reappointed: proposed Graeme Clark, seconded Susannah Farley-Green.

15. Any Other Business

a) It was agreed that future AGMs should be held as soon after the year end as practicable and ideally before Christmas and with the option of members attending online as well as in person.

b) Jackie Littlewood and ABCUL were thanked for facilitating this meeting.

The meeting closed at 19:50

Item 5: President's report October 2018- September 2019

It has always seemed a bit strange to me that I have to deliver a report on a year that had ended 6 months earlier so it's even stranger to be delivering this one nine and a half months after the event. However, I'm sure you can all understand the unique situation we have found ourselves in and I will say something about that later.

In October we welcomed a new part-time member of staff, Tracy Cornwall, to assist Dawn in the office. This has taken an enormous amount of pressure off Dawn. Tracy has made a significant difference to our operations thanks to her skills with spreadsheets, etc.. In January we received our first formal complaint in nearly 20 years of operation. I won't go into any details here but it involved a lot of time and effort digging out evidence to support our defence. Ultimately the ombudsman ruled in our favour so there was a satisfactory outcome.

In March we moved out of our rather cramped inaccessible and insecure office in Cambridge Gardens into Jackson Hall. The increase in rent has been more than repaid by the access not only to modern facilities but also to the support and expertise of our landlords, Hastings Voluntary Action. Sharing the building with numerous organisations which share our ethos and work so well together has been wonderful. All HVA's staff have been very welcoming and happy to share their knowledge, experience and expertise.

The move to Jackson Hall also forced us to take a look at our data security which did not really meet the requirements of current legislation. We have moved our paper archives into a secure unit and are in the process of digitising them which will, of course, save on costs while making them more accessible should we need to consult them. We also upgraded our IT systems with enormous support from Laton Technical whose advice and support made it possible if not painless. They also designed our new website which launched in May.

At last year's AGM, we welcomed Julie Eason to the Board. Her experience in fundraising has been invaluable and will enable us to become a much more effective and efficient organisation which can only benefit our members.

Also at last year's AGM, you delegated to the Board of Directors the task of appointing a new firm of auditors following the inadequate work of the previous firm. In June, after considering 3 firms, we appointed local firm AshdownHurrey and that

appointment has been a revelation of how auditors should operate throughout the year and not just sit on files for several months before submitting a report a few days before the AGM. They have offered a lot of very helpful advice and support to Dawn. Their fees are significantly higher than before as you will see in the accounts but, if you want quality, you have to pay for it.

Our work with Hastings Borough Council's Housing Department has continued and increased our income over the year. Discussions with Rother District Council to do similar work continued during the year and concluded satisfactorily in the following year though the actual work has been delayed by the pandemic.

In May we had a training day with the providers of our present IT system which, we found, is capable of more than we had known before, but remains rather antiquated and in need of replacement. Hopefully, this will happen before our next AGM.

In June we celebrated our 20th birthday with a delicious cake cut by our first member, former MP, Michael Foster, with a group of former and present workers and volunteers.

I can't finish without saying a massive thank you to our wonderful staff: Tracy and Dawn who have both gone above and beyond the call of duty throughout the year. Also our office volunteers David, Robert and Elena without whom we could not have provided the vital services we have to so many local residents. I would also like to thank my fellow directors who have each contributed significantly of both their time and experience to enable Hastings & Rother Credit Union to keep improving and expanding the services we provide.

Richard Street

Item 6: Senior Office Manager's Report

I have prepared a simplified version of the accounts below which members can use to see how we have performed during 2018-19. After a tender process by the board Ashdown Hurrey were appointed to prepare our accounts and carry out an audit. It took our former auditors Lindley Adams three months to hand over the necessary documentation. This left Ashdown Hurrey having to fit us in at and I wanted to thank them for working so hard to carry out the audit in good time. Unfortunately, the Covid-19 pandemic caused delays towards the end of the audit because of lockdown but they have carried out a very thorough review of our accounts and processes and helped us resolve several outstanding queries. The accounts are now laid out as they would be for a business so have more detail which is helpful when applying for grants and the board when making financial decisions.

We have appointed another part time member of staff during the year whose role is focussed on the accounts and finance. This has freed up some of my time to focus on developing our service and ensures that our accounts are kept in good order however busy we are. As anticipated spending has been higher than last year, this is because of our office move that ended up costing more than expected with the purchase of new IT equipment and an increase in loan arrears arising from old loans that we have not been able to recover. We have also moved to using Office 365 and updated our telephone system which meant that when we closed our office we were able to set up working from home. The Credit Committee have taken a firmer line on lending decisions and the loans that are in default would not be made today. However, loan interest income has remained broadly the same.

General income has increased as a result of the housing work carried out for Hastings Borough Council.

We had signed contracts with Rother District Council to carry out work for them collecting housing payments, but this did not materialise last year (and has been delayed again this year). This led to a lower than forecast income. A review of fees for the work for Hastings Borough Council has been carried out since the end of the 2018-19 financial year and subsequently increased as they were not sufficient to cover the external costs of processing payments and time spent administering the payments.

The number of shares held by members has increased slightly by 2.4% to £310,085. This enabled the board to increase the limit a single member can hold to £15,000 which will help us build our capital. It also helps community group account holders who often obtain large one off grants to get established.

Looking forward the income earned continues to increase as a result of the current housing crisis; not a situation we would want but we would rather people did this than turn to loan sharks or pay exorbitant rates for a payday loan. We have been successful in obtaining various grants and funding to support lending during the Covid-19 crisis as we rapidly adapt to the situation. Plans are progressing to change our back office banking system which is over twenty years old to one that will enable members us to use TransUnion credit checking and open banking to better risk assess loan application and give people the opportunity to open and manage an account online. The cost of this change is likely to exceed £20,000 and grant applications are progressing with two local funders and we are optimistic we can make the upgrade in the next year.

Finally, I would like to thank all the staff and volunteers including board members for their hard work and support over the last year. We have gained several new volunteers over the last year who have brought a wide range of skills to the Credit Union and helped us improve our service. Without our volunteers we would not be able to operate and if any members would like to volunteer please let us know and we can tell you more about the opportunities we have.

Summarised accounts to 30th September 2019

Income / Expenditure		2019	2019
		£	£
Income:	Interest on members loans	13243	13246
	Fees and commissions receivable	27347	20897
	Fees and commissions payable	-5658	-4399
	Grants, donations and misc. income	13125	8190
	Total Income	48057	37934

Expenditure:			
	Administration costs	43181	28418
	Other operating expenses	3752	3681
	Losses on loans to members	2453	-648
	Depreciation	663	316
Surplus / (Deficit) for Year		50049	31767
Taxation		-537	-250
Proposed Dividend to Members		0	0
Transfer to Reserves		-2529	5917

Item 8: Report of the Credit Committee

I am pleased to be able to make this short report to you on our activities for the year to the end of September 2019.

As I am sure you are aware the Committee consisting of four members meet, together with Senior Manager, to consider loans made in the previous month and probably more importantly, problems with repayments : our aim is to meet eleven times each year. Unfortunately we met only five times this year!

The number of loans made this year was eighty-five (85), a drop of about 10 percent on the previous year, due in no small measure to the fact that Members have withdrawn deposits rather than take out loans. However, in these difficult times we could have expected a serious increase in our default rate, which has not proved to be the case as it remains at under 2 percent, which is one of the best in the country. This is due to the robust policy, being adhered to by Dawn and her team, for which we, the Committee, thank her.

At this point I will take questions, links permitting!

Michael Richardson, Secretary

Attendees

Alan Matthews

Dawn Poole

Graeme Clark

Ken Maitland

Michael Foster

Peter Hooper

Richard Street

Shelley Feldman

Susannah Farley-Green

Tanja Conway-Grim

Tracey Garrett

Georgiana de Lussy

David Attwood

Julie Eason