

Annual Report for 2015

Annual General Meeting

20th April 2016

6 pm

Central College Gymnasium

Maid Marian Way

Nottingham

NG1 6AB

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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1. Minutes of the 2015 Annual General Meeting

Liz Blackman welcomed everyone to the meeting and apologies were received from :

- Angela Kinton
- Sam Webster

The minutes from the previous AGM were approved

Chair's report

- We made good progress in 2014 towards long term sustainability. We made a surplus in line with previous years with significantly less grant funding – from £1 in £3 in 2013 to £1 in £8 in 2014.
- Bad debt is at an all time low thanks to careful review of affordability as well as tighter arrears procedures.
- Liz praised the wide ranging skills of the Board who are leading forward a modern credit union.
- Lots of new and exciting initiatives including Online Branch and ISA.

Treasurer's Report

- Accounts now presented according to the new accountancy standards FRS102.
- We need earned income to increase to reflect loss of grants. We were £100k down on grants and made this up through cost reduction and increased earnings.
- Bad debt was 4% loan book compared with 15% in 2011/12
- As assets increase we need to work hard to build capital. Some money left over from Growth Fund is part of current capital.
- We are very grateful to Nottingham Community Housing Association for their decision to convert Corporate account into Subordinated Loan as this is included in Capital levels

Decisions

- It was agreed to keep the dividend at 0.5%. It was noted that this would reduce for 2015, following the introduction of an ISA paying higher interest rates for those that wanted them.

- Accounts were approved
- It was agreed to appoint PWH Accounting as this year auditors.

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 – Clive Rix, Peter Cowley, Tamara Pattman-Wilson and Rev Paul Worsnop were standing for re-election and this was approved unanimously.
- Supervisory - both current members are willing to stand again and were re-elected

2. Chair's Report

2015 was another very sound year for Nottingham Credit Union in which we continued to move towards sustainability.

The organisation was less dependant on grant funding as its products and services attracted more members and made more profit. Our online facility and improved marketing strategy helped make this possible.

Bad debt remained very low.

A great success was the opening of the Mansfield Loan Shop in November. We named it a loan shop to more accurately describe our core business and to better compete with a number of other organisations in the town which charge much higher interest. It did very well in the run up to Christmas and continues to be extremely busy.

Over the year NCU made some excellent staff and Board appointments to support our development. Tamara Pattman-Wilson and Giles Inman left through pressure of work. They brought a great deal of expertise to the Board and thanks go to them. Philip Elliott and Paddy Emmerson joined us. They both have significant financial and business backgrounds and make a valuable contribution.

As ever leadership and teamwork have been central to our progress and I would like to place on record my thanks to both the staff and the Board for their skill, commitment and hard work. I would particularly like to mention by name Ella Ferris the General Manager, Paul Worsnop the Vice-Chair and Clive Rix the Treasurer.

I should also like to pay tribute to our many partners (see below) who continue to be absolutely invaluable in their support and advice.

I am very confident that Nottingham Credit Union will continue to make significant progress in 2016.

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 Council.

3. Treasurer's Report

Performance in 2015

2015 represented another successful year in our journey to becoming a fully sustainable local cooperative, offering affordable, ethical financial services to the people of Nottingham and Nottinghamshire.

Total assets increased from £2.40 million to £2.64 million, 10.3%, in 2015. Our loan book grew by 11.2% so our loan to assets ratio, a key measure of performance, improved from 56.6% to 57.1%. This was a welcome development, after several years in which it has declined, but we need to have more of our assets out on loan rather than sitting in our bank account. Our target is 70%, and we have plenty of scope to lend this amount.

Income from loans increased by 23%, nearly £56,000, as the loan book increased and the impact of the increase in the regulatory limit on our loan interest rates from 2% a month to 3% a month two years ago continued to make a major impact on our finances. However, this was not enough to offset the reduction in other income, particularly the fall in income from the contract with Nottingham City Council to offer Emergency Hardship Scheme loans, the fall in net current account income as we move to closing it down and the loss of a one off release of provisions in 2014. Overall, income fell by nearly £17,000. As this fall had been anticipated at the beginning of the year, there was a further organisational restructuring at the beginning of the year to reduce staff costs.

Contrary to expectations a year ago, grant income rose in 2015 as a result of winning grant funding from Nottinghamshire County Council to extend our operation in Mansfield. This had been running on a shoestring for several years but, with the aid of the grant, and support from Mansfield District Council and the Lloyds Credit Union Development Fund (CUDF), we now have a fully functional Mansfield Branch and are already making excellent progress in the Mansfield area. These grants covered the increased activity in Mansfield, much of which was one off set up costs. We also received grants from Nottingham City Council and the Credit Union Expansion Fund (CUEP). We are, as always, most grateful to all these parties for their continued support.

The net financial result was a surplus of £6,600 – some £4,000 lower than 2014 but an excellent result in the circumstances.

Regulatory Compliance

As a financial services provider, our credit union is regulated by the Prudential Regulation Authority and the Financial Conduct Authority. Under this regulation, we are required to comply with a number of standards and to meet minimum levels for key financial ratios. The Board is pleased to report that we are fully compliant with all these requirements. The one that was causing us most concern last year was the need to maintain a capital to assets ratio (CAR) of at least 5%. During the year, we were successful in a bid for £30,000 regulatory capital to the CUDF. As a consequence, we ended 2015 with a CAR of 6.1%. However, CAR will remain a concern as we grow, particularly in the light of revised regulatory rules published in February 2016. The require us to monitor a further set of financial ratios and, more significantly, to have 10% CAR by the time we reach 15,000 members.

Approval of accounts

The Board proposes the acceptance of the Annual Accounts

2015 Dividend

The Board is proposing a 0.25% dividend to be paid on all eligible deposits for 2015. We indicated last year that we would reduce the dividend from 0.5% in 2014 in anticipation of the falling income in 2015, and because the newly introduced ISA would pay a higher rate of interest for those members whose primary interest was saving. Also, to pay a higher dividend would have meant calling on reserves at a time when, as already indicated, we need to be conserving capital.

Prospects for 2016

The Board believes the prospects for 2016 are very good. The rates of growth seen in 2015 have continued, while operating costs and bad debt remain under firm control. The closing down of the current account has been a significant drain in 2015. There will be some impact in 2016 but overall costs will reduce. The Nottinghamshire County Council grant and Mansfield District Council support are for three years and Nottingham City Council have agreed further support for 2016/17, so we have all the grant support we need for the coming year despite the end of the CUEP in April. The key, as always, will be to increase our rates of lending while keeping costs and bad debt under control.

Appointment of Auditor

The Board proposes the reappointment of PWH Accountancy Ltd as our auditors for 2016.

Clive Rix

Treasurer

4. Annual Accounts 2015

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 2015 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 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

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

As part of the Credits Union Sourcebook (CREDS) Issued by the Prudential Regulation Authority (PRA)

We are also required to confirm that we are

- *Complying with the Financial Services Compensation Schemes (FSCS) requirements for Single Customer View*
- *Maintaining adequate insurance including both General and Fidelity Bond Insurance*
- *Carrying out Additional Activities, as described by CREDS, as we provide Transactional Accounts in the form of Credit Union Current Accounts, Pre-paid Engage Card and Rent Payment Accounts and are in compliance with the regulations regarding operation of these accounts.*
-

ANNUAL GENERAL MEETING 2016

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	2015		2014	
	£	£	£	£
<i>Assets</i>				
<i>Cash, cash equivalents and liquid deposits</i>				
<i>Cash, loans and advances to banks:</i>				
<i>Bank current accounts - ordinary</i>	117,112		103,869	
<i>Bank current accounts - CUCA</i>	69,215		221,509	
<i>Bank deposit accounts - ordinary</i>	908,224		680,602	
<i>Total cash, cash equivalents and liquid assets</i>		1,094,551		1,005,980
<i>Loans and advances to members:</i>				
<i>Standard loans</i>	2,191,082		2,104,299	
<i>MARS loans</i>	5,361		10,842	
<i>EHS loans</i>	22,169		26,909	
<i>Less impaired loans</i>	(710,156)		(785,487)	
<i>Total loans and advances to members</i>		1,508,455		1,356,562
<i>Tangible Fixed Assets</i>				
<i>IT server and software</i>	0		0	
<i>Total Tangible assets</i>		0		0
<i>Other Receivables</i>				
<i>Other receivables</i>	910		428	
<i>Total other receivables</i>		910		428
<i>Prepayments and accrued income</i>				
<i>Prepayments</i>	23,196		23,064	
<i>Accrued income</i>	14,430		9,487	
<i>Total prepayments and accrued income</i>		37,626		32,551
<i>Total assets</i>		2,641,542		2,395,521

ANNUAL GENERAL MEETING 2016

<i>Liabilities</i>	2015		2014	
	£	£	£	£
<i>Subscribed capital - repayable on demand</i>				
<i>Ordinary members shares</i>	2,154,603		1,859,630	
<i>Corporate members shares</i>	79,008		67,835	
<i>CUCA Members</i>	69,544		221,838	
<i>Junior members shares</i>	92,992		93,615	
<i>ISA Accounts</i>	1,400		0	
<i>Dividends proposed but not paid</i>	5,282		9,348	
<i>Total subscribed capital - repayable on demand</i>		2,402,829		2,252,265
<i>Other payables</i>				
<i>Deferred income</i>	9,388		7,297	
<i>MARS</i>	3,053		5,000	
<i>Holiday Pay Accrual</i>	1,256		826	
<i>Tax payable</i>	725		335	
<i>All other payables</i>	63,610		445	
<i>Total other payables</i>		78,031		13,902
<i>Retained earnings</i>				
<i>General reserve</i>	19,938		18,616	
<i>Growth Fund Reserve</i>	81,287		81,287	
<i>Special reserve</i>	40,457		10,450	
<i>Subordinated Loan</i>	19,000		19,000	
<i>Total retained earnings</i>		160,682		129,353
<i>Total liabilities</i>		2,641,542		2,395,521

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31.12.2014

	2015		2014	
<i>Income</i>	£	£	£	£
<i>Loan interest receivable & similar income</i>				
<i>Interest on loans to members</i>		298,688		242,824
<i>Interest payable</i>				
<i>Interest payable to bank & other lenders</i>		(285)		(82)
<i>Interest payable to members</i>		(10)		0
<i>Net interest income</i>		298,393		242,742
<i>Fees and commission receivable and payable</i>				
<i>EHS fees received</i>		43,429		82,832
<i>CUCA fees received</i>		35,296		40,337
<i>Other fees and commission receivable</i>		8,982		14,194
<i>CUCA fees payable</i>		(54,066)		(44,356)
<i>Other fees and commission payable</i>		(27,647)		(28,854)
<i>Net fees and commission receivable</i>		5,995		64,152
<i>Other income</i>				
<i>Bank interest</i>		3,650		1,662
<i>Impaired loans recovered</i>		25,083		30,298
<i>Grant Income</i>		62,110		53,573
<i>All other income</i>		2,933		22,561
<i>Total other income</i>		93,776		108,095
<i>Total Income</i>		398,163		414,989
<i>Expenditure</i>				
		2015		2014

ANNUAL GENERAL MEETING 2016

	£	£	£	£
<i>Administration expenses</i>				
<i>Salaries and wages (including volunteer cost)</i>	204,281			236,809
<i>Educational and social cost</i>	2,709		3,055	
<i>Property cost</i>	33,091		28,518	
<i>Office running cost</i>	50,500		44,893	
<i>Insurance cost</i>	7,098		6,929	
<i>Total administration cost</i>		297,678		320,204
<i>Depreciation and amortisation</i>				
<i>Depreciation</i>	0		412	
<i>Total depreciation and amortisation</i>		0		412
<i>Other operating expenses</i>				
<i>National affiliation cost</i>	7,374		6,944	
<i>Holiday pay accrual</i>	430		826	
<i>Other operating expenses</i>	27,854		19,437	
<i>Total other operating expenses</i>	35,658		27,207	
<i>Impairment losses on loans to members</i>				
<i>Impairment Cost</i>		57,492		56,077
<i>Total impairment losses on loans to members</i>		57,492		56,077
<i>Total Expenditure</i>	390,828			403,900
<i>Surplus(+)/deficits(-) for the year before taxation</i>	7,336		11,089	
<i>Taxation</i>	725		335	
<i>Surplus(+)/deficits(-) for the year after taxation</i>	6,611		10,754	
<i>Appropriations:</i>				
<i>To General Reserve</i>	1,322		2,151	
<i>Transfer from(-)/to(+) Special Reserve</i>	7		(745)	
<i>Transfer to dividends proposed:</i>				
<i>Adults - 0.25% (2014 - 0.5%)</i>	5,060		8,876	
<i>Juniors - 0.25% (2014 - 0.5%)</i>	222		472	
<i>Total proposed dividend</i>	5,282		9,348	
<i>Total appropriations</i>	6,611		10,754	
<i>Retained (Deficit) for the year</i>	0		0	
<i>Unappropriated Surplus brought forward</i>	0		0	
<i>Unappropriated Surplus carried forward</i>	0		0	

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.

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>
	£	£	£	£	£
<i>Brought Forward</i>	18,616	10,450	81,287	19,000	129,353
<i>Surplus for the year</i>	6,611	30,000	-	-	36,611
<i>Dividend</i>	(5,282)	-	-	-	(5,282)
<i>Transfers to/from spec. Reserve</i>	(7)	7	-	-	-
<i>Carried forward</i>	19,938	40,457	81,287	19,000	160,682

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 interest is frozen, no interest is recognised in the accounts from the date interest is frozen.

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

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 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 £57,492 (2014 - £56,077) shown in the Income and Expenditure Statement.

e. *Juvenile transactions*

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

2. **Summary of Members Share (including juniors) and Loan Accounts**

	Shares		Loans	
	2015	2014	2015	2014
<i>Balances brought forward from last year</i>	2,021,080	1,804,953	1,472,978	1,533,872
<i>Shares saved and loans repaid</i>	4,341,162	3,743,874	(1,744,939)	(1,663,603)
<i>Dividend credited to shares</i>	9,186	7,789		
<i>Shares withdrawn</i>	(4,043,424)	(3,535,536)		
<i>Loans granted</i>			1,600,057	1,359,885
<i>Interest charged</i>			298,688	242,824
	_____	_____	_____	_____
<i>Balances carried forward to next year</i>	2,328,004	2,021,080	1,626,784	1,472,978
	=====	=====	=====	=====

3.	<i>Number of Members (including juniors)</i>		2015	2014
	<i>Number at beginning of year</i>		8,011	7,802
	<i>Joined during year</i>		1,402	1,779
	<i>Lapsed during year</i>		174	1,570
	<i>Number at end of year</i>		9,239	8,011
	<i>Junior members</i>		784	877
	<i>Adult members (of whom dormant: 2015 – 1,972; 2014 – 594)</i>		8,455	7,134
			9,239	8,011
4.	<i>Tangible Fixed Assets</i>			
		<i>Computer Hardware</i>	<i>Office Furniture</i>	<i>Software</i>
	<i>Cost</i>	<i>£</i>	<i>£</i>	<i>£</i>
	<i>At 31 December 2014</i>	7,919	817	5,340
	<i>Additions</i>	-	-	-
	<i>As at 31 December 2015</i>	7,919	817	5,340
	<i>Depreciation</i>			
	<i>At 31 December 2014</i>	7,919	817	5,340
	<i>Charge for the year</i>	-	-	-
	<i>As at 31 December 2015</i>	7,919	817	5,340
	<i>Written Down Value 31 December 2014</i>	-	-	-
	<i>Written Down Value 31 December 2015</i>	-	-	-
5	<i>Impaired Loans Written Off</i>			

The cumulative value of Impaired Loans Written Off as at 31 December 2015 was £943,049, (2014 - £940,121). This amount has been adjusted by £351,220 (2014 - £273,977) to show a reasonable estimation of written off loans where there is no legal right to repayment. The remainder of written off loans of £591,827 (2014 - £669,072) have been added back to and included in the amounts for Standard Loans and Impaired Loan Provision in the Statement of Financial Position.

6 *Holiday Pay Accrual*

Our holiday runs from 1st April to 31st March. Holiday pay accrual has been based on basic salary and holiday entitlement equivalent up to 31st December 2015. The value for this as at 31st December 2014 was £1,256 as shown in the Accounts.

7 *Key Management Remuneration*

Directors of the credit union do not receive any remuneration.

Total remuneration paid to key management during the year was £ 60,992.

8 *Government Grants*

No government grants were received during the year. The grants received were from local authorities and from the Lloyds Credit Union Development Fund. The grants were accounted for on accrual basis in line with FRS 102 section 24.5D

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 31st December 2015 were as follows

	<i>Shares</i>	<i>Loans</i>
	<i>£</i>	<i>£</i>
<i>Staff</i>	<i>1,343</i>	<i>9,866</i>
<i>Directors</i>	<i>10,014</i>	<i>1,126</i>
<i>Total</i>	<i>11,357</i>	<i>10,992</i>

10 *Deferred Income*

The Credit Union received various 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 £9,388 shown in Accounts is the balance remaining unused as at 31 December 2015.

The Credit Union had the following lease agreements which existed as at 31 December 2015

<i>Lease item</i>	<i>Date of Lease</i>	<i>Expiry date</i>	<i>Amount & frequency of rental payment</i>
<i>Office premises - Nottingham Main Office</i>			
<i>69 Maid Marian Way Nottingham</i>	<i>16.11.2009</i>	<i>15.11.2019</i>	<i>£15,000 p.a + VAT</i>
<i>Office premises - Mansfield Branch</i>			
<i>3 Clumber Street, Mansfield</i>	<i>08.11.2015</i>	<i>24.12.2018</i>	<i>£6,500 p.a. + VAT</i>
<i>Printer-copiers</i>			
<i>Ricoh MP301SPF</i>	<i>09.05.2013</i>	<i>08.05.2018</i>	<i>£117 p.q. + VAT</i>
<i>Ricoh MP C3503</i> <i>and Kyocera 520i</i>	<i>22.11.2013</i>	<i>21.11.2018</i>	<i>£407 p.q. + VAT</i>
<i>Ricoh MPC305SPF</i>	<i>05.06.2015</i>	<i>05.06.2020</i>	<i>£117 p.q. + VAT</i>

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 £7,400 as at 31 December 2015.

5. Audit & Risk Committee Report

The Committee has met 5 times since the last AGM. It has kept the Risk Register under review, noting that during that period some risks have reduced, such as increasing bad debt and uncertainty over CREDS, but others have increased such as Cyber-crime and the effects of increased regulations.

The Code of Governance has also been reviewed, and the Credit Union has made some progress on this front, attaining an overall score of 92% towards the required standard and 70% towards the gold standard.

During the year a major piece of work was undertaken by Clive on financial crime and various actions, policies and procedures brought into place to reduce the threat of that.

With thanks to my colleagues on the Committee for their input and support: Liz Blackman, Clive Rix, Moby Farrands, Ella Ferris and James Ferguson.

Paul Worsnop (Chair)

6. Supervisory Committee Report to AGM

During 2015 the Supervisory Committee did not meet due to other commitments.

The Board has advertised widely for replacements, even in a paid capacity. No candidates came forward. Due to this the Board has appointed PWH Auditors to act as Internal Auditor to ensure that this important function continues. This work is being carried out by Roger Platt who is not involved in our Annual Audit of Accounts.

7. 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, the Board 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.

8. New loans granted by area in 2015

This table shows the percentage of loans we granted by value per area during 2015. The average loan in places like West Bridgford, Newark and Sutton in Ashfield is over twice as much as that in Aspley and Bulwell. Our average loan is £756. We also monitor membership across these areas.

CITY	
Aspley, Bilborough, Broxtowe Estate, Strelley	18%
Bulwell, Bestwood, Old Basford	18%
City Centre	1%
Clifton & Wilford	7%
Dunkirk, Lenton, Meadows, Wollaton	5%
Hyson Green, Forest Fields, Radford, New Basford	8%
Sherwood & Mapperley	4%
St Ann's & Sneinton	11%
ASHFIELD	3%
BASSETLAW	0%
BROXTOWE	5%
GEDLING	7%
MANSFIELD	4%
NEWARK AND SHERWOOD	1%
RUSHCLIFFE	3%
Out of Area	3%

9. Attendance of Officers

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Attendance
Liz BLACKMAN	√	√	√	√	√	√	√	√	√	√	√	x	92%
Clive RIX	√	√	√	√	√	√	√	√	√	√	√	√	100%
Paul WORSNOP	√	√	√	√	x	√	x	√	x	√	√	√	75%
Peter COWLEY	√	x	√	√	√	√	√	√	x	x	√	x	67%
Moby FARRANDS	√	√	√	√	√	√	√	√	√	√	√	x	92%
Giles INMAN	√	x	√	x	x	x	x	x	√	Resigned Sept2015			22%
Tamara PATTMAN- WILSON	√	x	√	√	√	x	√	Resigned Aug 2015					71%
Sam WEBSTER	√	x	√	x	√	x	√	√	x	√	x	√	58%
Philip ELLIOTT	√	x	√	x	x	√	x	√	x	√	x	√	50%
Jo DOWSON	x	√	√	√	x	√	√	√	√	√	√	√	83%
Paddy EMMERSON								Co-opted Nov 2015			√	x	50%

10. Motions to the AGM

The following motions are proposed by the Board:

1. Approve the minutes of the last meeting
2. Approve the Annual Report and Accounts
3. Approve the dividend of 0.25%
4. Appoint the Auditors for the coming year
5. Changes to Nottingham Credit Union rules
23,63,83,87,90,91,99,122,123,129,130,131,132,133,134 and 146 to remove references to the Supervisory Committee and reallocate it's duties to an Internal Auditor. The Board will appoint external experts to carry out the Internal Audit function.

11. Election of Officers

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

Sam Webster

“Having joined the board of Nottingham Credit Union in 2013 I have prioritised accessibility to existing members and also promoted improvements to the website to attract a broader membership base. During the last financial year, we have seen a huge increase in membership and loan applications online and I believe that the Credit Union must continue to develop web based services for members.

Better targeted products, better understanding the needs of members and prospective members and better marketing have all been and will continue to be important factors to ensure the continued success of Nottingham Credit Union. As a board member I have championed these themes and will continue to do so if re-elected.

Away from the Credit Union I am City Councillor for the Wollaton East and Lenton Abbey ward, and also sit on the boards of Blueprint Regeneration and Scape Group.

Philip Elliott

“I am a Member of the Institute of Credit Management and have previously worked for business partners within the Legal, Debt Recovery, Factoring and Credit Insurance professions. I have worked on behalf of clients from small businesses to multi-million pound companies, as well as having specific experience with private schools. I have over 30 years’

experience of marketing, business development and negotiating. Outside of Philip Elliott Associates, I am Vice Chair of Governors at De Lisle Academy.

I was co-opted on to the Board of Nottingham Credit Union in late 2014 to help update our Credit Control function, ensuring we provide a customer focused and compliant service.“

Moby Farrands

“I have been a community worker in and around Radford, Hyson Green and Forest Fields for over 30 years, helping form community organisations and Charities and develop activities to serve urgent local needs. I live in Forest Fields and I’ve been part-time Neighbourhood Projects Worker with the Partnership Council Charity for the past 8 years, giving me time to also be an active grandma.

Work with families experiencing poverty and debt got me and other volunteers working to develop community-owned Credit Union services for Nottingham from 1995 - over 20 years ago.

Co-operatives are an effective way of running a community business - our members together own Nottingham Credit Union, and can call it to account, particularly at our Annual General Meeting.

As a Board member and volunteer from the beginning, I’ve enjoyed helping Nottingham Credit Union grow and develop, accepting change as the Credit Union expanded to now deliver a professional savings and loan service Countywide via our offices and our website. I am keen that the Credit Union continues to serve people with all levels of income – helping them to manage their finances better, and avoid the dodgy lenders. “

12. Election of Supervisory Committee

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

There are no volunteers willing to stand for Supervisory Committee.