

Nottingham | Nottinghamshire | Lincoln | Lincolnshire

# **notts & lincs** CREDIT UNION

**Simple Savings & Affordable Loans**

## **ANNUAL REPORT FOR 2022**

69 Maid Marian Way  
Nottingham  
NG1 6AJ

0330 004 0842

[www.nottsandlincscu.co.uk](http://www.nottsandlincscu.co.uk)

Authorised by the Prudential Regulation Authority and regulated by the  
Financial Conduct Authority and Prudential Regulation Authority -  
Registration no 213439

# CONTENTS

2 - ABOUT US

19 – AUDIT & RISK  
COMMITTEE REPORT

3 - OUR YEAR AT A  
GLANCE

20 – MLRO REPORT

5 - MEMBER  
FEEDBACK

21 - ATTENDANCE OF  
OFFICERS

7 - MINUTES OF THE  
2022 AGM

22 - MEET THE  
BOARD

13 - CHAIR'S REPORT

24 - RE-ELECTION OF  
OFFICERS

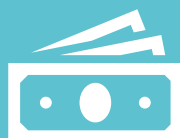
15 - TREASURER'S  
REPORT

25 THANK YOU'S

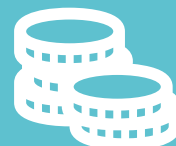
17- 2022 ACCOUNTS  
SUMMARY



We have over  
**10,000**  
members



We have lent  
over **£6.8**  
**million** in the  
last 3 years



We look after  
over **£6 million**  
of our  
members'  
savings

# ABOUT US

Notts & Lincs Credit Union is a financial cooperative that exists for the benefit of its members. Membership is available to those who live or work in Nottinghamshire, Lincolnshire or work for one of our Payroll Partners. The Credit Union is owned and controlled by its members.

Our head office is in Nottingham City Centre and we have two other branches in Mansfield and Lincoln.

# OUR MISSION

To help build communities that are free from problem debt and are financially resilient by providing people in Notts & Lincs with affordable loans, secure savings and access to relevant financial specialists each as low-cost alternatives to high-cost providers.

# OUR VISION

Over the next decade, the NLCU will grow its membership to 40,000, will grow the loan book to £40,000,000 and in doing so, will save Notts and Lincs communities over £40m in high-cost credit interest, money that will be retained to do good in the community whilst also potentially alleviating non-financial forms of suffering such as stress, mental health and relationship breakdowns.

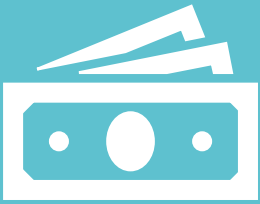
# OUR YEAR AT A GLANCE



We welcomed over  
1,700 new member



We issued over 2,100  
loans



We lent over £2.9  
million



Over 8,700 members  
used our app & online  
portal

## 2021-2022



**Andrew, Ashleigh &  
Mark joined our team**



**4.7\* feedback rating  
from Google Reviews**



**We welcomed  
Himmah & YMCA as  
Payroll Partners**

# MEMBER FEEDBACK



**Louise**

Over the years I've had a couple of loans with the Credit Union which offer great interest rates and affordable repayments. The staff at Mansfield are very polite and always a pleasure to go and see especially Marie. They helped me to consolidate my debts and improve my credit score. I would advise anyone who struggles to get a loan from a bank and doesn't want to pay high APR to use the Credit Union. It also has a great savings account too.



**Vinny**

Gave a loan when nobody was giving it to me and I'm sure I'm taking it with the intention to pay it off as fast as I can and there is an option for that too. There were some giving me the loan for much less than what I needed and with unimaginable interest rates, I totally recommend this company, not best rates but very good comparing what I was offered, and they accepted me, helped me to get my dream car which I had paid most of already and I just had to take that loan for a small help paying it off and definitely will be using it if I need it again as they helped me when no one else did.



**Brian**

Very easy to join the Credit Union, very pleasant people clear and affordable repayments. My first loan with them allowed me to clear my outstanding debt into one affordable monthly payment helping my overall credit rating. Interest rates are very favourable.



**Gemma**

Absolutely amazing! The Credit Union are so understanding and helpful. Spoke to Dawn, she was really helpful and easy to open up to. Keep doing what you're doing you're fab.



**Tracey**

Today I was in a bit of a dilemma as to how to draw out my Christmas Savings. After waiting about 40 mins to get through on the phone I decided to email. To my utter surprise, it was responded to in minutes by a lovely gentleman named Adam!!!! He directed me as to what to do with no fuss and great knowledge! I will certainly be using the product again due to the great service I received from Adam. Thank you again.

# AGENDA

WELCOME & APOLOGIES

APPROVAL OF THE 2022 AGM  
MINUTES

CHAIR'S REPORT

TREASURER'S REPORT

2022 ACCOUNTS SUMMARY

AUDIT & RISK COMMITTEE REPORT

MONEY LAUNDERING REPORTING  
OFFICERS

ATTENDANCE OF OFFICERS

ELECTIONS OF OFFICERS

Q&A/ANY OTHER BUSINESS

# MINUTES OF THE 2022 AGM

Liz Blackman (Chair) welcomed everyone to the meeting. No apologies were received.

She explained that questions and comments would be taken after the main reports and at the end of the AGM.

Members present: Leslie Ayoola, Oludare Adesina, Chris Ball, Clive Baptiste, Maxine Bennett, Liz Blackman, Disan Buteera, Dawn Dolby, Adam Doy, Jason Eaves, Evaristah Ellerby, Paddy Emmerson, Elizabeth (Moby) Farrands, James Ferguson, Mandy Fisher, Martin French, Sally Gregory, Jason Griffith, Garry Guye, Marie Haywood, Michelle King, Amelia Lubaki, David Lynn, Nsumbu Mavinga, Christina Mehew, Robert Michalak, Claire Nicholls, Carlton Phillips, Jennifer Richards, Matthew Riches, Simon Ripton, Clive Rix, John Rose, Paul Stafford, Lorna Stoddart, Debbie Thompson, Graham Thompson, Avril Turner, Charles Walster, George Zigli.  
Guests: Jackie Littlewood-ABCUL support

## Minutes of the 2021 Annual General Meeting

**The Minutes of the 2021 AGM were agreed upon.**

### Chair's Report

When the lockdown lifted in April, we adopted permanently many of the changes we had made over the previous year including reduced office hours, home and hybrid working and remaining cashless. Covid had merely accelerated an already existing trend by members to access their financial services online.

During this period our financial performance was adversely affected as we saw a huge increase in savings and a dramatic decrease in borrowing. These two trends impacted our profitability. At the same time, we used up the last of our grant aid upon which we had historically been reliant.

Nevertheless, the Board identified significant strategic opportunities to improve performance, accelerate growth, strengthen communities and protect them from problem debt.

- The merger with Lincolnshire in 2020 extended the population of our Common Bond to over 2 million.
- The recent exit from the market by doorstep lenders and other high-interest lenders has created a space for an affordable and compassionate alternative.
- The refresh of our payroll relationship to expand the number of partners we have and also the staff who access us in this way.

All these factors and the online migration of our members led the Board to make a substantial investment in IT development, digital marketing and the creation of new jobs. This will enable current and future members to access our affordable loans and secure savings in an easy, efficient, frictionless online journey and free up staff to provide more customer support.



The Board also saw an opportunity to review the current branch arrangement to consider what infrastructure would best support future growth.

We are also actively looking at ways to attract new forms of funding to support our ambition to build a credit union that reaches all parts of both counties with the aim of having 40,000 members in 10 years.

At the same time, we are open to considering other strategies that might allow NLCU to accelerate its growth and maximise its reach in the communities we serve in order to do the most good. These opportunities could include, partnerships and collaborations, joint ventures, mergers, gifts and legacies as well as the more traditional sources of investment capital and grant funding from private or public sources.

2022 will be challenging but we know this transformation is essential to our success.

**Liz Blackman - Chair**

#### **Treasurer's Report:**

2021 proved another challenging year. We used up the remaining grant income of £43k and took advantage of the temporary relaxed bad debt provisioning brought in by the Prudential Regulation Authority. This will be reversed in 2022.

Our loan interest fell from £3.4m to £2.7m due mostly to loans falling by 20%.

However, impairment charges fell by £121k partly due to the lower level of loans, and partly due to the aforementioned relaxation of the regulatory reserve levels set by the Prudential Regulation Authority.

Deposits rose steeply from £6.7m at the start of the year rising to a peak of £8m which made it difficult to maintain the regulatory Capital Assets Ratio at 5% and to retain capital to invest in the business.

We took action by asking high balance savers to reduce their deposits down to £10k and asked our corporates to withdraw their deposits. We also asked both groups to consider alternatively taking out Subordinated Loans which are a great help as they make up part of our reserves. Our forecast for 2022 suggests we will need more of these loans.

The forward success of the CU relies entirely on our operational efficiency and relevance and for this reason, we made a positive decision with a larger common bond to invest in infrastructure and digitization.

#### **Outlook for 2022**

We anticipate no grant income in 2022 and will also have to reverse the PRA relaxed provisioning. Minimal loan growth is forecast next year but, we believe, that the benefits from these improvements will come over the following years not months.

**Paddy Emmerson – Treasurer and Vice-Chair**

#### **Dividend**

As we made a small profit this year, albeit mostly due to Grant income we propose to maintain the Dividend at 0.1% for another year.

Subject to members' agreements we will pay the dividend for 2021 on ordinary shares immediately on all eligible deposits other than the Christmas savings. We will pay the same amount on Christmas Savings accounts as an interim dividend on 1st November 2022.

**The Board proposed the payment of a Dividend of 0.1%. This was approved.**

### **Approval of Accounts**

We are pleased to report that once again our auditors PWH Accountancy Ltd have given us a clean bill of health. Full accounts will be available on our website and a hard copy to members on request.

**The Board proposed the acceptance of the Annual Accounts. These were approved.**

### **Appointment of Auditor**

This year we had intended to re-tender for auditors. However, given the change in Treasurer mid-year, the current workload and that a new Partner has taken over our accounts, we propose to extend our arrangement with PWH Accountancy Ltd for another year.

**The Board proposed that we extend the arrangement with PWH Accountancy Ltd for a further year, so they will remain our auditors for 2022. This was approved.**

### **Audit and Risk Committee Report**

The Audit and Risk Committee continued to meet every 2 months. Minutes with action points were captured and reported to full Board meetings.

The Risk Register was reviewed at every committee with changes in risk status and action plans reported to the Board.

Policies were also reviewed and revised.

No major incidents, significant losses or customer complaints arose.

The Business Continuity Plan has not yet been formally finalised however, during Covid, we successfully put in place alternative out-of-office working arrangements, which were a significant element of the plan.

New operational controls and checks have been introduced by our CEO.

There have been no external audit reviews this year.

- We have revised our audit strategy for the coming year: -
- We will now adopt a more dynamic and flexible approach to identify future audit activity rather than a predetermined 3-year audit plan.
- Future audit activity will focus on specific issues as needs arise which we expect to provide more valuable insight, improve our controls and enhance the value and assurance for the Board.
- Needs will be identified from a number of sources including but not limited to regulatory changes, internal MI, risk reviews, process failures or customer complaints.
- External audit firms will be used as required on an ad-hoc basis for distinct or bespoke audit or redress activity as specific needs arise.
- Our strategy will be subject to annual review and sign-off and will be adapted for future needs as our circumstances change at the Audit and Risk Committee.

**Chris Ball - Chair of Audit and Risk**

### **Money Laundering Reporting Officer's Report**

Appropriate measures are in place to identify potential money laundering and NLCU ensures this is reported to the appropriate authorities.

**Money Laundering Reporting Officer**

### Attendance of Officers

A table was presented showing Board attendance.

### Election of Officers

Chris Ball was elected for a further term of 3 years

Elizabeth (Moby) Farrands was elected for a further term of 3 years

Cllr Sam Webster was elected for a further term of 3 years

Jason Eaves was elected for a term of 3 years

### Questions and comments from the Floor

The Chair explained that some questions had been received before the AGM and some during the meeting.

Several questions were themed and slides were provided to aid the explanation

#### **When will we go back to a face-to-face AGM?**

We have found that online attracts most people. Our common bond is a huge geographical area which makes online more inclusive. Next year we will review the possibility of hosting a hybrid meeting for those who wish to attend a face-to-face meeting.

#### **Is borrowing £10k automatic or applies to any member as long as they have evidence?**

All our loans are subject to status and underwriting criteria which include a credit score, affordability, previous history with us, previous credit repayment history and any other relevant factors. We may look to lend a lower amount if we feel the amount you have applied for is not in line with your profile.

#### **Is there a Dividend for 2022?**

As previously covered, this will be 0.1% for 2021 due to the lack of grant income and profitability. It is payable on all eligible deposits. Christmas savers receive an interim dividend on 1 November. As we move forward, we hope to increase this in the years to come to better reflect the credit union's financial position.

#### **Is there any Government funding that can help the credit union reach more people?**

Grant funding has become much less available than it has been before. Fair4All has offered grants but we have been unsuccessful in our bids of late. We will actively apply for any grants that fit our strategic plan and are developing a funding prospectus to support this.

#### **For what reason did the society choose to hold their funds in Barclays Bank rather than other banks, including the Co-op Bank?**

We switched to Barclays due to a review of services. The co-op was simply not equipped to handle the number of transactions we were processing and their online platform gave cause for concern. Barclays' platform, at the time of review, was a more efficient and cost-effective solution for us and our members.

**Are you spreading the word about the Credit Unions in schools and universities?**

We have a partnership with life savers which is a values-based financial literacy programme that gives children knowledge, skills and attitudes to manage their money wisely.

They promote a savings club in various schools to give them practical experience in handling their money. We also have a payroll partnership with the University of Nottingham and hope to include Nottingham Trent University in the near future.

**Why am I not getting an annual update on my savings?**

We only send statements out annually to coincide with our AGM. Statements are available earlier upon request. Statements and transactions can also be accessed 24/7 via our app or by using the portal on our online website.

**Why is the APR not clear prior to making a loan application?**

All loans are subject to status and online we provide a representative/indicative APR in line with FCA regulations. We are developing a new website which will include loan calculators to give a more accurate reflection of costs. In the future, we hope to provide members with soft searches to better refine this process.

**Can you do loans that are guaranteed by your savings balances?**

We could review our underwriting criteria to include a loan product that eligible members can take out guaranteed by their savings balances. The amount would be placed into pledge savings account with no withdrawals permitted until the loan was cleared. This will be revised based on demand for the service.

**Can members invest in subordinated loans with the Credit Union?**

Yes.

**Impairment costs more than double in 2021 from 2020. What is your strategy to reduce them?**

They actually came down substantially in 2021. Our lending framework and credit control procedures continue to improve. Where it is appropriate, we use a Debt Recovery Service.

**Have any internal audits been performed?**

Please refer to the Audit and Risk Report.

**How did the CAR vary during the year?**

We have to maintain CAR at 5% or above. We managed to do this by using remaining grant aid and by asking depositors to reduce their balances above £10,000 and corporates to remove them. By year end CAR was moving in the right direction.

**What benefits will the substantial IT investment bring to members?**

An easy, frictionless, smooth. online journey with a substantially shorter turnaround. It will also free up staff from manual processing and allow them to focus even more on customer support.

**Are you able to give us an idea about the total number of transactions which were reported as possible Money Laundering offences?**

No, we cannot release this information but rest assured all suspicions are reported to the relevant agencies and they receive our full co-operation in any investigations carried out.

**Final poll question – Are you interested in either volunteering and/or joining a members' forum?**

Those who expressed an interest will be contacted.

The Chair thanked all attending members, the panel and the auditor for their contributions and Jackie Littlewood from ABCUL for facilitating the meeting so expertly.

# CHAIR'S REPORT

The last three years have been a difficult time for many people. Having lived through the COVID pandemic, 2022 saw a Cost-of-Living crisis, the like we have not seen in modern times, causing further financial worries.

According to the Financial Conduct Authority (FCA), almost a third of UK adults have less than £1,000 in savings to fall back on. Many have none.

According to Fair4AllFinance, every year, people across Notts & Lincs pay £10m in extra interest on loans they have taken out with High-Cost Credit Lenders.

These families are our target audience and the ones we believe Notts & Lincs Credit Union can really support to mitigate their financial challenges and make them more resilient.

Our simple savings products can help protect people from shocks and build up their financial security and our affordable loans, give them the opportunity to break the cycle of debt and develop healthier financial habits and long-term wellbeing.

In 2021 the Board set out its ambitious 10-year 40:40 vision/plan of achieving 40,000 Members, a £40m loan book and £40m in savings. We currently have 10,000 community and payroll members. To meet these targets, scale up the business and extend our reach to help many more, we identified significant strategic opportunities.

Root and branch digital improvements were needed to offer a frictionless, more satisfying customer online journey and to free up staff from time-consuming manual operations to focus on loans and member services.

Key senior management hires were also identified as essential going forward in Operations and Risk, Business Development (Payroll), Marketing, IT Systems and Finance to support the CEO in delivering our plan.

To back this up the Board committed to a deficit budget to allow investment in these two key areas.

Last year saw progress made on this digital pathway. The website was completely rebuilt.

All the day-to-day platforms used to manage the credit union were moved to the cloud. Only the member back-office database is server based and moving this to the cloud is a work in progress. We commissioned a new Credit Control/Member Solutions Workflow Management System to deliver a clear, structured approach to collections with early intervention, so as soon as payments are missed, arrangements can be made. Loan-assisted decisioning is a piece of software we are expecting to come online in 2023.

Three new staff were recruited in Member Solutions, Member Services and Lending. The Board also agreed on key senior management appointments which are built into the Budget and 3-Year Plan going forward in 2023.

We said goodbye to Claire Nicholls and Adam Doy. Both had been with us for a long time. My thanks and best wishes in their future careers go to them both.

2022, I am pleased to report, saw an improving performance against our business plan forecast which our Treasurer, Paddy Emmerson will cover in more detail in his own report.

At the heart of the progress, we are making are our staff. I want to thank CEO Jason Griffith for his leadership and tireless energy and all our staff for their hard work.

2022 also saw further strengthening of compliance activity. The Chair of Audit and Risk Chris Ball, will cover this in more detail in his own report.

At the end of the year, we put in place a comprehensive implementation plan for the FCA's new Consumer Duty which sets higher and clearer standards of consumer protection across all financial services.

My personal thanks go to the Board who are volunteer Directors and generously give up their time and considerable expertise. Apart from attending Board and committee meetings, training and various information events, we also held two strategy days. We welcomed Jason Eaves (former CEO) and said goodbye to Martin French whose work commitments simply became too great. He was invaluable in helping with IT.

I should also like to pay tribute to and thank our many partners who continue to give their invaluable support and advice (See list)

Notwithstanding that we continue to live through these uncertain times, as a Board, we are encouraged that we are now stable and developing a platform upon which to build over the coming years.

However, we recognised, that to accelerate our current and future plans, and meet more members' needs, we will require further substantial investment. We are looking at ways to attract new forms of funding both to strengthen our regulatory capital requirements and to invest in the frontline business. An investment prospectus is being developed to go to potential funders not only to evidence our vision, business plans and progress so far but also to demonstrate the impact we are making and intend to make as we grow.

The Board will always keep an open mind in our desire to make the progress we have set out when opportunities arise such as shared facilities/staff or merger. These will be evaluated through this prism - how these decisions would enable us to reach our targets and further de-risk our business.

Whilst we grow the credit union and make it stronger, we remain committed to being a provider of fair, ethical and affordable financial services and will keep these values uppermost in our minds in all that we do.

2023 will be challenging as the Cost-of-Living crisis continues to impact us all but we know this transformation is essential to our success.

**Liz Blackman, Chair**

# TREASURER'S REPORT

2022 was a good year for us with Interest Income rising from £537 in 2021 to £639k in 2022. Year on Year loans increased by 17% and in value by 27%.

We had an after-Tax profit of £0.4 k, but that included the reversal of the temporary relaxed bad debt provisioning brought in by the Prudential Regulation Authority in 2021 (£25k) and some Grant income. (£2k). So true trading profit for this year was £32.4k. In 2021 we had grant income and the benefit of the Prudential Regulation Authority relaxed bad debt provisioning giving a true trading loss of £37k.

Deposits fell from £6.7m at the start of the year to £6.2m by year-end. This was due mainly to the action we started to take in 2021 to reduce our Deposits which then reduced the strain on our Capital Assets Ratio. (CAR). Our CAR, which is a key measurement required by the PRA rose this year to 6.71% vs 5.57% last year.

Some savers converted their Deposits into Subordinated Loans. These actions have been extremely helpful in further improving our CAR as they count as part of our Capital.

The forward success of the CU relies entirely on our operational efficiency and relevance and for this reason, we made a positive decision with a larger common bond to continue investing in infrastructure and digitization.

## **Outlook for 2023**

We are targeting 16% growth (c £100k) growth of loan income. The first 3 months of 2023 loan growth has been on track., However. we have had higher Bad Debts in that period.

We have implemented the first part of our digitisation plan and plan to commence the second major Investment later this year. We anticipate growth and profitability from these to begin towards the end of 2023.

## **Dividend**

We made a small profit this year, which would have been larger had we not had the reversal of the PRA Bad Debt provision. We propose to maintain the Dividend at 0.1% for another year. This would, however, mean paying that dividend out of distributable Reserves which currently stand at £218k.

Therefore, the Board proposes, subject to members' agreement, to maintain the Dividend at 0.1% for another year. We will pay the dividend for 2022 on ordinary shares immediately on all eligible deposits other than the Christmas savings. We will pay the same amount on Christmas Savings accounts as an interim dividend on 1<sup>st</sup> November 2023

## **Approval of Accounts**

We are pleased to report that once again our auditors PWH Accountancy Ltd have given us a clean bill of health. Full accounts will be available on our website and a hard copy to members on request.



**The Board proposes the approval of the Annual Accounts.**

**Appointment of Auditor**

We intend to retain the current Audit company - PWH Accountancy Ltd. The Board seeks approval to reappoint the new Partner for a further year.

**Paddy Emmerson, Treasurer**

# 2022 ACCOUNTS SUMMARY

## SUMMARY OF ANNUAL ACCOUNTS 2022

### Summary of Balance Sheet

	2021		2022
<b>Assets</b>			
Fixed asset	£12,037.00		£66,634.00
Total cash and investments	£4,516,213.00		£3,378,458.00
Total Net Loan	£2,565,790.00		£3,264,790.00
Other Assets	£63,162.00		£66,353.00
<b>Liabilities</b>			
	-£99,318.00		-£85,911.00
<b>Net assets</b>	<b>£7,057,885.00</b>		<b>£6,690,324.00</b>
<b>Subscribed capital</b>			
Ordinary members shares	£6,394,134.00		£6,085,303.00
Corporate members shares	£122,024.00		£12,425.00
Junior members shares	£112,606.00		£112,546.00
ISA Accounts	£35,681.00		£30,808.00
<b>Total subscribed capital</b>	<b>£6,695,041.00</b>		<b>£6,241,082.00</b>
<b>Net Assets</b>	<b>£393,440.00</b>		<b>£449,242.00</b>
<b>Retained earnings</b>			
Reserves	£263,440.00		£263,242.00
Deferred shares	£55,000.00		£55,000.00
Subordinated loans	£75,000.00		£131,000.00
<b>Total Retained Earnings</b>	<b>£393,440.00</b>		<b>£449,242.00</b>

Summary of Income and Expenditure	2021		2022
<b>Income</b>			
Net interest income	£536,712.00		£639,357.00
Net fees and commission receivable	-£25,489.00		-£33,827.00
Grant Income	£43,187.00		£2,500.00
Other income	£37,491.00		£65,706.00
<b>Total income</b>	<b>£591,901.00</b>		<b>£673,736.00</b>
<b>Expenditure</b>			
Salaries and wages (including volunteer costs)	£245,478.00		£266,250.00
Administration cost	£138,484.00		£130,866.00
Other operating costs	£23,567.00		£30,251.00
Depreciation	£8,022.00		£27,004.00
Impairment Cost	£136,405.00		£213,939.00
<b>Total Expenditure</b>	<b>£551,956.00</b>		<b>£668,310.00</b>
Surplus for the year before taxation	£33,945.00		£5,426.00
Taxation	£1,167.00		£4,958.00
Surplus for the year after taxation	£38,779.00		£468.00

# AUDIT & RISK COMMITTEE REPORT

Our Audit and Risk Committee continued to meet every 2 months. Minutes with action points were captured and reported to the following full Board meeting. The Chair and committee members remained in post last year and will continue in post throughout the next financial year.

Our Risk Register is focused on our key risks which we continued to review at every meeting with changes in risk statuses reported to the full monthly Board. Residual risk ratings were agreed for all risks and action plans were put in place where improvement activity was deemed necessary. None of our current risks are causing concern with 7 of our 19 risks meeting our desired residual risk state.

Policies were reviewed at the end of 2022 and will next be reviewed at the end of 2023.

No major incidents, significant losses or customer complaints arose. No customer redress issues were identified over the year as a result of process failure.

Our Business Continuity Plan will be completed by the end of 2023. However, as reported last year, we put in place alternative out-of-office working arrangements during the 2020/21 COVID pandemic demonstrating our ability to operate in contingency circumstances and those plans remain in place.

Our CEO continues to operate a series of operational controls and checks introduced during 2021/22.

As reported last year, we revised our audit strategy for 2022/23 and agreed to adopt a more dynamic and flexible approach to identify and focus on specific issues as needs arise, rather than a predetermined audit plan. We expected the approach to provide more valuable insight and assurance for the Board.

There have been no external audit reviews this year. However, over the year we completed a review of our Provisioning Policy to satisfy ourselves both on the adequacy of provision levels and also that the policy is being correctly applied. The review demonstrated that our policy is being followed as required.

We also reviewed and documented our Single Customer View requirements and the processes needed to recreate Customer records. We will test our ability to recreate records from this process later in 2023.

The Board has agreed that our approach has been more effective for us and it has been renewed for another 12 months. This approach will continue to be subject to annual review and sign-off.

Going forward, we have agreed that our implementation of the new FCA Consumer Duties will be audited by the end of the year to fully satisfy ourselves that all requirements have been met.

**Chris Ball, Chair of Audit & Risk**

# MONEY LAUNDERING REPORTING OFFICERS REPORT

As a financial organisation, we have a legal obligation to ensure we have appropriate measures and plans in place to identify potential money laundering and ensure this is reported to the appropriate authorities.

This includes identifying where any transactions may be linked to the proceeds of crime and/or are fraudulent.

A number of activities are undertaken on a regular basis to help identify possible money laundering and staff receive regular updates/training.

Where there are reports of suspicious activity, they are forwarded to the National Crime Agency, Action Fraud and the Credit Union would assist local law enforcement where appropriate.

**Money Laundering Reporting Officer**

# ATTENDANCE OF OFFICERS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Liz Blackman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Paddy Emmerson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Chris Ball	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Moby Farrands	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	92%
Cllr Sam Webster	✓	X	✓	✓	✓	X	X	✓	✓	✓	X	✓	67%
Simon Ripton	X	X	✓	✓	✓	✓	✓	✓	✓	X	X	✓	67%
Jason Eaves	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	X	X	75%

# MEET THE BOARD

The Board is responsible for the strategic direction of the Credit Union, establishing policies and procedures for the operation of the business. It also holds management responsibilities for the delivery of the business plan and maintenance of customer outcomes.

The Board is comprised of unpaid members of the Credit Union who support it on a voluntary basis.

During the financial year of 2022, these Directors held office following the AGM in April 2022.

## **Liz Blackman – Chair of the Board**

Chair of the Board for 9 years. Liz also sits on the Finance, Audit and Risk Committees. Outside the Board, she is the Secretary of the East Midlands Credit Union Forum and a member of both the Nottingham Financial Resilience Partnership and the Lincolnshire Financial Inclusion Partnership. Previously she was the Member of Parliament for Erewash. Passionate about the credit union sector as a way of encouraging and supporting financial resilience by providing access to affordable credit and safe savings.

## **Paddy Emmerson – Vice Chair/Treasurer**

Board member for 7 years, Paddy has been Vice-Chair of the Board for the last 5 years and is Treasurer/Chair of the Finance Committee as well as a member of the Audit and Risk Committee (a former Chair). A Chartered Accountant with extensive commercial experience in the UK and Europe, prior to retirement the Finance Director for VF UK and Scandinavia. In retirement, Paddy trained and is now an expert volunteer adviser at Nottingham's Citizens Advice Bureau. He was also instrumental in setting up the charity Nottingham Narrow Boat Project in 2017 and currently takes the lead on their Finances as well as being a volunteer crew member. He is also a Trustee of VF's Northern Europe pension fund.

## **Chris Ball – Audit and Risk**

Chris is Chair of the Audit and Risk Committee and also sits on the Finance Committee. He was engaged in the Due Diligence exercise on Lincolnshire Credit Union prior to the merger. He has also sat on interview panels to appoint both staff and Directors.

A highly experienced leader of Collections and Recoveries having completed 20 years holding senior positions with NatWest Bank, Capital One, HBOS, Citi Bank and Nationwide Building Society. He is passionate about financial difficulty and vulnerability. Drawing on his experience, Chris plays a key role in the advice he provides both at Board and committee levels.

### **Moby Farrands - Secretary**

Secretary to the Board, Moby had a 30-year career as a community development worker in Inner Nottingham which brought her into contact with communities experiencing hardship and financial exclusion. She helped start Radford Credit Union which, through mergers, became Nottingham Credit Union (and now Notts & Lincs) At Board level, she ensures the voices of those communities, where she worked and still lives, are heard.

### **Sam Webster - Director**

Sam has an employment sector background and was in apprenticeship management for 10 years. He was a Labour & Co-operative Party Councillor for the centre of Nottingham and held the Portfolio for Finance, Growth and the City Centre. He has served on several Boards including the Scape Group, Creative Quarter and Nottingham City Homes. During his time at the Credit Union, Sam has been invaluable in advising, supporting and promoting its interests wherever he can, using his contacts both within and beyond Nottingham City Council.

### **Jason Eaves - Director**

Jason was our CEO for almost 3 years stepping down in that role at the end of June 2021. He was instrumental in putting us on a more professional footing, making processes, procedures and systems more resilient, providing quality MI to the Board, raising our profile amongst stakeholders, and encouraging the Board to grasp strategic opportunities. He is currently a Board Member of The Nottingham Financial Resilience Partnership and sits on the steering group for The Lincolnshire Financial Inclusion Partnership.

Before joining NLCU, Jason had several years of experience managing large multi-site business functions in regulated credit services and more recently, was Operations Lead at PayPlan - a free-to-consumer debt management business.

### **Simon Ripton - Director**

Simon joined the Board in December 2020. He has held leadership roles at Ikano Bank, Standard Bank, Conister Bank and Alliance and Leicester International and has extensive marketing experience, knowledge of savings and loan products, use of data to add customer value and a track record of change management. He is an award-winning marketer and is currently Proposition Development Manager at Moneyhub.



# ELECTION OF OFFICERS

The following Directors have completed their term of office and both are standing for re-election for a term of 3 years:

- Liz Blackman
- Paddy Emmerson

# THANK YOU

WE ARE VERY GRATEFUL FOR THE SUPPORT OF MANY ORGANISATIONS:

ABCUL, ASHFIELD DISTRICT COUNCIL, ARC, BARBON INSURANCE GROUP, BOOTS UK, BOSTON BOROUGH COUNCIL, BRIDGES COMMUNITY TRUST, BROXTOWE BOROUGH COUNCIL, CITY OF LINCOLN COUNCIL, COMMSAVE CREDIT UNION, DIOCESE OF SOUTHWELL AND NOTTINGHAM, EAST LINDSEY DISTRICT COUNCIL, GEDLING BOROUGH COUNCIL, HALLAM INTERNET, HIMMAH, HOMESTART & LONGHURST GROUP, LILY & CO, LINCOLN COLLEGE, LINCOLNSHIRE ACTION TRUST, LINCOLNSHIRE COUNTY COUNCIL, LINCOLNSHIRE HOUSING PARTNERSHIP, LINCOLNSHIRE FINANCIAL INCLUSION PARTNERSHIP, LUXUS LTD, MAGNA VITAE, MANSFIELD DISTRICT COUNCIL, NEWARK AND SHERWOOD DISTRICT COUNCIL, NORTH KESTIVEN DISTRICT COUNCIL, NOTTINGHAM CITY COUNCIL, NOTTINGHAM CITY HOMES, NOTTINGHAM CITY TRANSPORT, NOTTINGHAM COMMUNITY HOUSING ASSOCIATION, NOTTINGHAMSHIRE COUNTY COUNCIL, NOTTINGHAM ENERGY PARTNERSHIP, NOTTINGHAM FINANCIAL RESILIENCE PARTNERSHIP, PAYPLAN LTD, PUBLIC SECTOR PARTNERSHIP SERVICES, RUSHCLIFFE BOROUGH COUNCIL, ST ANNS DEBT ADVICE, SCAPE GROUP, TUNTUM HOUSING, UNIVERSITY OF LINCOLN, UNIVERSITY OF NOTTINGHAM, VIVA IT, WEST LINDSEY DISTRICT COUNCIL, XRS, YMCA.

# notts & lincs

## CREDIT UNION

Simple Savings & Affordable Loans



[NottsLincsCU](#)



[NottsLincsCU](#)



[@NottsLincsCU](#)



[Notts & Lincs Credit Union](#)