

**Annual General Meeting of Northumberland Credit Union Ltd.  
held at Morpeth Methodist Church on  
Wednesday February 18<sup>th</sup> 2009**

**Members present:** Nic Best (Chairman), Maureen Best, Roger Bland, George Birch, Isabelle Birch, Elizabeth Frankland, Thomas Frankland, Christine Hawkins, Roger Hawkins, Tim Herbert, Betty Hutton, Ian Hutton, Tony Medd, Dave Shaw, Peter Stonell, Antonino Tomczuk. (16 members.)

**Guests:** Jessica Hawkins.

**Apologies for absence** were received from Peter Atkinson, MP; Sir Alan Beith, MP; Ronnie Campbell, MP; Cllr. Ian Tompkins, Chairman of Northumberland County Council; Cllr. Mrs. Irene Brumwell, Mayor of Castle Morpeth; and members Colin Colclough, Elizabeth Gray, Joan Howard, Kath Sullivan and Joan Younger.

**1. Quorum:** The Chairman, Nic Best, welcomed members to the Annual General Meeting of the Credit Union. The quorum was completed shortly afterwards.

**2. The minutes of the Annual General Meeting of Wednesday, February 20<sup>th</sup> 2008** were approved. There were no matters arising.

**3. Report of the Directors for the year ended September 30<sup>th</sup> 2008 (Nic Best)**

The Chairman said that, with the recession and the banks being so discredited, the reputation of credit unions has risen. We are seen to be secure, and public bodies of all sorts favour credit unions as the means of extending savings and loans to the public at large, including people who are financially excluded.

He thanked the volunteers throughout the county who keep the credit union running, and particularly Tim Herbert's management of credit control. Tim constantly looks for new ways to reduce bad debts and persuade people to pay up, with the result that the level of bad debts continues to fall. There being no questions, it was

**Resolved:** That the Directors' Report be adopted.

**4. Treasurer's report and accounts (Ian Hutton)**

*Overall position:* Ian presented his report and circulated copies of the audited accounts for the year ended September 30<sup>th</sup> 2008. No problems were raised at audit. In round terms, shares were up by a third on the year, loans by a fifth, membership by a quarter, and interest by 40%. Our policy is to put reserves before dividends, as a result of which we were able to add over a thousand pounds to the reserves. They now stand just short of £12,000, giving us a buffer if there is a shortfall of grant income after April 2010. They would have been higher, had not part of the grant from Castle Morpeth been received after the end of our financial year.

*Discussion:* Roger Bland asked where the CMBC grant would have appeared if it had come in time? In revenue grant, shown as £6,356 on p. 2 of the audited

accounts. David Shaw said that the policy of not paying dividend has become a plus-point. We are now in line with the market, and don't charge a fee for maintaining the account! Nic added that the 3% we pay on junior deposits now ranks as a very good rate indeed.

**Resolved:** That the Treasurer's report and the audited accounts be adopted.

#### **5. Dividend for the year ended September 30<sup>th</sup> 2007**

The Chairman said that we are still 60-70% grant funded. The Directors accordingly do not recommend a dividend.

**Resolved:** That no dividend be paid for the year ended September 30<sup>th</sup> 2008.

#### **6. Report of the Supervisory Committee (Tony Medd)**

Tony said he is satisfied with the Board's management of the Credit Union, which complies with the requirements of the Financial Services Authority.

**Resolved:** That the report of the Supervisory Committee be received.

#### **7. Report of the Credit Committee (Betty Hutton)**

*General:* Ian presented the report on behalf of Betty, who was unwell and left early. Ian said that loans are up in both number and value; another noteworthy event is that Prudhoe branch now deal with their own loan applications, and the system works well. Nic congratulated the Committee on their success in dealing with loan applications within 8-10 days of receipt. A lot of the credit goes to Betty, who both chairs the Committee and does much of the actual processing of applications.

**Resolved:** That the Report of the Credit Committee be adopted.

#### **8. Prudhoe Branch (Roger Bland)**

Roger presented his report. Prudhoe continues to attract new members, and loans are increasing.

#### **9. Report from Seahouses (Alf Riley)**

Mr. Riley not being present, Peter Stonell presented the report. He added that the branch has been in existence for a year now and is progressing steady as you go.

#### **10. Credit Control Officer (Tim Herbert)**

Tim said that the reduction in bad debts, mentioned earlier, is not so much in their actual amount, but rather in their proportion to the total of money out on loan. Many arrears are technical rather than real, e.g. a member may miss one payment but pay regularly thereafter. Of the twenty cases at December 31<sup>st</sup>, twelve were not really delinquent and only five were serious.

#### **11. Questions and discussion from the floor**

*Size of the credit union:* Christine Hawkins said that, after ten years of existence and having the whole of Northumberland to draw upon, NCUL still has less than 300 members. Are we unsuccessful when we have so few members? Nic said that ten years goes back to the beginning of the study group. Compared with the five credit unions that existed in Northumberland at that time or shortly before, we are very successful; only one of the five is still in being! We have actually been a credit union only since 2003, and county-wide since 2005. Our membership is about one percent of the county's population, and local government, housing associations and other agencies recognise us as viable partners. If we weren't so successful, they wouldn't.

*Reliance on volunteers:* Elizabeth Frankland said that, historically, 250 members has been found to be the limit above which one can no longer rely on volunteers to run the credit union. After that, you need paid staff. Roger Hawkins wondered if, since every branch in the credit union has its own volunteers, we might still be able to rely on them for most of the work, despite having a larger membership.

*Methods of payment:* Isabelle Birch asked how many members pay by standing order, and how many at paying-in points? Nic said, about 60-65% by standing order, and 30-35% at PiP's. Ian said that standing orders are better for the treasurer; the payments are regular, and less trouble. David said he accepted this, but PiP's have their advantages too. Even though the Prudhoe PiP is only open for two hours a week, people come in for a chat or to pick up a leaflet or ask for advice. (Peter indicated that Pegswood is the same.) Nino Tomczuk added that, if a member misses a payment at the PiP, you know straight away, whereas two months might elapse with a standing order. Elizabeth asked how many pay through the NCC payroll? Moneywise CU constantly advertise on Newcastle City Council's payslips and find it very successful. Nic said, eight. Both district and county staff work for the same authority now, and the County will give us payroll advertising, but at a charge. They offered a grant to cover part of the cost, and we have hopes it will happen eventually.

## **12. Appointment of qualified auditor**

### **Resolved:**

To confirm the appointment of Business Focus & Systems Ltd., Chartered Accountants as qualified auditors.

## **13. Number of Directors**

**Resolved:** That the Board of Directors be ten as at present.

## **14. Report of the Nominating Committee (i.e. the Executive).**

*Nomination procedure:* Roger Hawkins, Hon. Secretary, said that no nomination papers have been received. The Nominations Committee accordingly put forward the names below, with the approval of the members themselves.

*Board of Directors:* Members of the Board serve for three years and retire in rotation. Isabelle Birch, Tim Herbert and David Shaw stand down under this rule, but offer themselves for re-election until the AGM in 2012. One vacancy remains

unfilled from last year's AGM, and Peter Stonell has resigned from the Board. We therefore have vacancies for two directors to serve until 2011, making five posts to fill in all. Tony Medd offers himself for election to one of these vacancies, having resigned from the Supervisory Committee.

*Credit Committee:* This is the credit committee for the whole credit union, not the one for Prudhoe Branch. It is elected every year and consists of 4-6 members. All members of the Board except the Treasurer and Deputy Treasurer are deemed to be members of the Credit Committee if there are too few regular members to make a quorum. Four members have been nominated: Maureen Best, Isabelle Birch, Betty Hutton and Lee Walker, being the members for the past year.

*Supervisory Committee:* Under Rule 68, the Supervisory Committee's terms of reference, including its size, are fixed by agreement between the Board and the Committee. This committee has hitherto consisted of three members, but it now needs to be raised to five to meet the needs of a new arrangement at Prudhoe. Tony Medd has resigned, but the other existing members, Peter Chapman and Linda Glascott, offer themselves for re-election. Peter Stonell, Elizabeth Frankland and Thomas Frankland offer themselves for election, Mr. and Mrs. Frankland to serve at Prudhoe only, subject to formal agreement between the Board and the Committee.

## **15. Elections**

*Board of Directors:* The Chairman called for further nominations from the floor. There being none,

**Isabelle Birch, Tim Herbert and David Shaw** were declared elected to the Board of Directors, to serve until the AGM in 2012.

**Tony Medd** was declared elected to serve until the AGM in 2011, leaving one vacancy for 2011, to be filled by co-option.

*Credit Committee:* The Chairman called for further nominations from the floor. There being none,

**Maureen Best, Isabelle Birch, Betty Hutton and Lee Walker** were declared elected to the Credit Committee leaving two vacancies to be filled by co-option if required.

*Supervisory Committee:* There being sufficient candidates to fill all places, and no further nominations from the floor,

**Peter Chapman, Linda Glascott, Peter Stonell, Elizabeth Frankland and Thomas Frankland** were declared elected to the Supervisory Committee.

No tellers were appointed because no ballots were necessary.

## **16. Summary of election results**

**Board of Directors (10):**

To retire at the AGM in 2010 (3): Nic Best, Roger Bland and Roger Hawkins.

To retire at the AGM in 2011 (4): Betty Hutton, Ian Hutton, Tony Medd, and one Vacancy to be filled by co-option.

To retire at the AGM in 2012 (3): Isabelle Birch, Tim Herbert and David Shaw.

**Credit Committee (4-6):** Maureen Best, Isabelle Birch, Betty Hutton and Lee Walker, with power to co-opt to bring the number to six.

**Supervisory Committee (3):** Peter Chapman, Elizabeth Frankland, Thomas Frankland, Linda Glascott and Peter Stonell.

The Chairman declared the meeting closed at 8.00 pm.

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