

Oldham Credit Union AGM 2021 Reports

OCU Board of Directors Report Financial Year: 1 October 2019 - 30 September 2020

The emergence of the Coronavirus and ensuing pandemic presented unprecedented challenges for the credit union and its members during this reporting period. Throughout this time the focus of the credit union has been on supporting our members and local communities through the maintenance of key, affordable, local financial services.

Pandemic restrictions saw the closure of the public counter in March 2020. This led to significant changes to our operations and the accelerated adoption of digital applications which has enabled the credit union to maintain its core services to members.

The Board would like to acknowledge the commitment and flexibility of the staff team during this challenging time.

Despite the impact of the Coronavirus the Board of Directors are pleased to report an overall year of growth and an operating surplus for the reporting period.

With the on-going support of stakeholders including Oldham Council the OCU Board of Directors has been able to successfully implement the credit unions business plan over the last three years. This has stabilised and grown the business, resulting in

- Recruitment of over 2900 new members
- Over £2.5m of lending
- Over £1.5m of member savings
- An increase in reserves to over £150,000

Some key issues addressed by the OCU Board in the reporting year are as follows.

- The extension of the new Family Loan product targeted at members with children many of whom may struggle to access affordable credit.
- The development of our online and digital services with the introduction of a digital App (Nivo) allowing secure messaging, membership and loan applications, and electronic signatures.
- Increased collaboration with like minded community credit unions across Greater Manchester as part of the consortium Credit Unions for Greater

Manchester (CUfGM). This collaboration saw a successful social media campaign promoting community credit unions across Greater Manchester using the Soundpound brand.

- The continuing development of community partnerships to help us meet our goal of providing **Simple Affordable Fair and Ethical** financial services to residents of the Borough. This has seen the continuing development of partnerships with a number of key stakeholders including, Regenda Homes, Great Places Housing, Oasis Academy, and the Oldham District Partnership to tackle major issues of financial exclusion such as payday lending, the unbanked and the poverty premium.
- Secure extra back office resource to provide more responsive member services and improve our operational capability.

Despite the ongoing challenges, over the next year the Board aims to consolidate recent changes and continue the re-engineering and growth of the business. This will see the continued development of our loan offer alongside further improvements to our online service. Including improvements to the website, with an enhanced members area and banking App alongside the continued development of our back office capability.

We will also undertake a review of existing policies and procedures to ensure we meet the requirements of changes to the regulatory framework.

However the short to medium term outlook with continued coronavirus restrictions is an uncertain one. As a result the OCU board is not proposing a dividend payment for the financial year from 1st October 2019 to 30th September 2020. Instead as outlined above we will continue to concentrate on maintaining our key services alongside investment in improving our operational capability as outlined above

The OCU Board would like to take the opportunity to thank all members, volunteers, Directors and Committee members for their support over the past very difficult year.

The OCU Board looks forward to continued co-operation with other community groups and employers to deliver fair, affordable financial services to the Oldham Community.

Jean Stretton

OCU Board Director and Chair

March 2021

Report of the Treasurer

Introduction

The report is intended to complement other Board member reports and the full Financial Statement from our Auditors KM Business Solutions.

During 2019/20 the Credit Union and its members faced unprecedented challenges caused by the Covid 19 pandemic. This saw the closure of the public counter and a move to online and digital channels. Whilst the vaccine roll-out gives hope of a return to a degree of normality and some economic recovery, predictions of rises in unemployment present a mixed picture. There remains a high degree of uncertainty going forward.

OCU Performance

Over the reporting year 2019/20 OCU consolidated the gains made as a result of the previous changes to improve operational effectiveness. This saw further increases in membership and shares, alongside a further improvement in our lending figures.

Encouragingly membership of OCU continues to grow with over 884 new members introduced in the reporting year taking OCU's active membership to over 4500. In line with trends seen across the sector Member savings also continued to grow strongly with total shareholder funds standing at £1,565,218 as at September 2019.

The total number of member loans granted in the financial year was 3554 with a value of £1,094,607. Total loans rose to £811,961.

After statutory set asides and provision for bad debt OCU made a surplus of £42,028 after taxation.

This has enabled us to maintain a healthy Capital to Assets Ratio of 9%, with reserves now standing at £150,000. With an additional Development Reserve of £26,000 set aside to manage our development plans in a prudent manner in these still uncertain times. This provides a good basis on which to build and enables OCU to meet the increased regulatory requirements whilst continuing to grow. Finally I would thank OCU members for their continued loyal support and Oldham Council for their continued funding, support and guidance.

David Black
OCU Treasurer

March 2021

OCU Finance Committee

The Finance Committee has met monthly throughout the year and continues to monitor key financial indicators covering Shares, Loans, membership growth, investment risk, Capital provisions and delinquency.

The Committee has overseen an encouraging year with increases in both loan values and income from interest in the year to 30th September 2020.

The Finance Committee will continue to monitor performance with recommendations for action to improve loan growth including a revised loan policy, with the development and marketing of the new Family Loan and improvements to the website and back office capability.

As reported Membership continues to grow strongly with a further 1206 added in the reporting period bringing total membership to over 4000.

Savings remain at a healthy level standing at £1,330,602, including £25,899 in Juvenile deposits from our Junior Savers.

This year has also seen us address a key risk to the credit union of concentrating our working capital with one financial institution. This has seen us protect member funds by spreading these resources across a number of financial institutions. This position will be kept under review.

The Finance Committee will further develop its role to monitor and enhance further the operational effectiveness and resilience of the credit union.

Mike Loudon

OCU Finance Committee

March 2021

OCU Supervisory Report

The Supervisor can confirm that there are no operational issues to bring to the attention of the AGM and we are pleased that OCU has had another successful year and a clean Auditors report.

In accordance with legislative provisions we confirm the following

The credit union is compliant with it's Single Customer View requirements via the creation of an electronic file as part of our current software system (Curtains Too). We will work with our software provider to ensure ongoing compliance with this requirement.

The credit union has maintained adequate insurance as required in the form of our Fidelity Bond Insurance to the prescribed limits.

The credit union does currently undertake additional activities as identified in the revised CREDs regulations, namely the provision of the Engage Classic Account. The credit union carries out the monitoring of key indicative ratios as required by these regulations.

The Supervisory Committe working with the Finance Committee will endeavour to keep the OCU bank reconciliation on track and confirm that the OCU Board has an operational budget for 2020/2021.

The Committee will during this year monitor review the credit union's policy and procedures to ensure ongoing regulatory compliance.

Mark Stenson

OCU Supervisor

March 2021

Money Laundering Prevention Officer Annual Report

During 2019/2020 checks were carried out regularly to ensure that OCU 'knows its members' in respect of the Credit Unions money laundering obligations. In particular that;

- **All reasonable steps are taken to prove a members identity**
- **Any significant changes or abnormalities in transaction patterns of members are reported and investigated**
- **Spot checks are made on loan applications**

All new member accounts were checked during the year in the light of anti money laundering legislation. All large deposits have been checked periodically to see if the payments were sustained.

During 2019/2020 OCU did not receive any specific allegations from members or members of the staff team concerning money laundering matters.

Money Laundering Prevention Officer

March 2021

OCU Complaints Officer Annual Report

Since last year's OCU AGM I have received no member complaints and no member complaints have been reported to me direct during the reporting year.

I am therefore delighted to present a nil return.

Steve Williams

Steve Williams
Director and Complaints Officer
Oldham Credit Union

March 2021