

**AGM 2022**  
**OCU Board of Directors Report**  
**Financial Year: 1 October 2020 - 30 September 2021**

The past 18 months has seen us face unprecedented challenges presented by the Covid 19 pandemic. This has seen us significantly change our operating model from being largely counter based to a back – office operation. This has led to the introduction of digital channels such as the Nivo secure messaging app alongside our website and email. The introduction of these tools has allowed us to not only maintain but grow the operations of the credit union.

The operating year to 30<sup>th</sup> Sept 2021 saw growth in membership, Shares and Loans including

- Recruitment of 870 new members bringing total membership to over 5000
- Growth in the loan book to over £1M
- Growth in Share balances to £1.7M
- Growth in the value of loans issued to over £1.4M in the year

Despite the impact of the Coronavirus the Board of Directors are pleased to report an overall year of growth and an operating surplus of £100,783 for the reporting period.

As a result of this strong trading performance the Board are able to recommend the payment of a dividend of 0.5% for the trading year 2020-2021

The Board would like to acknowledge the resilience and flexibility of the staff team during this time which has helped us to achieve this strong position.

The economic outlook over the next year or two is challenging with increases in day to day living costs such as energy and food likely to impact all our members. This is alongside the continuing impact of the Covid 19 pandemic.

The strong trading performance over the past year puts the credit union in a better position to meet these challenges.

The Board will endeavour to work with partners to help mitigate the impact of this cost of living crisis and continue to support members going forward.

The Board will also continue to take practical measures to develop and safeguard the operations of the credit union to maintain the provision of key, affordable local financial services

These will include

- A review of our Business Plan to enable us to continue to adapt to a new operating model. This will see the continued development of digital options including improvements to the website and an increased use of digital marketing.
- A review of our Loan Policy which will see the credit union move to an offer that encourages membership, rewards loyalty, and is competitive in the marketplace.
  - Secure extra back office resource to provide more responsive member services and improve our operational capability.
  - Continued collaboration with like minded community credit unions across Greater Manchester as part of the consortium Credit Unions for Greater Manchester (CUfGM).
  - 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.

The OCU Board would like to take the opportunity to thank all members, volunteers, Directors and Committee members for their support over the past 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 2022**

## 2022 AGM

### Report of the Treasurer

#### Introduction

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

During 2020/21 the Credit Union and its members continued to deal with the 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 the economic challenges presented by the cost of living increases means there continues to be a high degree of uncertainty.

#### OCU Performance

Over the reporting year 2020/21 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 850 new members introduced in the reporting year taking OCU's active membership to over 5000. In line with trends seen across the sector Member savings also continued to grow strongly with total shareholder funds standing at £1,71M as at September 2021.

The total number of member loans granted in the financial year was 4518 with a value of £1.42M Total loans rose to £1,008,618.

After statutory set asides and provision for bad debt OCU made a surplus of £100,783 after taxation.

This has enabled us to improve our Capital to Assets Ratio to 13.64%, with reserves now standing at £251,078. 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.

A summary of the key financial results are provided as a supplement to this report

*David Black*

**OCU Treasurer**

**March 2022**

## OCU Performance up to December 2021

### A Year in Review

We share below a summary of the key financial results, the benchmarks by which we measure our performance.

- Cash in bank - £985,976 ▲
- Total monies paid in by members - £3.56 million ▲
- Total monies paid out - £3.42 million ▲



- 870 new members ▲
- Active membership – 5,253 (up 17%) ▲

- Total share balance - £1.71 million (up 10%) ▲
- Total loan balance - £1 million (up 24%) ▲
- Total assets - £2.03 million (up 14%) ▲



- Number of new loans – 4,518 (up 27%) ▲
- Value of new loans – 1.42 million (up 30%) ▲
  - Profit/surplus - £100,783 ▲

**OCU Total Reserves = £277,079**  
**Capital to asset ratio – 13.64% ▲**

## **2022 AGM**

### **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.

We continue to monitor the risk 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 Committee has overseen an encouraging year with increases in both loan values and income from interest in the year to 30<sup>th</sup> September 2021.

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

As reported Membership continues to grow strongly with a further 870 added in the reporting period bringing total membership to over 5000.

Savings remain at a healthy level standing at £1.71M including £20,807 in Juvenile deposits from our Junior Savers.

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

*Mike Loudon*

**OCU Finance Committee**

**March 2022**

## **2022 AGM 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 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 Supervisor 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 2021/2022.

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

*Mark Stenson*

**OCU Supervisor**

**March 2022**

## **2022 AGM**

### **Money Laundering Prevention Officer Annual Report**

**During 2020/2021 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 2020/2021 OCU did not receive any specific allegations from members or members of the staff team concerning money laundering matters.**

**Money Laundering Prevention Officer**

**March 2022**

## **2022 AGM**

### **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 2022**