

# London Community Bank 34<sup>th</sup> AGM

**24<sup>th</sup> April 2025**

## **DIRECTORS' MISSION STATEMENT**

London Community Bank exists to empower everyone within our Common Bond (Hillingdon, Harrow, Hounslow, Ealing, Brent, Richmond, Kingston, Hammersmith, Wandsworth, Merton, Slough and South Bucks) to take control of their finances, so that money supports them to achieve their goals and to live well and safely within a fair, equal and supportive society.

## **PEOPLE HELPING PEOPLE**

- Enhance people's knowledge of the values of the Credit Union
- Encourage members to save regularly
- Enable members to take 'not for profit low cost loans'
- Help members manage their money wisely
- Empower all members to make full and profitable use of their accounts



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# **34<sup>th</sup> AGM- AGENDA**

**1. Opening introduction** Chair – David Payling

**2. Apologies**

**3. Minutes of last AGM**

**4. Reports**

- Chair
- Treasurer/Audit report
- Credit Committee
- Directors' attendance 2024
- Compliance confirmation

**5. Motions to the AGM**

- Dividend - proposed 1.2%
- Approval of the audited account for the year 2023/2024
- Auditor – 'Reappointment of PWH Accountancy Limited as auditors for 2024/25

**6. Election of Directors**

**7. Appointment of Supervisory Committee**

**8. Presentations**

- Winner of the AGM prize draw

**9. Close**

# Hillingdon Credit Union

## 33<sup>rd</sup> AGM Minutes 2024

### Present:

Debbie Allen	Credit Controller
Steve Allen	CEO
Marwa Soliman	Loans Officer
The Mayor	Cllr Shehryar Amad-Wallana
Emma Cawthorne	Office Manager
Janet Duncan	Administrator
Lucidia Rodrigues	Member
Kathryn Willis	Director
David Payling	Chair
Janice Long	Member
Scott Goodall	Member
Moji Macaulay	Director
Sheetal Balani	Director
Mark Austin	Director
Samantha Allen	Member
Patsy Christian	Member
Dave Dawson	Member
Shamiaza Ahmed	Member
Nigel Green	Member
Jacky Peacock	Member

### Apologies:

Christine Allum	Member
John Allum	Member
Tracey Iles	Director

## 1 OPEN MEETING

David Payling welcomed everybody to the 33rd AGM meeting for Hillingdon Credit Union and thanked members for attending and their support towards the credit union. He also thanked Neil Jones for his contribution. He thanked the staff for their work and in particular thanked Steve and Debbie Allen who will be retiring this year. He explained that we had appointed a replacement for Steve who will be starting on the 25<sup>th</sup> of March 2024 (Shamiaza Ahmed) and we are delighted to start working with her to ensure the credit union goes from strength to strength.

## 2 APOLOGIES

Noted above.

## 3 MINUTES OF THE AGM 2023

The minutes were signed and adopted as a true record. Accuracy agreed unanimously by all members

## **4      REPORTS**

President-David Payling

Treasurer/Audited report

Credit Committee

Supervisory Committee

Directors Attendance 2023

Compliance confirmation

## **5      MOTIONS TO THE AGM**

### **a) Dividend**

We propose a 2.40% dividend be paid on shares for the year 2022/2023. Proposed by Moji Macauley, Motion carried vote 93% for and 7% against

### **b) Audited Accounts**

Approval of the audited accounts for the financial years 1<sup>st</sup> of October 2022 to 30<sup>th</sup> of September 2023.

Proposed by Moji Macauley, Motion carried vote 100% for.

### **c) Auditor**

We wish to reappoint PWH Accountancy Limited as auditors for next year

Proposed by Moji Macauley, Motion carried vote 93% for and 7% against

### **D) Election of Directors**

Three Directors who are retiring but standing again for another 3 year term, Moji, David and Kathryn. We also have two new Directors joining the board – Tracey Iles and David Dawson.

Motion carried vote 100% for.

### **E) Election of Supervisory Committee**

Nothing to vote on. Steve mentioned if anyone would like to stand for this please contact him. We are actively recruiting in this area.

## **6      SPEAKER      The Mayor - Cllr Shehryar Amad-Wallana**

He said he has the immense pleasure in joining us to speak after an exhausting fasting day. Every day he does different things – a highlight of his is to unite the community, he is proudly campaigning the diversity that exists. He is very proud to represent Hillingdon it's the second largest and the greenest London Borough. London community bank is a great initiative that has been developed and progressed, he is a great believer in fairness, inclusion, tolerance and understanding.

He gave his own story – He came into the country in 2003 naturalised in 2009 in the Civic centre where he now stands as major – this is a story of equal opportunity, inclusivity and equality. We live in a tough economic situation and it's sad that this has happened. Due to this we can face tough challenges that we have to address. There are solutions as a community, local authorities and the government can help with. He talked about Payday loans where people have got into trouble where they had to pay back thousands and he is glad these situations have been sorted out by the government.

The credit union provides great services and he is proud that we give back to the community.

David Payling advised that the credit union will be giving a donation of £150 to the Majors charity.

## **7      PRESENTATIONS**

Steve asked Shehryar to pick a number between 1 and 7 to see who won the £50.00 prize for member attendance at the AGM. Number 7 was chosen and the member Nick Green will receive the prize.

There was a question from Jacky Peacock who asked "Does the Community Bank have any EDI Stats re members and the Board and staff" David confirmed that the office staff are majority woman. The board has 4 woman and 3 men.

## **8      CLOSE**

David thanked everyone for attending and closed the meeting.

Meeting ended at 19:26 pm

**Signed:**

**Date**

**David Payling**

**President**

**Hillingdon Credit Union**

# **34<sup>th</sup> AGM Presidents Report**

## **President's Foreword**

Change continues to be the one constant that we face – changes in both the external and internal operating environments have been key to the development of the Credit Union over the last 12 months. We have navigated another year of significant upheaval.

The last 12 months have seen us place even more emphasis on ensuring the future resilience of the Credit Union to adapt to and embrace change from a position of strength. As Moji MaCaulay will detail in her Treasurer's Report, we have had another successful financial year allowing us to build reserves that we believe will act as a shield against any further downturn but also allow us to take advantage of opportunities for investment and growth.

In addition to financial resilience, we have begun to address resilience in our staffing structure. We have made a number of hires (both part-time and full time) over the last 12 months in an attempt to build a more skilled wider team and to reduce operational and concentration risk. More than ever, our staff are our key asset and as a Board, we thank them for their ongoing commitment and the roles they have all played in the ongoing successes of the Credit Union.

As referenced 12 months ago we are continuing with our ongoing strategy of organic growth – seeking to increase penetration within our Common Bond area, and thus spreading any costs across a greater number of deposits and loans – but without precluding us from considering a merger where it would be in the members' interests. We hope to show more results from this strategy over the next 12 months.

During the year we continued to widen our links with the broader Credit Union Community, predominantly through ABCUL and its London and South of England Forum. We look forward to continuing to build these relationships in 2025/26.

Finally, and mindful of the ongoing uncertainty facing all financial institutions including LCB, we are proposing to pay a members' dividend of 1.2% for the year. This will be a resolution at our AGM.

**David Payling**

**President, March 2025**

# 34<sup>th</sup> AGM Treasurers Report

## Financial Review

With economic uncertainty the prevailing theme of recent years our members navigated the continued challenges throughout the year. Our net loan book has fallen marginally by 3% to £2.65m (2023: £2.73m).

Member savings have decreased by 7.6% as we have seen an increase in share withdrawals in line with the industry trend. Cash deposits have also decreased slightly from last year now at £5.83m (2023: £6.04m).

Core business income has been increased by 21% to £710k (2023 £0.589k) reflecting the stable loan book and high interest rate environment driving the high returns received from the cash deposit balances held with other financial institutions.

We remain focused on credit control, although as highlighted last year we did see higher levels of bad debt in 2024 compared to 2023. We recovered debt previously written off in previous years and also continued our collaboration with Brent Council to further reduce the risk within our loan book.

Administrative expenses have increased by 17% mainly driven by higher salaries, as we have a policy of paying staff above the London living wage, plus the double-running costs incurred for 4 months during the handover of CEO responsibilities in the second half of the financial year.

Profit before tax for the year was £260,513 (2023: £356,517). Our statutory reserves remain well above the recommended minimum level of more than 5% of our assets, at 23.4%.

It is the Auditor's opinion that the financial statements (attached) give a true and fair view of the financial performance and position for the year ended 30 September 2024.

As Treasurer of London Community Bank, to reward members for continued loyalty, I am recommending a dividend of 1.2% (2023: 2.4%). This reduction reflects the continued economic uncertainty facing all financial institutions and our need to invest in operational resilience and strengthen day-to-day operational control.

London Community Bank has complied with the set of rules as laid down by the Prudential Regulation Authority and the Financial Conduct Authority, the Regulators of all financial institutions in the UK.

## Key Performance Indicators

KPIs 2024	Definition	Regulatory minimum	LCB
Capital Ratio	Retained earnings divided by total assets	5%	23.4%
Liquidity	Cash available within 8 days divided by net shares	10%	18.5%

## **Future Prospects**

Given the sustained financial strain on the member base, we are wary of increased levels of loan defaults and will be focused on various strategies to minimise the financial impact of any such defaults.

The Credit Union is taking active steps to grow and increase its member base within our common bond area. We continue to explore organic growth opportunities through investment in proactive marketing on both traditional and digital platforms and through the use of technology to appeal to the younger demographic and improve our member experiences.

In continuing to maintain a strong balance sheet and sound financial prudence, we are confident of being able to continue to provide low-cost loans to members and those in the community to whom normal credit facilities may not be available elsewhere.

**Moji Macaulay FCA**

**Treasurer**

**April 2025**



# 34<sup>th</sup> AGM Credit Committee Report

2024 remained a challenging year for many of our members, with demand for our services remaining at high levels. We continue to ensure we provide access to affordable credit where loan requests meet our prudent loan policy; and we continue to provide substantial savings to our members via the interest rates charged on our loans, compared to the high street banks and credit card lenders.

Financial year	Number of loans	Growth	Average loan	Net bad loans
2018	1926	-3.3%	£693	2.5%
2019	1952	1.4%	£771	0%
2020	2049	5%	£792	2.6%
2021	2210	7.9%	£832	0.2%
2022	2608	18%	£782	2.2%
2023	3042	16.6%	£783	0%
2024	3272	7.6%	£655	1.2%
Q1 2025 *	3560	8.8%	£748	4.4%

\*Pro rata growth rate albeit Q1 tends to be our busiest quarter.

Our provision reserves exceed the minimum standard required by the regulator, thus ensuring we hold a good buffer against future defaults, which places us in a strong position relative to many other Credit Unions.

Finally, I would confirm all members' deposits are covered by the Government FSCS scheme, guaranteeing all qualifying deposits up to the limit of £85,000.

The Credit Committee would like to thank all of our staff for their support during this very busy year and our members for their continued support and co-operation during the year and we wish you all a happy, healthy and prosperous 2024.

**Shamiaza Ahmed**

**On behalf of the Credit Committee**

**March 2025**

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# Director attendance during 2024

DIRECTORS ATTENDANCE AT BOARD MEETINGS 2024														
														Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Moji Macaulay	A/S	P	A/S	A/S	P	P	P	P	A/S	P	P	P		67%
David Dawson	P	P	P	P	P	P	L	L	L	L	L	L		50%
David Payling	P	P	P	P	P	P	P	P	P	P	P	P		100%
Tracey Iles	A/S	P	A/S	P	P	P	P	P	A/S	P	A/S	A/S		50%
Kathryn Willis	P	P	P	P	P	P	P	P	P	P	P	P		100%
Sheetal Balani	P	P	P	P	A/S	A/S	A/S	P	P	A/S	A/S	A/S		50%
Mark Austin	P	P	P	A/S	P	P	P	P	P	A/S	P	P		83%

## Key:

MC = Meeting Cancelled

P = Present

A/S = Absent with apologies

A = Absent

N/A = Not applicable

L = Left

G = Guest

Total = Percentage of eligible meetings

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## 34<sup>th</sup> AGM Compliance confirmation

In line with Rule 10 of the PRA Rule Book, the Board confirms compliance with the following governance issues:

- 1) The Board confirms compliance with the Depositor Protection Scheme and specifically the following items:
  - a. identification of eligible deposits
  - b. production of the report to the PRA within 24 hours of a request, in an electronic form with the data sent in a secure form
- 2) The Board confirms compliance with the insurance requirements with the following cover in place until 30<sup>th</sup> September 2025. Cover is maintained at all times.

The Credit Union is covered in respect of loss suffered or liability incurred by reason of the fraud or other dishonesty of any of its officers or employees;

The Credit Union is covered up to the following limits:

Aggregate limit of liability	£2,400,000
Single loss limit of liability	£450,000
Premises and contents	£100,000
Transit one employee	£1,000
Transit two or more employees	£10,000
Audit expenses	£1,000
Contents of employees or members	£6,400
Retention – 1% of limit available up to £2,500	£2,500
Employers liability	£5,000,000

- 1] The board confirms that we participate with “additional activities” in respect of Investments. As such we confirm:
  - we maintain an up to date financial risk management policy that covers the following key areas:
    - interest rate and funding risk
    - aggregate limits are in place on individual investments
    - limits are in place to ensure there is not excessive funding concentration risk for both source and time band concentrations
    - systems and controls are in place in respect of these matters
    - the governing body monitors and assesses risks associated with carry on investment activities on at least a monthly basis.

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## **34<sup>th</sup> AGM – MOTIONS**

**DIVIDEND PERCENTAGE** - 'We propose a 1.2% dividend to be paid on shares for the year 2023/2024.' Proposer Moji Macaulay, Treasurer

**AUDITED ACCOUNTS** – Approval of the audited accounts for the financial year October 2023 to September 2024. Proposer Moji Macaulay, Treasurer

**AUDITOR** – 'We wish to reappoint PWH Accountancy Limited as auditors for next year'. Proposer Moji Macaulay, Treasurer

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# London Community Bank

**34<sup>th</sup> AGM**

**THURSDAY 24<sup>th</sup> April 2025 Virtual AGM, 6pm – 6.45 pm**

Agenda Items 6 and 7

## **6) Election for Membership of the Board of Directors**

Motion: In accordance with rule 50 (3) the Board moves election to the Board of Directors be subject to election by a single block vote. An election shall proceed.

For information: serving directors to serve for a further 2 year are:

**David Payling**

**Moji Macaulay**

**Kathryn Willis**

**Tracey Iles**

For information: retiring directors to stand again are:

**Mark Austin**

**Sheetal Balani**

For information: new nominations received, following being co-opted during the year, are:

## **7) Appointment of the Supervisory Committee**

For information: new nominations received are: Alexander Sloane

**None received**

Motion: In accordance with rule 50 (3) the Board moves election to the Supervisory Committee be subject to election by a single block vote. An election shall proceed.

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