

we're all...  
moneywise

# Annual Report 2021

Presented to the Annual General Meeting of  
Moneywise Credit Union Ltd  
Tuesday 16<sup>th</sup> March 2021

*“Committed to making a positive financial difference to our members and  
our community”*



## **Credit Union Objects**

The objects of the credit union shall be:

- a) The promotion of thrift among its members by the accumulation of their savings;
- b) The creation of sources of credit for the benefit of its members at a fair and reasonable rate of interest;
- c) The use and control of members' savings for their mutual benefit; and
- d) The training and education of members in the wise use of money and in the management of financial affairs.

## **Permissions**

The Board of Directors shall be responsible for ensuring that the credit union obtains and maintains authorisation through a Part IV Permission to accept deposits under the Financial Services and Markets Act 2000.

## **Common Bond**

The qualification for admission to membership of the credit union shall be:

### **INDIVIDUALS**

Admission to membership of the credit union is restricted to:

an individual who resides or is employed in the locality of Northumberland, Tyne and Wear, Darlington, The Tees Valley and County Durham.

### **CORPORATE**

Admission to membership of the credit union is restricted to a corporate body, an individual in his/her capacity as a partner in a partnership, an individual in his/her capacity as a member of the governing body, if the body corporate, partnership or unincorporated association has a place of business in the above locality.

the following significant connection with the above locality

The provision of social housing by Riverside Housing Association, Home Group, 2 Castles Housing Association, 3 Rivers Housing Association, Anchor Housing Group, Places for People Housing Association, Guinness Trust Housing Association, Isos Group Housing Association, Bernicia Group, Nomad E5 Housing Association, Thirteen Group, Beyond Housing, Accent Group, The Riverside Group, North Star Housing Group

An individual who is associated with other individuals through:

Being a tenant of: Riverside Housing Association, Home Group, 2 Castles Housing Association, 3 Rivers Housing Association, Anchor Housing Group, Places for People Housing Association, Guinness Trust Housing Association, Isos Group Housing Association, Bernicia Group, Nomad E5 Housing Association, Thirteen Group, Beyond Housing, Accent Group, The Riverside Group, North Star Housing Group

A student of Northumbria University, Newcastle University, Durham University, University of Sunderland

An individual who is employed by:

Riverside Housing Association, Home Group, 2 Castles Housing Association, 3 Rivers Housing Association, Anchor Housing Group, Places for People Housing Association, Guinness Trust Housing Association, Isos Group Housing Association, Bernicia Group, Nomad E5 Housing Association, Thirteen Group, Beyond Housing, Accent Group, The Riverside Group, North Star Housing Group

An individual who is a member of the same household as, and is a relative of, another person who is a member of the credit union and falls directly within the common bond in the rules

### **Items we are required to report on.**

#### **Fidelity Bond Insurance**

Moneywise Credit Union Ltd has maintained Fidelity Bond insurance at all times in accordance with the 1979 Credit Union Act.

*Fidelity bond insurance provides protection for the members in the event of cases arising through fraud or other dishonesty of any of its officers or employees.*

***No claims were made on this insurance during the year.***

#### **Single Customer View**

Moneywise Credit Union Ltd was able to provide, and maintains, a Single Customer View record of members shares held.

*The Single Customer View file provides the Financial Services Compensation Scheme a full listing of all eligible claimants and shares held in the case of the credit union entering into liquidation. Members shares are protected up to a limit of £85,000 by the FSCS in the case of a failure of a bank, building society or credit union.*

***No member holds more than £85,000 in shares with the credit union.***

#### **Directors Meetings**

The following Directors of Moneywise Credit Union Ltd. attended regular meetings of the Board of Directors and a business meeting was held monthly throughout the year.

<b><u>Director</u></b>	<b><u>Position</u></b>	<b><u>Meetings Attended</u></b>	<b><u>Meetings Missed</u></b>
Philip Goad	Chair	11	0
Geoffrey Ellingham		10	1
Suzanne Halliwell	Vice Chair	10	1
Alistair Chisholm		8	3
Andrew Breese	Internal Audit	11	0
Dr Robert Buckley		11	1
Susan Dinning*		10	1
Dennis O'Neill	Internal Audit	11	0
Thomas Lillie		9	2
Jane Edmonds		9	2
David Allsopp	Finance Director	11	0

\*Susan Dinning resigned in September 20

#### **Regulatory Reporting**

Moneywise Credit Union Ltd submitted its regulatory returns within the required timescales

*The credit union is required to supply quarterly returns within one month of each quarter end date and an annual return within 6 months of the financial year end. A complaints return form is required in April of each year.*

## Chairman Statement

This has been a particularly difficult and challenging year for our Credit Union, our previous years financial losses were followed in February of 2020 by the resignation of our former CEO and then in March by the huge impacts of Covid 19. Despite these challenges which I will cover in more detail I am pleased to be able to report to this AGM that we have achieved through collective efforts of the front-line staff and the Board a surplus of £168k. A more detailed explanation of our financial position is covered within the financial report I stated in my report to members last year that:

” The Board are and will remain committed to ensuring that all possible measure’s are in place to ensure that Moneywise is best placed to return to a profitable and sustainable organisation. The Board is aware of the need to achieve this in a focused and determined manner during 2020”

We are certainly better placed despite the pandemic to continue as an organisation to tackle the future challenges I am sure we will face.

The organisation has faced a year of change and challenge both as a result of Covid19 and the loss of the CEO position. Our more Senior Managers stepped up and collectively formed an Operational Senior Management Team, the Board decided to appoint me as Interim CEO in addition to my responsibilities as Chair, a role which was initially viewed as being very short term, in the event a year further on and we are still in the grips of the pandemic.

Tighter controls to the lending process which were introduced alongside a more robust acceptance criteria supported by a detailed Payment pathway have continued to allow intervention and management as soon as the system identifies a missed payment. This system along with additional staff resource is helping to minimise defaults and allowing us to work with members who are struggling with financial uncertainty in these difficult times. We as a Board are determined to navigate what are very difficult times to achieve a further surplus during the current trading year and assure our membership that we will take all appropriate actions in order to ensure the ongoing sustainability of our Credit Union.

Our membership base has continued to develop in Redcar and Middlesbrough as well as across our established branches in both Stockton and Byker. In addition, we have, following a successful bid for Grant Funding, started a payroll savings partnership with Sunderland Council.

I do want to take this opportunity to thank all our staff who have continued to ensure a continuity of support for all of the members throughout the Pandemic and the various lockdowns by ensuring either ongoing, albeit at times limited, Branch access as well as manning phones and online enquiries. Our Senior Managers and Community Development Officer have been both inventive and determined to try and ensure that our important contribution, particularly to those in need, was able to continue.

Our membership base is now at 10k

Our loans now stand at £3.2m

Our savings at £5.3m

We as a Board remain on behalf of our members

“Committed to making a positive difference to our members and the communities we serve”

## **Internal Audit Report**

The change of back office software at the start of the financial year caused a few issues to the credit union in terms of accuracy of financial reports in quarter one, reconciliation of bank accounts and member loan history. As with most software packages there are teething problems. We can now report these issues were overcome and the system is now reporting as required.

There was also a change in personnel and the staff management team following the departure of the CEO that resulted in some weak areas around system usage and member joining policies particularly around satisfactory know your customer checks on new member applications. This was also highlighted by the external audit report.

The Internal Audit team worked hard to re-enforce the membership policy and satisfactory documentation for Identification and Verification. This resulted in a review of the membership policy and documented evidence requirements.

Moneywise remained compliant throughout the year and the annual compliance report is attached.

Our Liquidity Ratio stands at 55%. The target is 10%; This is quite high and the Board monitor this ratio each month. Liquidity impacts on our overall capital position so we constantly monitor this.

Our Largest Deposit is in line with our permitted maximum amount and all deposits are protected by the Financial Services Compensation Scheme;

Our Largest Loan granted was £15,000 which is our current policy limit;

All Quarterly returns have been made on time.

Andrew Breese  
Chair Internal Audit and Compliance Committee

## **Community Development Report**

Our approach to community development is based on our Vision Statement and on the principle: 'Nothing about the community, without the community'  
Despite the Covid 19 pandemic, Our Community Development Officer (CDO) has built effective and positive working relationships.

The CDO has continued to work with the Newcastle Financial Inclusion partners, CAB, the Elders Council, Newcastle Adult Learning, Sure Start and Early Years Officers, Crisis Newcastle and Your Homes Newcastle.

With an extended common bond and the Middlesbrough and Redcar funded project we have liaised with Stockton Council and local Stockton agencies including the Stockton Job Centre, Stockton Community Centres family hubs and churches.

In Middlesbrough we have presented the credit union to the CVS Middlesbrough Council, housing associations including the Thirteen Group.

In Redcar similarly we presented to the local authority, Cleveland Fire Service, local community partners.

By attending community events, seminars and conferences our CDO has been able to publicise Moneywise and our products to a broad spectrum of people leading to a number of payroll partners now offering credit union deductions from their salary.

Annie Murphy  
Community Development Officer

## **Financial Report**

Although 2020 was a very challenging year because of the impact of Covid-19 all those involved with Moneywise rose to the challenge with the result that we ended the year with a surplus on the revenue account of £167946 against a deficit in the previous year of £185042. The balance sheet improved over the year with total assets increasing by £1.16m to £5.85m and net assets increasing by the value of the revenue surplus. It is the case that the substantial proportion of the surplus derives from sources such as short-term grants, non-recurring adjustments and writing back an excess provision for bad debts but nevertheless, the fact that there is such a substantial surplus is extremely welcome as it demonstrates Moneywise' determination to improve its financial position and restores headroom above the required capital ratio.

The overall impact of Covid-19 was not as severe as might have been expected but was still significant and is likely to continue to impact on our financial performance for some time. Revenue from loans fell by approximately 4.5% as the volume of loans issued fell but share values increased by £1.05m as, in line with what was seen elsewhere, people saved money rather than spent it. Loan activity remains lower than normal in the current year reflecting the continuing impact of Covid-19 and a budget has been agreed to reflect those lower activity levels.

Following the issue with bad debt provisioning in 2019 and the resultant deficit, the board commissioned the newly appointed auditors to review the arrangements for provisioning and internal controls and no significant issues were identified. Improvements have been made both in the processes for dealing with loan applications and the follow-up of loans that fall into arrears. Both measures have resulted in improved performance. Cost control has been strengthened and further investments made in marketing to generate new business. Apart from the reduction in the amount of interest received on members loans, there were no significant unexpected changes in income or expenditure over the year.

In summary, the accounts show a welcome surplus that reflects the efforts of the board and staff during the year. The nature of the surplus however means that there is still much work to be done to restore the underlying position to the point where the board can be confident that Moneywise is sustainable financially without reliance on grant income. Members should be assured that the board is working towards that objective and will take whatever steps are required to achieve it.

David Allsopp  
Finance Director

## Financial Summary

	2020	2019
<b>Revenue Account</b>		
<b>Income</b>		
Loan interest	568,812	595,885
Grants	232,607	218,514
Other income	95,051	19,772
<b>Total Income</b>	<b><u>896,470</u></b>	<b><u>834,171</u></b>
<b>Expenditure</b>		
Administration	480,910	466,813
Depreciation	26,331	33,347
Other Operating Expenses	147,973	135,041
Impairment Losses on Loans to Members	50,707	364,883
Interest Payable	21,604	17,660
Taxation	999	1,469
<b>Total Expenditure</b>	<b><u>728,524</u></b>	<b><u>1,019,213</u></b>
<b>Surplus/(Deficit)for year</b>	<b><u>167,946</u></b>	<b><u>(185,042)</u></b>
<b>Balance Sheet</b>		
<b>Total Assets Less Current Liabilities</b>	5,771,026	4,548,323
<b>Subscribed Capital</b>	<u>5,336,246</u>	<u>4,281,499</u>
<b>Net Assets</b>	<b><u>434,780</u></b>	<b><u>266,824</u></b>
<b>Reserves</b>		
Deferred Shares	35,000	35,000
Retained Earnings	399,780	231,824
<b>Total Reserves</b>	<b><u>434,780</u></b>	<b><u>266,824</u></b>
Capital Ratio	7.43%	5.72%

## **AGM**

### **AGENDA**

1. Welcome by Chairperson
2. Apologies for absence
3. Confirm Quorum of members
4. Minutes of AGM held
5. Financial Report
6. Other Reports
7. Re- Election of Directors
  1. Jane Edmonds
  2. Philip Goad
  3. David Allsopp
  4. Geoffrey Ellingham
8. Election of Directors
  1. Deryk Nolan
9. Declaration of dividend
  1. Although Moneywise made a significant surplus, the Board considers it prudent to ensure our reserves are maintained and continue to rise. To this end the Board proposes to issue a dividend of 0.25%
10. Resolutions
  1. Recent banking changes to Lloyds Bank fee structure for faster payments and BAC's payments will see circa £15k increase per annum to our banking costs. we are asking members to support this cost.
    - a. In accordance with Rule 7a, establish a membership fee levied on all adult members, corporate bodies, partnerships and unincorporated groups with effect from 1<sup>st</sup> October 2021.
    - b. In accordance with Rule 7d, the annual administration fee shall not exceed £5 per annum or such other reasonable amount sufficient to cover the administration costs of membership as may be specified by the Board of Directors from time to time.
  2. Rule 57.1 limits the number of directors to between 5 and 15 with the precise number to be determined by members at the AGM. The directors have considered the number of directors that should constitute the Board of Moneywise and request that members resolve that:

- a. In accordance with Rule 57.1, the number of directors of Moneywise Credit Union Ltd shall be set at eleven.

11. Appointment of Auditor

1. Clive Owen, Chartered Accountants LLP, be re-appointed as auditors of the Credit Union, to hold office until the conclusion of the next annual general meeting and to authorise the Directors to determine their remuneration.

12. Questions and any other business

## **Directors for re- election**

### **Geoffrey Ellingham**

Geof has been a Director of Moneywise Credit Union since 2008, and has been particularly involved in supporting process automation and the creation of a user-friendly online service to augment our traditional face-to-face work.

Geof has a strong background in financial services and technology, and works with public sector organisations and teams to help them adopt new ways of working that help improve user experience. He is also a coach and counsellor.

### **Philip Goad**

Experienced Managing Director within subprime credit market. A broad-based expertise in operations, business development and finance. A proven business leader, known for the ability to vision and create successful outcomes in complex situations. Diverse industry and functional expertise, with a tenacious commitment to driving sales, margins, and innovative cost controls resulting in increased profits and stakeholder returns.

### **Jane Edmonds**

Jane is a senior housing manager who works for a local authority within the North East of England.

She has been a Moneywise Board Director for a number of years following the merger of Tees Credit Union and Moneywise. Prior to that was a member of the Tees Credit Union Board of Directors.

Jane has a keen interest in working with and supporting local communities within the North East.

### **David Allsopp**

Dave has been a director of Moneywise since 2018 and, previously, was a director of Tees Credit Union for around seven years. The majority of his career was spent within the NHS including twelve years as a director of NHS Trusts in Hartlepool and Stockton.

He was also a non-executive director of a major social housing organisation for nine years and chair of its audit committee.

Following retirement from the NHS, he worked independently as an advisor on corporate governance to NHS organisations.

He is a fellow of the Chartered Institute of Management Accountants and a member of the Chartered Governance Institute.

## **Nomination(s) for election**

### **Deryk Nolan**

I have over 40 year's experience in building maintenance mainly within social housing, with the last 15 years at senior management level. Managing reactive repairs, planned works, service contracts, empty properties and adaptation works.

I have prepared and managed budgets from 2-20 million pounds, all of which were on target or just within budget

The largest budget I managed was as Maintenance Manager at Gateshead which had a repairs budget of £15m and a Cyclical budget of £5m.

I have also been responsible for managing service contracts to ensure the organisation remains compliant this included, gas servicing, legionella, fire panels, smoke detectors, AOVs, lifts, sprinkler systems, lifts, electrical testing etc.

I have chaired monthly meeting with contractors to review costs and performance. Worked with poorly performing contractors to produce improvement plans then monitored improvement or following contractual procedures to have contractors removed from the contract.

I have been a lead officer overseeing the procurement of Repairs and Voids contracts, one of which was a 10 year contract using a wholly owned subsidiary model. I also managed the TUPE process working with the new contractors and all stakeholders to ensure the contracts were operational by the given deadline. I was instrumental in setting up processes, procedures and a performance management frameworks, to deliver a customer focused service.

Manage and support teams of technical and non-technical staff delivering maintenance related services. I have completed yearly staff appraisals, setting targets for staff and completed monthly supervisions to ensure staff are achieving these targets.

I have carried out a reviews of property services, identifying work streams, skill sets, producing new structures to deliver current and future work streams complete with a business case.

My involvement with credit unions began while working for Newcastle City Council, when I became a loans officer for the Newcastle Employees CU. After a number of years I became the chair of the employees CU. It was during my time as chair that due to the regulatory change to the FSA that the employees CU was instrumental in bringing together a number of CU's in the Newcastle area to form Moneywise.

I was also the chair of ACE, attending regular meeting and chair the annual conference. Unfortunately due to working in the south of England for a number of years, for practical reasons I had give my involvement with Moneywise. Now I have retired and back in the

northeast, I feel it's time to utilise the skills and knowledge I have and return to the CU movement.

All the positions I have held have demanded an ability to liaise and negotiate effectively, to work without direct supervision whilst participating as a team member. I have the ability to motivate staff and develop a high level of service provision. I respond positively to change, am naturally innovative, do not see obstacles but meet new challenges with a determination to see them through.

**Minutes of Moneywise AGM**  
**20th February 2020**  
**Newcastle Carers Centre, Newcastle, NE6 1DN 1.30PM**

**Attendees**

**Board**

Phil Goad (Chair) [PG], David Allsopp (Finance Director) [DA], Sue Dinning [SD], Jane Edmonds [JE], Symon Agnew (CEO) [SA], Dennis O'Neil [DON], Suzanne Halliwell [SH], Andrew Breese (Internal Audit), Robert Buckley [RB], Alistair Chisholm [AC]

**Staff**

Christine Callighan [CC], Helen Thompson, [HT], Lisa Wilkinson [LW], Danielle Wilson [DW], Diane Patterson [DP], Amy Reader [AR], Pat Taylor [PT]

**Members**

D Nolan, C Ritchie, M Cornish

**Apologies**

Thomas Lillie [TL], Geof Ellingham [GE]

**Members**

Roy Bradley, Deb Quinn, Patricia Gore, Emma Kirkbride, Annie Murphy, Steve Tapton, John Connolly

**Item 1 -Welcome by Chairperson**

PG welcomed all attendees to the meeting and introduced himself as Chair of Moneywise Credit Union and introduced the speakers which include Symon Agnew, CEO and David Allsopp, Finance Directors. PG also advised that AGM packs which include Annual Reports from the Auditor and circulated.

**Item 2- Apologies for absence**

Apologies given by board members TL and GE

**Item 3- Minutes of AGM held 21<sup>st</sup> February 2019**

Previous minutes approved by all.

**Item 4 Chairs Report**

Phil Goad talked through the key elements of his report

**Item 5 CEO Report**

Symon Agnew talked through the key elements of his report

**Item 6 Internal Audit Report**

Andrew Breese talked through the key elements of his report  
Auditor report contained within pack all key ratios met.

**Item 7 Community Development Worker Report**

Contained within the Annual Report

**Item 8 Financial Report**

David Allsopp talked through the key elements of his report, contained in the pack.

**Item 9 Declaration of Dividend**

Proposal that no dividend be paid as recommended by board, proposed DON, seconded AC.  
Resolution passed, all in favour.

**Item 10 Appointment of Auditor**

Proposal that Clive Owen LLP be appointed auditor of Moneywise Ltd, proposed by SA, seconded by RB. Resolution passed, all in favour.

**Item 11 Election of Directors**

AC to elect to the board of Moneywise Proposed by SD and seconded by DON set to a vote all in favour and AC successfully re-elected on the board of Moneywise.

SH also up for re-election, Proposed by JE seconded by SD put to vote and all in favour re-elected to serve again.

**Item 12 Questions and AOB**

Question from member;

Are the quarterly returns submitted in time and following the loss reported are they looking healthy this year?

Answer:

*All returns are submitted on time in accordance with legislation. The QR and accounts for the current year are in line with budget in terms of income projections and demonstrate less spending in terms of the expenditure budget and are where they are expected to be and we expect a return to profitability this year.*

Question from staff member;

Are we paying a junior dividend?

Answer:

*Not in position to do so unfortunately.*

PG brought meeting to a close.

**Meeting ended 2pm.**