



Hull & East Yorkshire  
**Credit Union**  
The Fairer Alternative

# **ANNUAL REPORT AND AUDITED ACCOUNTS 2013**

Hull and East Yorkshire Credit Union Limited  
38 Brook Street  
KINGSTON UPON HULL  
HU2 8LA

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Website [www.hullandeycu.co.uk](http://www.hullandeycu.co.uk)

- *An Industrial and Provident Society*
- *Authorised by the Prudential Regulation Authority (FRN 213620)*
- *Member of the Association of British Credit Unions (Yorkshire Forum)*
- *Member of the Financial Services Compensation Scheme and the Financial Ombudsman Service*
- *Category 1 Consumer Credit Licence*

## The 15th Annual General Meeting

will be held in the Reception Room in the Guildhall,  
Alfred Gelder Street, Kingston upon Hull  
on Tuesday, 10 December, 2013  
at 5.45 pm.

- ◆ Members must show proof of identity to gain entry.
- ◆ Light refreshments will be available from 5.00 pm.
- ◆ The notice and agenda will be sent to all members' registered postal or electronic mail addresses in advance of the meeting.

### Committee Members and their Attendances

Year ended 30 September, 2013

	Possible	Actual	
<b>Directors:</b>			<b>Credit Committee:</b>
John Bailey	11	11	John Bailey
Lisa Bovill	11	5	Allan Davidson
Billy Briggs	11	10	Eddie Hotham
Tony Craggs	11	10	Cheryl Nicholson
Allan Davidson	11	11	
Joanne Foster	11	5	
Emma Garland *	8	0	
Alan Hignett	11	11	
Edwin King	11	10	<b>Supervisory Committee:</b>
Brian Navier	11	10	John Edwards
Susan Nicholson	11	10	Jean Hickson
Andrew Stankard	11	7	Stuart McCloud
			Barbara Wenn

\* Maternity Leave and resigned June 2013

## REPORT OF THE DIRECTORS for the year ended 30 September, 2013

Fellow members,

We have pleasure in submitting our Report and the Audited Accounts of the Credit Union for the period ended 30 September, 2013.

### Membership

	<i>New accounts</i>	<i>Accounts closed</i>	<i>Total as at 30.9.13</i>
Adult Members	1,453	947*	10,118
Junior Savers	145	53*	858

\* includes 731 cancelled under the dormant account procedure, approved by the 2003 AGM.

### Statistics

	<b>2013</b>	<b>2012</b>	<b>% increase</b>
Adult Membership	10,118	9,612	5.3
Junior Savers	858	766	12.0
Total Adult Members' deposits £	6,775,869	6,435,116	5.3
Average deposits per Adult Member £	670	669	0.1
Total Net Assets £	8,093,100	7,727,697	4.7

### Financial results

While savings deposits continued to grow steadily, the loan portfolio remained flat, with many members suffering reduced capacity to borrow. As a result interest yield was restrained, as were returns on invested funds. Expenditure was within budget, apart from the cost of providing banking services, which fee income failed to cover. A review of charges will address this.

Although we have made a loss for the year of £38,172, our balance sheet remains strong and our 2013-16 Business Plan envisages a return to normal levels of profitability within two years. A property revaluation has augmented our reserves, which represent over 12% of our asset base.

### Highlights of the year

- In the run up to Christmas 2012 we paid out a record £400,000 from our **Christmas Saver** accounts. This account, which offers a handy and very safe way for members to put aside funds specifically for festive spending, grows in popularity every year.
- Early in 2013 we passed the significant milestone of **10,000 adult members**, placing us among the largest credit unions in the country.
- We were delighted to be accepted as one of 31 "pathfinder" credit unions to

join the **Credit Union Expansion Project (CUEP)**, a Government-backed initiative to modernise and transform credit unions over the next few years. The project will deliver a modernised banking platform with better access channels for members, streamlined processing systems, national marketing campaigns and a range of shared central services designed to achieve economies of scale and the benefits of pooled expertise. We have been represented at CUEP engagement events, and are involved in all the major workstream groups, working closely with fellow credit unions to plan the implementation of this ground-breaking programme.

- **Driffield Branch** relocated from the Community Centre, where it began in 2005, to a more accessible town centre site at Market Walk (Town Council offices). The new venue was officially opened by the Mayor of Driffield, Councillor H Venter, in July, in the presence of members and invited guests.
- In May we issued the **30,000th loan** since we were established in 1999.
- HRH The Prince of Wales and HRH The Duchess of Cornwall visited The Shores Centre in July, where our **Withernsea Branch** is based. Our Chief Executive took part in a special Seaside Radio show highlighting how we are helping the people of Holderness to manage their money wisely. The Duchess, who is known to be a big supporter of credit unions, praised the good work they are doing in local communities.

## Service development

- New contact points opened at **Kingswood College, Acorns and Longhill Children's Centres** in East Hull, and the **URBAN Centre**, North Bransholme. Run by trained volunteers, these centres enable people to make enquiries and deposits locally, without having to travel into town.
- In May we opened in the seaside town of **Withernsea**. Opening every Wednesday morning, the new branch brings credit union services to South Holderness, an area poorly served by conventional banking facilities. We are working closely with The Shores Community Centre and a range of local organisations to promote the new volunteer-run service which is steadily gaining support among local residents.
- In July we launched our **Community Account**, an easy to use deposit facility for clubs, societies, small charities and social enterprises wishing to place their funds with a locally-based ethical provider. The credit union legal reforms of 2012 made it possible to enrol organisations as well as individuals, and Community Account holders are classed as corporate members, with the same voting rights as existing members. There is every sign that this new account will be a welcome addition to our portfolio of services.
- We were pleased to welcome **Neville Tucker Services Limited** as a payroll partner. Employees at this local firm can save and repay loans direct from their pay, just like many at the local authorities and a number of other employers do already.

- During the year we upgraded our **telephone system**, to provide extra capacity, and invested in new **payroll software**.
- With support from East Riding of Yorkshire Council, we brought school banks back to the town of Goole! Our **Pennies 2 Pounds Savings Clubs** were launched at Boothferry Primary School on 24 September when around 60 children, plus several parents and teachers, joined and started to save regularly. We are thrilled that this project has been enthusiastically embraced by the whole community, and plan to enrol more schools in the coming year. Beeford Primary School has also joined the successful **First Savers** scheme run by our Driffield Branch volunteers.
- In its first year our self-funded **Member Death Benefits Scheme** paid out 17 claims, value £5,643, a saving of £12,000 on the previous arrangements.

## Partnerships in action

By working with a variety of organisations we can achieve mutual benefits while improving the experience of our members:

- We are one of several organisations involved with Hull and East Riding Citizens Advice to deliver a five-year Big Lottery funded programme known as **Quids In**. The aim is to help social tenants in Hull to improve their money management skills and confidence in financial products and services. Two staff are actively working on developing useful tools, generating referrals and training volunteer mentors, for example "banking buddies".
- Together with a neighbouring credit union in North Lincolnshire, we are working with the local authorities and certain social landlords to develop a **Rent Direct Budget Account** package to assist them and their tenants manage the growing impact of the welfare reforms. We appreciate the assistance given by the East Midlands group of credit unions on this important project, which will come to fruition early in 2014.
- Our partnership with **East Riding of Yorkshire Council** is building momentum. We presented at a Consumer Empowerment Seminar, appeared at the Scrutiny Committee during a debate on combating loan sharks, played an active role in the Financial Inclusion Forum and supported Welfare Reform information events in Bridlington and Goole.
- We attended **Local Links community forums** in Bridlington, Driffield, Withernsea, Hornsea and Goole and, in September, presented to the **East Riding Local Strategic Partnership**, making some useful links.
- As a city centre business, we regularly attend meetings and events run by **Hull BID**, joining in with others working hard to promote the city.
- With **Hull City Council** we have participated in Safe and Affordable Borrowing events at community venues, presented to the Anti-Poverty Task & Finish Panel and continued to support the Financial Inclusion Forum. We value their support in identifying potential funding opportunities and projects.
- We are particularly pleased to be involved with the voluntary community

sector, led by the Bishop of Hull, in a range of activities to support the **Hull City Plan**. This is a decade-long holistic strategy to transform the city and enhance its citizens' lives. A key theme, "making your money go further," reflects our mission and it is gratifying that our expertise is being called upon.

- Our engagement in the **Credit Union Expansion Project** brings us into close collaboration with other progressive credit unions and we are all very keen to learn from each other's experiences and share good practice.

## Marketing and communicating

- We communicate with existing members via emails, monthly newsletters to our network of workplace and community representatives, our website and postings on Facebook and Twitter. In 2012 we used email to send the AGM notice to over 3,200 members, saving £1,000 in postage costs. New web pages were developed for our Volunteers and Payroll partners.
- Special **newsletters** were produced for partner organisations, members working at Hull City Council (quarterly) and our volunteers.
- A new promotional leaflet **Your Credit Union** was created which gives an overview of credit unions and describes our main products and services.
- During the year we made door-to-door leaflet drops in Bridlington, Goole, Holme on Spalding Moor, Driffield and Withernsea. At Withernsea our opening campaign embraced slots on Seaside FM (the local radio station), articles in the *Holderness Gazette* and a presentation to the Town Council.
- Once again we have gained some valuable free publicity in the media. We issued a news release supporting the Archbishop of Canterbury's comments on payday lenders; spoke on *Radio Humber* about loan sharks; and contributed an article to the *Hull Daily Mail's* First Person column on The People's Bank. The Pennies 2 Pounds school banks launch was extensively covered by *ITV Calendar News* and the *Goole Times*, while the Driffield relocation featured in *Driffield Times & Post* and *Driffield Leader*.
- We provided attractive **school gate banners** for all our school banks, and supported an anti-loan shark themed play at St Richards School, Marfleet, with some promotional gifts and vouchers.
- At Hull Central we entered into a joint marketing arrangement with **Arthur's Organics**, a local workers co-operative, to include a credit union leaflet in their vegetable boxes in return for publicity on our TV screens; we also promoted **Hull Collective Energy Scheme** in a similar way.
- For **Co-operatives Fortnight** in June our staff made a short video to contribute to a collaborative film venture celebrating the work of co-operatives on the theme Local, Loved and Trusted.
- Finally, through the Credit Union Expansion Project, we commissioned a **Member Profile Insight report** containing useful data on which to base our future marketing strategy and campaigns.

## Code of Good Governance

We work hard to maintain full compliance with the **ABCUL Code of Good Governance**. In January directors took part in a **refresher training** day, with special emphasis on their roles and responsibilities and succession planning. A further **Board Evaluation Survey**, to review the effectiveness of board processes and decision making, was externally assessed.

As a financial services business, it is essential to have a robust approach to risk management, ensuring that all significant risks that may threaten its ongoing progress are continually identified, understood and effectively managed. To strengthen this process, in May the Board established a **Risk Committee**, which now meets at least quarterly to review the risk register in detail. The Committee prepared a succession process to guide the Board in the selection of the next Credit Union President and other key officers.

The Board has a month by month calendar of policy reviews, ensuring that all policies and procedures are reviewed at least once a year. Responses are often sent to Government and industry consultations; this year we have responded on proposals to increase the credit union interest rate cap and to allow Child Trust Funds to be converted to Junior ISAs.

The transition from the Financial Services Authority to the new twin-regulators, the **Prudential Regulation Authority** and the **Financial Conduct Authority**, has received our attention and it is hoped that the Government's new regulatory regime for our industry will help to avoid the problems of the past and lead to better protection for the consumer. Sadly, we had to pay over £5,000 to the **Financial Services Compensation Scheme** as our further share of the pay outs to customers of banking firms that have failed since 2008.

## Directors and Officers

Following the 2012 Annual General Meeting the officers elected were:

President – Brian Navier	Health & Safety Officer – Brian Navier
Vice President – Andy Stankard	Training & Development Officer – Emma Garland
Secretary – Edwin King	Equalities & Diversity Officer – Sue Nicholson
Treasurer – Tony Craggs	Child Protection Officer – Alan Hignett
Assistant Treasurer – Alan Hignett	Complaints Officer – Cheryl Nicholson

In June Emma Garland tendered her resignation from the Board, due to family commitments.

Besides attending monthly Board meetings, directors participated in quarterly in-house training/briefing sessions, on topics ranging from the welfare reforms to online services, and a strategic planning day. Delegates were also active in the **ABCUL AGM/Conference** in York and at meetings of the Yorkshire Chapter and Yorkshire Forum of credit unions.

## Our People

During the year we welcomed three colleagues to our now 21-strong **staff team**: Joanne (Goole Development Project); Lauren and Shelly (Member Services).

The **Personnel Committee** reviews all staff policies to ensure that not only is the Credit Union fully compliant with all regulations but also pro-actively working towards being an employer of excellence. This year has seen a focus on the staff welfare agenda, providing free health checks and stress awareness sessions for staff. Team training and briefing sessions are regularly held on a Wednesday morning to keep everyone informed.

We now have over 70 **volunteers** who contribute their time and skills in lots of different ways, enabling us to provide much valued contact points in local communities where it would be uneconomic to provide a fully-staffed branch. Special mention should be made of our team of **school bank volunteers** who are making a great success of helping primary school children to save regularly.

In February, in Driffield, we held our first **Volunteers Meeting**, which provided an opportunity to thank volunteers for their dedication, share news on service developments and provide topical training. Further meetings will take place in the coming year.

## External Audit

In so far as the directors are aware:

- there is no relevant audit information of which the Credit Union's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## Appreciation

We express sincere thanks to all our staff and volunteers for their sterling efforts throughout a year that has brought both challenges and opportunities. We also thank the people in other organisations who have helped and supported the Credit Union in its work.

The loyalty and support of our members is always greatly appreciated and we aim to repay this in the coming years by ensuring that HEYCU retains its proud reputation as a leading modern credit union.

12 November 2013

For and on behalf of the Board  
B L NAVIER President  
J E SMITH ACIS Chief Executive



## REPORT OF THE CREDIT COMMITTEE

We held four meetings when the loans policy, procedures and credit control processes were kept under review. We also reviewed loan decisions made by our loan officers to make sure those decisions were fair and reasonable.

During the year we granted 4,493 loans to a value of £2,290,617, an increase in value of 5.6% on 2011-12. The most popular reasons for borrowing were, in order, Christmas, Home Improvements, Furniture and Holidays.

We received over 6,400 loan applications from members and non-members, of which around 30% unfortunately had to be turned down. While we would like to help as many applicants as possible, we must guard our reputation as a responsible lender, by making sure members can afford the repayments. Sadly, this year more people faced financial pressure or had other affordability issues. We also had to turn down many applicants who were not on the electoral roll as we were unable to check their credit history.

Our loan portfolio comprises **Freedom Loans** (a small short term affordable loan for new members or non-savers); **Saver Loans** (competitive larger loans for our regular savers with pledged savings) and **Homecheque Loans** (a loan scheme for home improvements offered in conjunction with Hull City Council).

We will shortly be launching a new mid-range loan product highlighting our competitiveness compared to banks, and encouraging people who might never have considered the Credit Union to do so. We also hope to have an online application facility in place to support this. Watch out for more news soon!

When you need a loan, please take a look at our very competitive deals and do give us a chance to help.

*Allan, Eddie, Cheryl and John*

## REPORT OF THE SUPERVISORY COMMITTEE

Our Committee members for the year 2012-13 were Barbara Wenn, Jean Hickson, Stuart McCloud and John Edwards.

The Supervisory Committee draws up and works to an audit plan to test operational systems and makes recommendations to improve the processes involved. We compile reports which include recommendations for the Chief Executive and the Board to act upon where necessary to ensure the Credit Union is run properly and effectively. The development of policies and procedures has improved with each year and we will continue to act in the best interests of the members throughout the coming year.

*Barbara, Jean, Stuart and John*

**INCOME AND EXPENDITURE ACCOUNT****for the year ended 30 September, 2013**

	2013	2012
	£	£
<i>Continuing operations</i>		
<b>Income</b>		
Interest on loans to members	349,625	346,243
Interest on loans to other credit unions	8,354	8,120
Membership fees	7,046	4,852
Income from Service Agreements	60,513	96,408
Grants and sponsorships	6,000	7,400
Insurance commission	1,726	2,229
Other income and charges	95,700	86,898
<b>Total Income</b>	<b>528,964</b>	<b>552,150</b>
<b>Less Total Expenditure (Note 2)</b>	<b>659,110</b>	<b>626,200</b>
	(130,146)	(74,050)
Interest receivable from Investments	114,968	111,921
<b>(Deficit) / Surplus for year before taxation</b>	<b>(15,178)</b>	<b>37,871</b>
Taxation	(22,994)	(22,383)
<b>(Deficit) / Surplus for year after taxation</b>	<b>(38,172)</b>	<b>15,488</b>

**Statement of Total Recognised Gains and Losses for year:**

(Deficit)/Surplus for year after taxation	<b>(38,172)</b>	<b>15,488</b>
Unrealised surplus on property revaluation	<b>57,596</b>	<b>0</b>
<b>Total recognised gains and (losses) for year</b>	<b>19,424</b>	<b>15,488</b>

**BALANCE SHEET as at 30 September, 2013**

	2013		2012
	£	£	
<b>Long term assets</b>			
Loans to members		2,183,033	2,175,672
Less Provision for Bad/Doubtful Debts		150,000	117,000
		<u>2,033,033</u>	<u>2,058,672</u>
Tangible fixed assets (Note 4)		419,695	378,064
Intangible fixed assets (Note 1)		6,287	3,754
		<u>2,459,015</u>	<u>2,440,490</u>
<b>Current Assets</b>			
Investments – deposit accounts	4,740,955		3,874,573
Cash at bank and in hand	897,866		1,331,512
Loans to other credit unions	151,757		211,757
Prepayments and accrued income	25,123		47,723
	<u>5,815,701</u>		<u>5,465,565</u>
<b>Less Creditors – due within one year</b>			
Corporation Tax (Note 3)	22,994		22,384
Provision for Cashback loans	125,043		105,377
Other Provisions	0		20,538
Sundry creditors	33,579		28,059
	<u>181,616</u>		<u>176,358</u>
		5,634,085	5,289,207
<b>Total Net Assets</b>		<u><b>8,093,100</b></u>	<u><b>7,729,697</b></u>
<b>Represented by:</b>			
Members' Shares and Deposits		6,775,869	6,435,116
First Savers' and Child Trust Fund Deposits		303,038	264,930
Reserves (Note 5)		1,014,193	1,029,651
		<u><b>8,093,100</b></u>	<u><b>7,729,697</b></u>

Approved by the Board on 12 November, 2013

B L Navier, President  
A Stankard, Vice President  
A Craggs DEUK, Treasurer

## NOTES TO THE ACCOUNTS

### I Principal accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material to the affairs of the Credit Union:

- *Basis of accounting*

The financial statements have been prepared under the historical cost accounting convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards.

- *Fixed assets*

Except for freehold property which is shown at a valuation, tangible fixed assets are stated at cost less, where applicable, amounts written off on a straight line basis. Depreciation is charged at the following rates:

Computer equipment and software	25%
Furniture and equipment	15%
Buildings	2%

Intangible fixed assets represent an investment in the Credit Unions' Pre-paid Card and online application systems and are included at the directors' valuation.

- *Subsidiary companies*

The Credit Union has no subsidiary companies.

- *Provision for bad and doubtful debts*

Known bad debts are written off. General provision is made in accordance with the requirements of the Prudential Regulation Authority.

- *Interest receivable*

Interest receivable on loans to credit unions and investments is accrued. Interest on loans to members is charged at rates of up to 2.00% per month on the outstanding loan balance.

- *Income from grants and donations*

Grants and donations are accounted for as and when they become due to the Credit Union.

### 2 Expenditure

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Personnel costs	328,754	326,270
Training and Development	1,300	1,327
Accommodation (rent, rates, heat & light, maintenance and repairs)	24,326	20,944
Fidelity and General Insurance	5,067	5,004
Members' Death Benefits Scheme	3,143	13,347
Printing, Stationery, Postage, Advertising	15,478	18,428
IT and Communications	20,286	19,306
Governance, Legal and Regulatory costs	9,685	7,503
External Audit	2,400	2,280
ABCUL Subscription	11,534	10,129
Banking and Finance costs	130,173	111,033
Other Expenses	19,670	18,903
Depreciation	27,674	28,770
Provision for Bad and Doubtful Debts	59,620	42,956
Total	<u>659,110</u>	<u>626,200</u>

### 3 Taxation

The charge for taxation is based upon investment interest receivable for the year and is made up of: Corporation Tax at 20% (2012 – 20%)	<b>2013</b>	<b>2012</b>
	£	
	22,994	22,384

### 4 Tangible Fixed Assets

<b>Cost or valuation:</b>	<b>Land &amp; Buildings</b>	<b>IT Equipment / Software</b>	<b>Furniture &amp; Equipment</b>	<b>Total</b>
B/fwd.	291,138	119,690	141,399	552,227
Additions	0	8,506	3,203	11,709
Revaluation Surplus	57,596	0	0	57,596
<b>Total</b>	<b>348,734</b>	<b>128,196</b>	<b>144,602</b>	<b>621,532</b>
Depreciation:				
B/fwd.	5,823	88,516	79,824	174,163
Charge for Year	2,911	12,560	12,203	27,674
<b>Total</b>	<b>8,734</b>	<b>101,076</b>	<b>92,027</b>	<b>201,837</b>
<b>Net Book Value:</b>				
<b>At End of Year</b>	<b>340,000</b>	<b>27,120</b>	<b>52,575</b>	<b>419,695</b>
<i>Last Year</i>	<i>285,315</i>	<i>31,174</i>	<i>61,575</i>	<i>378,064</i>

The freehold property was re-valued by NT3 (report dated 23 Oct 2013).

The Credit Union had no capital commitments at the year end.

<b>5 Reserves</b>	<b>Total</b>	<b>General</b>	<b>Dividend</b>	<b>Revaluation</b>	<b>Revenue</b>
<b>Balance as at 1.10.12</b>	<b>1,029,651</b>	966,776	25,766	0	37,109
Deficit for the year after taxation	<b>(38,172)</b>				(38,172)
Additions to Reserves	<b>57,596</b>			57,596	
Transfers		(10,179)	(25,766)		35,945
Dividends paid 2012	<b>(34,882)</b>				(34,882)
<b>Balance as at 30.9.13</b>	<b>1,014,193</b>	956,597	0	57,596	0

### 6 Directors

Loans are made to directors and committee members, as members of the Credit Union, in the ordinary course of business and on the same terms as are available to other members.

### 7 Contingencies

The Credit Union has a scheme providing Death Benefits on the death of members, subject to eligibility limits and conditions. In previous years an insurance policy was purchased to cover this, however, the costs of this policy proved excessive and it was

decided to self insure, meeting the liabilities as they arise. In 2012-13 a charge of £3,143 arose in respect of this.

## **8 Auditor disclosures**

In common with many other businesses of our size and nature our auditors prepare and submit returns to the tax authorities and assist with preparing the financial statements.

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HULL AND EAST YORKSHIRE CREDIT UNION**

We have audited the financial statements of Hull and East Yorkshire Credit Union for the year ended 30 September 2013 which comprise the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the credit union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report, the Supervisory Committee report, and the Credit Committee report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- Give a true and fair view of the state of the credit union's affairs as at 30 September 2013 and of its income and expenditure for the year then ended; and

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Industrial and Provident Societies Acts 1965 to 2002 and the Credit Unions Act 1979.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where Friendly and Industrial Provident Societies Acts 1965 to 2002 require us to report to you if, in our opinion:

- proper books of account have not been kept by the credit union in accordance with the requirements of the legislation,
- a satisfactory system of control over transactions has not been maintained by the credit union in accordance with the requirements of the legislation,
- the revenue account or the other accounts to which our report relates, and the balance sheet are not in agreement with the books of account of the credit union,
- we have not obtained all the information and explanations necessary for the purpose of the audit.

**Mark Jackson (Senior Statutory Auditor)**  
**for and on behalf of Jacksons - Accountants and Statutory Auditors**  
**751A Holderness Road**  
**Hull HU8 9AR**

12 November 2013

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Industrial and Provident Society law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union and to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002 and the Credit Unions Act 1979. They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## PROGRESS IN OUR BRANCHES

### Driffield

The Branch continues to grow and attract more members and our hard-working volunteer Committee meets monthly to oversee its activities. After eight happy years based at the Community Centre we relocated to the Town Council Offices at **2-4 Market Walk**, bringing the Credit Union to the notice of shoppers walking through the town centre. We thanked the Community Centre for all they had done for us.

Our School First Saver Clubs are going from strength to strength, capably administered by Rita and her team of volunteers. In September a new school bank opened at **Beeford Primary School**, making an excellent start. We are talking with other schools about joining the scheme.

### Bridlington

Our membership in the town is steadily growing and members are enjoying our smart modern premises in the town centre at Prospect Street. During the year we distributed an information leaflet in many areas of the town to raise awareness of the full range of our services, which resulted in some new enquiries. Mrs Barbara Talbot, a volunteer since opening in 2005, retired recently and was commended for her service to local members.

### Beverley

Our Beverley contact point at the **Cherry Tree Centre** continues on Thursdays from 1.30pm to 3pm, and is supported by a small but loyal following and our volunteers Jim, Jackie and Pat. The Centre is open every day for drop in enquiries and picking up leaflets and the debt advisors are also available to refer clients to the Credit Union.

### Goole and West

With support from East Riding of Yorkshire Council we have taken on a Development Officer, Joanne, to launch school banks and promote our services to the local community. We are thrilled with the early progress which has not only attracted over 80 junior savers but also drawn more adults to our branch in Pasture Road. **Holme on Spalding Moor** contact point continues its good work ably run by Gill and her team.

### Withernsea

Christine and Mareth, our new volunteers, are working hard to make our latest contact point at **The Shores Centre** a success. It opens every Wednesday from 10 am to 12 noon. We have made good links with local organisations, and people of all age groups, and appreciate the way the community has welcomed our arrival so far. We feel sure the branch will grow into a valued asset to the South Holderness area.