



Hull & East Yorkshire
Credit Union
The Fairer Alternative

ANNUAL REPORT AND AUDITED ACCOUNTS 2012

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

Telephone 01482 778753
Website www.hullandeycu.co.uk

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

The 14th Annual General Meeting

will be held in the Reception Room in the Guildhall,
Alfred Gelder Street, Kingston upon Hull
on Tuesday, 4 December, 2012
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, 2012

| | Possible | Actual | |
|-------------------|----------|--------|-------------------------------|
| Directors: | | | Credit Committee: |
| John Bailey | 11 | 10 | John Bailey |
| Lisa Bovill 1 | 8 | 6 | Allan Davidson |
| Billy Briggs | 11 | 10 | Eddie Hotham |
| Tony Craggs | 11 | 10 | Cheryl Nicholson |
| Allan Davidson | 11 | 11 | |
| Joanne Foster | 11 | 8 | |
| Emma Garland | 11 | 6 | |
| Alan Hignett | 11 | 11 | |
| Edwin King 2 | 7 | 6 | Supervisory Committee: |
| Brian Navier | 11 | 10 | 3 John Edwards |
| Susan Nicholson 2 | 7 | 5 | Jean Hickson |
| Andrew Stankard | 11 | 7 | Stuart McCloud |
| | | | Barbara Wenn |

1 co-opted January 2012

2 co-opted February 2012

3 co-opted March 2012

REPORT OF THE DIRECTORS for the year ended 30 September, 2012

Fellow members,

We have pleasure in submitting our Report and the Audited Accounts of the Credit Union for the period ended 30 September, 2012.

Membership

We have continued to recruit new members at a rapid rate:

| | New accounts | Accounts closed | Total as at 30.9.12 |
|---------------|--------------|-----------------|---------------------|
| Adult Members | 1,645 | 474* | 9,612 |
| First Savers | 120 | 52* | 766 |

* includes 220 cancelled under the dormant account procedure, introduced following the 2003 AGM.

Statistics

| | 2012 | 2011 | % increase |
|-------------------------------------|-----------|-----------|------------|
| Adult Membership | 9,612 | 8,441 | 13.9 |
| First Savers | 766 | 698 | 9.7 |
| Total Adult Members' deposits £ | 6,435,116 | 5,417,911 | 18.8 |
| Average deposits per Adult Member £ | 669 | 642 | 4.2 |
| Total Net Assets £ | 7,727,697 | 6,749,849 | 14.5 |

Results for the Year

We experienced a healthy level of member recruitment and savings deposits grew by £1 million. However, our loan book continued to decline in the face of tough economic conditions and we did not achieve our budgeted income. Despite careful control of expenditure, the surplus is £86,000 lower than in 2011.

Our balance sheet and reserves continue to be very strong, and therefore the Board recommends that the available surplus of £15,488 be appropriated to Dividend, and augmented by a transfer of £18,623 from the Dividend Reserve, to allow a total return on Members' Savings of £34,111.

The year's highlights

- On 8 January some long awaited and significant changes to the **Credit Union Act 1979** came into force, heralding a new era in which credit unions are encouraged to expand and modernise in order to serve a wider field of

membership and enabled to compete on a more "level playing field" with other financial service providers.

- Following this, we held a **Special General Meeting** on 17 April when members approved a new Rule Book, to allow HEYCU to take full advantage of the legal reforms. The new rules include an extension of our common bond to people who live or work in North and North East Lincolnshire and the staff and tenants of Sanctuary Housing Group, and permit us to accept organisations as well as individuals into membership. In due course we will also be able to quote interest rates on savings products. The FSA registered our new rules on 30 August.
- In May, we were overjoyed to receive a **National Credit Union Award for Excellence in Marketing**. The judges said they were impressed by the huge amount of time and effort we had put into building a comprehensive marketing strategy, with the aim of increasing public awareness and image perception. Our award was presented at a ceremony at The House of Lords in Westminster by Lord Clarke of Hampstead in the presence of the sponsors, Unity Trust Bank, and credit union guests from around the UK.
- On 13 July the **three Hull MPs**, Alan Johnson, Diana Johnson and Karl Turner, paid a visit to Central Office where they met directors, volunteers and staff and helped us to celebrate our award. Diana said, "The work of credit unions has never been more important in Hull, with increasing levels of poverty and personal debt and the way that loan sharks and other ultra-high interest money lenders are exploiting and worsening these problems."
- In July we completed a major refit project at **Bridlington Branch** to improve the facilities for our members and staff in the town. We modernised the internal layout, installed new counters, upgraded the lighting and completely redecorated the premises. Externally new signage was installed in HEYCU's new brand style, to improve visibility. The work was carried out by East Yorkshire-based contractors, Yorkshire Maintenance Company.

Developing our Services

- On 30 April we were pleased to open a new contact point to serve **Holme on Spalding Moor** and district. Run by a group of trained volunteers, the contact point is open every Monday morning, and on the first Saturday of each month, to enrol new members and accept savings deposits and applications for loans and bank accounts. Training of volunteers has been

under way, with a view to opening further contact points at **Kingswood College of Arts**, and **Longhill and Acorn Childrens Centres** in Hull.

- In September we launched the **ABCUL Pre-paid Card** as a further service for our members. Members can load their card with funds at the Credit Union and then use it as a Visa Debit card to go shopping, and buy goods and services on the internet or by mail order. The Pre-paid card is an excellent way to budget as it does not allow users to go overdrawn. It can also be used when travelling overseas and to obtain cashback at supermarkets.
- During the year our President and Chief Executive attended a major gathering of the top 20 credit unions, convened by ABCUL, to discuss the potential for developing a **Shared Business Model** which would lead to the introduction of a new banking platform, offering on-line and mobile banking, streamlined loan processing facilities, and many more useful services to improve our accessibility and competitive position. Given the rapid changes in the market place for financial services, we are determined to remain at the forefront of these important developments.
- On 31 May we terminated our agreement with CUNA Mutual Group who have, since 1999, provided us with a unique member benefit called Life Savings & Loan Protection Insurance. The purpose of this insurance is to provide, upon the death of a qualifying member, a cash benefit for their beneficiary based on their credit union savings, also to cancel any credit union loan. While these benefits came at no cost to the member, HEYCU was paying over £18,000 a year to insure via CUNA Mutual. Your Board therefore decided to create our own self-insurance fund as a more cost-effective alternative. This **Members' Death Benefit Scheme** currently provides the same level of benefits as the previous scheme.

Working in Partnership

We are working with an ever increasing range of organisations to further our mutual goals:

- The two local authorities continue to be supportive partners. Both provide payroll deduction facilities to help their staff to save and repay loans effortlessly. We operate a **Direct Payments Service** to support their Social Services clients and a **HomeCheque** loan scheme to promote home improvements.
- We provided briefings for Customer Service staff at **Hull City Council** and made a keynote presentation at the city's Financial Inclusion Forum. We

engaged with **East Riding of Yorkshire Council** in several new ways, participating in their Financial Inclusion Forum, assisting a Steering Group to develop a county-wide Financial Inclusion Strategy, and making presentations to the Tenants Forum and Senior Management Team. It was gratifying when a motion was passed in the Council Chamber welcoming the new credit union laws and pledging to support us in helping residents to access affordable financial services. In response we issued a briefing pack to Councillors and followed up several enquiries that this produced.

- We have worked with social landlords to plan initiatives supporting their tenants, especially in regard to the coming welfare reforms. To give but one example, we have signed a partnership agreement with the **Riverside Group** to promote credit union services across their North Bransholme estate.
- To help members to obtain consumer goods on reasonable terms, avoiding the exorbitant charges associated with certain weekly payment stores, we work with **The Co-operative E-Store** and **Smarterbuys**.

Raising awareness

- We responded to a wide range of requests for **talks, presentations, briefings and stalls**, including Hull Warm Zone 10th Anniversary Event; North Bransholme Community Event; Beverley Cherry Tree Women's Group; Market Weighton Over 50s Event; Beverley Transition Towns Group; Affinity Sutton Marfleet Community Fayre; and Beverley Leisure Centre Fun Day. A team of staff and volunteers also provided a promotional stand at this year's **Driffield Show**.
- We continued to communicate effectively with our members via our seasonal **E-Newsletters** and frequent postings on **Facebook** and **Twitter**, and are one of only a handful of credit unions with an entry in **Wikipedia!**
- During the year we refreshed our mailing list of over 150 **HEY Leaders** - our workplace and community representatives - and asked them to recommend other members to join the ranks of our most active supporters.
- In November we relaunched our popular **website**, with user friendly graphics based on our main product themes - Save, Borrow, Bank and Insure. We placed matching **posters** in the branch windows and installed two large **TV screens** inside the Hull branch, to relay changing news and information to members waiting to be served.
- We have advertised regularly and had features in **Goole Courier**, **Bridlington Town Council Newsletter** and **Driffield Leader**, also

appeared several times on TV and local radio. Our Chief Executive took part in a discussion on **BBC Radio Humberside** about the rise of payday lending, while one of our members even appeared on **ITV's Daybreak** praising her local credit union.

Code of Good Governance

We aim to comply fully with the **ABCUL Code of Good Governance**. Early in the year we conducted a **Member Satisfaction Survey** which produced over 300 responses. The survey highlighted areas where we perform well, indicated areas where we need to improve, and gave an insight into members' aspirations for new services. We repeated the **Board Effectiveness Survey** to discover our directors' views, and adopted a new **Asset Management Policy** to guide us in taking proper care of our premises and equipment. We also tested our **Business Continuity Plan** to ensure that our members' data can always be accessed in the event of a disaster befalling our main IT systems.

During the year we were pleased to host fact finding visits by credit union staff and volunteers from Barrow in Furness, Lincolnshire and Wakefield.

Directors and Officers

Following the 2011 Annual General Meeting the officers elected were:

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

There were three vacancies on the Board, which resolved to co-opt Lisa Bovill, Edwin King and Susan Nicholson as provided for in the Rules.

Alan Hignett was awarded an International CUDE for his work with the International Credit Union Movement. Tony Craggs is also a DEUK.

As well as the monthly Board meetings, directors took part in a Strategic Planning day and four in-house training/briefing sessions. Delegates also took part in national and regional events of our trade association, ABCUL.

Our People

Our **staff team** comprises 18 colleagues and this year we welcomed Michael, Emma, Jamie-Leigh and David to our Member Services Team, while bidding farewell to Pat, Heather and June.

We benefit enormously from the time and skills given by our **volunteers**, whose numbers had reached 56 at the last count, including those recruited to run our new contact points. Rita Walker, our new **Schools Co-ordinator**, is doing an excellent job looking after the school savings clubs attached to our Driffield Branch. This year we began a major review of our Volunteer Policy and procedures, with a view to improving the way we recruit and support our volunteers, and to make their experience more rewarding.

The Personnel Committee kept staffing policies under review and sponsored an **Employee Survey** and **Staff Focus Groups** which allowed our staff team to engage with the business and discuss how we can work more effectively towards our planning goals.

Our staff and volunteers took part in numerous training activities, with topics as diverse as staffing policies and correct use of fire appliances. We congratulate Steve and Matthew on gaining the IFS professional **Award in Credit Union Practice**. As an initiative to support the **International Year of Co-operatives**, four colleagues had the chance to visit credit unions in Sheffield and Manchester, sharing experiences with their staff and bringing back some fresh ideas for us to adopt. We will host reciprocal visits in the new 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 should like to thank our staff team and volunteers for their hard work and dedication throughout the year, which has enabled our Credit Union to make further progress despite the extremely difficult economic climate.

We are also most appreciative of the loyalty and support of you, our members, and hope we shall continue to earn your trust in the year ahead.

6 November 2012

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

REPORT OF THE CREDIT COMMITTEE

The Committee met three times to review the loans policy and credit control processes. Allan Davidson joined us in place of Tony Craggs, who was thanked for his years of service.

This year we granted 4,472 loans, value £2.17 million. The numbers look very similar to last year, reflecting the difficulty of expanding the loan book in the current economic climate.

We have two main loan products: The **Freedom Loan** (26.8% APR) is our small short-term consumer loan, offering affordable credit to new members and non-savers at least ten times cheaper than doorstep lenders. **Saver Loans** are often larger loans, granted to existing members who save with us regularly and repayable over a maximum of five years. Their interest rates range from 6.5% APR to 12.7% APR, depending on the loan size.

During the year the demand for larger loans fell sharply, as members affected by the economic downturn continued to defer non-essential spending and avoid taking on more borrowing. As a result the Saver Loan portfolio represents less than 50% of the total loan book for the first time ever.

We are keeping the situation under review in the light of prevailing conditions and when the time is right will develop new products in order to expand our portfolio.

Please ask for a quotation if you need a loan, as we are sure you will find us competitive.

Allan, Eddie, Cheryl and John

REPORT OF THE SUPERVISORY COMMITTEE

Our Committee members for the year 2011-12 were Barbara Wenn, Jean Hickson, Stuart McCloud and John Edwards.

The role of the Supervisory Committee is to promote excellence in management, administration, operations and services of the Credit Union. To aid us in this process we draw up and work to an audit plan. 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. 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, 2012**

| | 2012 | 2011 |
|---|----------------|----------------|
| <i>Continuing operations</i> | £ | £ |
| Income | | |
| Interest on loans to members | 346,243 | 343,522 |
| Interest on loans to other credit unions | 8,120 | 14,020 |
| Membership fees | 4,852 | 4,683 |
| Income from Service Agreements | 96,408 | 109,862 |
| Grants and sponsorships | 7,400 | 94,406 |
| Insurance commission | 2,229 | 2,652 |
| Other income and charges | 86,898 | 72,818 |
| Total Income | 552,150 | 641,963 |
| Less Total Expenditure (Note 2) | 626,200 | 580,247 |
| | (74,050) | 61,716 |
| Interest receivable from Investments | 111,921 | 50,629 |
| Surplus for year before taxation | 37,871 | 112,345 |
| Taxation | (22,383) | (10,512) |
| Surplus for year after taxation | 15,488 | 101,833 |
| Transfer (to)/from Reserves | 18,623 | (7,148) |
| Surplus available for distribution | 34,111 | 94,685 |

The Credit Union has no recognised gains or losses other than those shown above.

BALANCE SHEET as at 30 September, 2012

| | 2012 | | 2011 | |
|---|------------------|-------------------------|------------------|-------------------------|
| | £ | £ | £ | £ |
| Long term assets | | | | |
| Loans to members | | 2,175,672 | | 2,292,091 |
| Less Provision for Bad/Doubtful Debts | | 117,000 | | 107,597 |
| | | <u>2,058,672</u> | | <u>2,184,494</u> |
| Tangible fixed assets (Note 4) | | 378,064 | | 371,211 |
| Intangible fixed assets (Note 1) | | 3,754 | | 23,196 |
| | | <u>2,440,490</u> | | <u>2,578,901</u> |
| Current Assets | | | | |
| Investments – deposit accounts | 3,874,573 | | 3,623,529 | |
| Cash at bank and in hand | 1,331,512 | | 506,320 | |
| Loans to other credit unions | 211,757 | | 274,257 | |
| Prepayments and accrued income | 47,723 | | 4,280 | |
| | <u>5,465,565</u> | | <u>4,408,386</u> | |
| Less Creditors – due within one year | | | | |
| Corporation Tax (Note 3) | 22,384 | | 10,379 | |
| Provision for Cashback loans | 105,377 | | 114,026 | |
| Other Provisions | 20,538 | | 37,850 | |
| Sundry creditors | 28,059 | | 75,183 | |
| | <u>176,358</u> | | <u>237,438</u> | |
| | | 5,289,207 | | 4,170,948 |
| Total Net Assets | | <u>7,729,697</u> | | <u>6,749,849</u> |
| Represented by: | | | | |
| Members' Shares and Deposits | | 6,435,116 | | 5,417,911 |
| First Savers' and Child Trust Fund Deposits | | 264,930 | | 226,232 |
| Reserves (Note 5) | | 1,029,651 | | 1,105,706 |
| | | <u>7,729,697</u> | | <u>6,749,849</u> |

Approved by the Board on 6 November, 2012

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 and in accordance with applicable accounting standards.

- *Fixed assets*

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 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 Financial Services Authority.

- *Interest receivable*

Interest receivable on loans to credit unions and investments is accrued. Interest on loans to members is charged at a rate 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

| | 2012 | 2011 |
|--|----------------|----------------|
| | £ | £ |
| Personnel costs | 326,270 | 272,839 |
| Training and Development | 1,327 | 616 |
| Accommodation (rent, rates, heat & light, maintenance and repairs) | 20,944 | 21,971 |
| Fidelity and General Insurance | 5,004 | 4,857 |
| Members' Life Savings and Loan Protection Insurance | 13,347 | 18,725 |
| Printing, Stationery, Postage, Advertising | 18,428 | 34,176 |
| IT and Communications | 19,306 | 18,128 |
| Governance, Legal and Regulatory costs | 7,503 | 5,348 |
| External Audit | 2,280 | 2,019 |
| ABCUL Subscription | 10,129 | 8,701 |
| Banking and Finance costs | 111,033 | 77,297 |
| Other Expenses | 18,903 | 16,786 |
| Depreciation | 28,770 | 57,382 |
| Provision for Bad and Doubtful Debts | 42,956 | 41,402 |
| Total | 626,200 | 580,247 |

3 Taxation

| | | |
|--|-------------|-------------|
| The charge for taxation is based upon investment interest receivable for the year and is made up of: Corporation Tax at 20% (2011 – 20.5%) | 2012 | 2011 |
| | £ 22,384 | 10,379 |

4 Tangible Fixed Assets

| | Land & Buildings | IT Equipment / Software | Furniture & Equipment | Total |
|------------------------|---------------------|----------------------------|--------------------------|----------------|
| Cost: | | | | |
| B/fwd. | 291,138 | 104,811 | 120,655 | 516,604 |
| Additions | 0 | 14,879 | 20,744 | 35,623 |
| Total | 291,138 | 119,690 | 141,399 | 552,227 |
| Depreciation: | | | | |
| B/fwd. | 2,912 | 74,427 | 68,054 | 145,393 |
| Charge for Year | 2,911 | 14,089 | 11,770 | 28,770 |
| Total | 5,823 | 88,516 | 79,824 | 174,163 |
| Net Book Value: | | | | |
| At End of Year | 285,315 | 31,174 | 61,575 | 378,064 |
| <i>Last Year</i> | <i>288,226</i> | <i>30,384</i> | <i>52,601</i> | <i>371,211</i> |

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

5 Reserves

| | Total | General | Dividend | Revenue |
|--|------------------|---------|----------|----------|
| Balance brought forward as at 1.10.11 | 1,105,706 | 966,776 | 44,389 | 94,541 |
| Surplus for the year after taxation | 15,488 | | | 15,488 |
| Transfer from Dividend Reserve | | | (18,623) | 18,623 |
| Dividends paid 2011 | (91,543) | | | (91,543) |
| Balance carried forward as at 30.9.12 | 1,029,651 | 966,776 | 25,766 | 37,109 |
| Less Proposed Dividend 2012 | (34,111) | | | (34,111) |
| Balance after Dividend paid | 995,540 | 966,776 | 25,766 | 2,998 |

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 Auditor disclosures

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and to assist with the preparation of 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 2012 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 2012 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

6 November 2012

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 Driffield Branch is still making progress and recruiting a steady stream of new members, mainly through word of mouth recommendations.

We have managed to obtain two new volunteers so our **Branch Committee** is still very active. Unfortunately Jacquie Lucas, who was one of our founding members and was the driving force for much of the success of our branch, has had to take a back seat in our activities due to worsening ill health. We all wish her well in the future.

Our six **School Savings Clubs** continue to be very popular and we thank all the volunteers who support them for their fine efforts.

We are very pleased to see that more branches, such as **Holme on Spalding Moor**, are being opened with volunteer members; it really does give us heart to increase our endeavours.

Bridlington

We have improved our **Prospect Street Branch** this year with a refit including secure teller areas, re-carpeting and decoration, and shop front signage in our new brand. The **Mayor of Bridlington** visited on 13 September together with some of our regular Bridlington members and Committee members to take a tour of our new look office and help us celebrate our sparkling new facilities. We are now serving over 1,000 members from the town and wider rural area and the branch is getting busier week by week.

Beverley

The Beverley collection point at the **Cherry Tree Centre** continues on Thursdays from 1.30pm to 3pm. We continue to have a small attendance at the collection point, but the Centre is open every day for drop in enquiries and picking up leaflets. We have ordered a HEYCU banner to display outside the building. In addition to the advice service, the Cherry Tree Centre now hosts a domestic violence project which has been busy. It also acts as an agency for the Holderness Foodbank.

Goole

Our **Pasture Road Branch** has a steady following within the town and surrounding communities of Howden, Rawcliffe, Snaith and Gilberdyke. We have changed the opening days to Tuesdays and Fridays to give a better spread across the week. In January **Andrew Percy, the local MP**, visited us to discuss his Parliamentary campaign for every secondary school to provide young people with financial education skills. We would like to start a school savings club at a local primary school and are recruiting for volunteers to do some development work to raise awareness of the "Credit Union difference".