



# ANNUAL REPORT 2003



# CONTENTS

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<b>Notice of the 4th Annual General Meeting</b>	<b>1</b>
<b>Agenda</b>	<b>1</b>
<b>Standing Orders</b>	<b>1</b>
<b>Minutes of the 3rd Annual General Meeting</b>	<b>1</b>
<b>Board of Directors Report</b>	<b>4</b>
<b>Credit Committee Report</b>	<b>5</b>
<b>Supervisory Committee Report</b>	<b>8</b>
<b>Nominating Committee Report</b>	<b>9</b>
<b>Recommendations and Resolutions</b>	<b>9</b>
<b>Auditors Report</b>	<b>10</b>
<b>Revenue Account</b>	<b>12</b>
<b>Balance Sheet</b>	<b>13</b>
<b>Notes to Financial Statements</b>	<b>14</b>
<b>Cash Flow Statement and Notes</b>	<b>17</b>

# NOTICE OF 4TH ANNUAL GENERAL MEETING

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## NOTICE

Notice is hereby given that the Fourth (4<sup>th</sup>) Annual General Meeting of Tower Hamlets Community Credit Union Limited will be held at the London Borough of Tower Hamlets, Bethnal Green Area Housing Office: 255-279 Cambridge Heath Road, London, E2 0HQ on July 8, 2004. Registration and refreshment begins from 6:00 p.m. and the A.G.M. begins promptly at 6:30 p.m.

## AGENDA

6.30 p.m.

1. Reading of the notice convening the 4th A.G.M.
2. Credential (Quorum) Report
3. Adoption of Standing Orders
4. Minutes of the 3rd Annual General Meeting
5. Matters Arising
6. Reports
7. Board of Directors
8. Credit Committee
9. Supervisory Committee
10. Auditor/Financial Statements
11. Nominating Committee Report
12. Election of Officers
13. Resolutions
14. Appointment of Auditors
15. Adjournment

## STANDING ORDERS

1. A Member shall address all comments through the Chair. Speeches are to be clear and relevant to the subject before the Meeting.
2. A Member shall only address the Meeting when called upon by the Chair to do so.
4. A Member may not speak twice on the same subject except he/she:
  - (a) Is the Mover of a motion who has the right of reply.
  - (b) Wishes to object or to explain (with

permission of the Chair).

5. The Mover of a "Procedural Motion" (Adjournment, Lay on the Table, Motion to postpone) shall have no right of reply.

6. No speeches are to be made after the "Question" has been put and carried or negated.

7. A Member speaking on a "Point of Order" is to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Order".)

8. (a) A Member shall not "Call another Member to order" but may draw the attention of the Chair to a "Breach of Order".

(b) In no event can a Member call the Chair to Order.

9. A question shall not be put to the vote if a Member desires to speak on it or move an amendment to it, except that a "Procedural Motion: The Previous Question" "Proceed to the Next Business" or the Closure:" That the Question be now Put" may be moved at any time.

10. Only one amendment should be before the meeting at one and the same time.

11. When a motion is withdrawn, any amendment to it fails

12. The Chair shall have the right to a "Casting Vote".

13. If there is equality of voting on an amendment and if the Chair does not exercise his Casting Vote, the amendment is lost.

14. Provision is to be made for protection of the Chair from vilification

15. No Member shall impute improper motives against another Member

## MINUTES OF THE 3<sup>RD</sup> ANNUAL GENERAL MEETING

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Thursday 19<sup>th</sup> September, 2003, at the London Borough of Tower Hamlets, Bethnal Green Area Housing Office, 255-279 Cambridge Heath Road, London, E2.

## COMMENCEMENT

The proceeding commenced at 18:05

## NOTICE OF THE 3<sup>RD</sup> ANNUAL GENERAL MEETING

The Official Notice and the Agenda of the 3<sup>rd</sup> Annual General Meeting were read by the President, Mr Ian Moseley.

## CREDENTIAL REPORT

Credential Report revealed that there were 26 persons present as follows:

Members	24
Guests	2

## WELCOME

The President welcomed the audience.

## STANDING ORDERS

The Standing Orders were unanimously adopted on a motive moved by the President and seconded by Mr Alexander Heslop. There were no objections.

## MINUTES OF THE 2<sup>ND</sup> ANNUAL GENERAL MEETING

The President proposed to adopt the minutes. No corrections were required. The Minutes of the 2<sup>nd</sup> AGM were unanimously adopted on a motive moved by Mr Alexander Heslop and seconded by Mr David Campbell. There were no objections.

## MATTERS ARISING

No matters were arising from last year AGM.

## REPORTS

BOARD OF DIRECTORS REPORT –  
SEPT 30<sup>TH</sup> 2002

The President read the Board of Directors report highlighting the growth of membership and the introduction of new services.

The President wanted to ensure members were aware that the Financial Services Authority (FSA) is now the controlling body for the Credit Union in Britain. They have introduced a number of regulations intended to protect both the movement as a whole and individual members.

No more questions or observations were made from the audience.

## CREDIT COMMITTEE REPORT

Mr Colin Eddy read the Credit Committee Report.

The President praised the Credit Committee for its dedication and hard work.

Mr William Wright had a question about the period of review. All the information in the report was referring to the end of the year 30/09/02, while the analysis of the loans granted was updated up to 27/03/03. Was that a misprint?

Mr Stefano Rizzetto replied that the latest date was due to the lack of flexibility of the reporting system, the date of 27/03/03 refers to when the loans report was printed.

No more questions or observations were made from the audience.

## SUPERVISORY REPORT

Ms Eartha Eloi presented the supervisory committee report.

Ms Anne Smith asked who the supervisory committee is supervising.

The President explained that the supervisory committee is supervising the Credit Union in its totality; he then invited Mr Femi Adeeko from ABCUL to provide an independent reply. Mr Femi Adeeko

added that the supervisory committee is elected to ensure that the interests of the members are protected.

No more questions or observations were made from the audience.

### AUDITORS' REPORT

The auditor report was commented by Mr Richard Oswald from Appleby & Wood, Registered Auditors.

Mr Richard Oswald focused particularly on dividends. He pointed out that the proposed dividends would have been paid from the general reserve, not the statutory reserve. The auditors are in agreement with this choice, although in the future they would expect that dividends are paid out of surplus.

The President proposed a motion to approve the payment of dividends based on 1.5% on Adult Share and 2% on Junior Savers.

Motion seconded by David Campbell.

Members in favour: 18

Members against: 0

Members neutral: 3

Mr Femi Adeeko wanted to clarify that generally Credit Unions do not pay dividends in the first three years of operation. The decision of paying dividends in this instance should be considered as an exception.

Ms Camilla Shittu, Vice President, proposed to approve the report on the accounts. The motion was seconded by Mr Stefano Rizzetto. Nobody was against.

The auditors were reappointed to the subsequent year on a motion moved Mr. David Campbell and seconded by Ms Eartha Eloi. There were no objections.

### NOMINATION COMMITTEE

Ms. Lorna Campbell read the introduction of the nomination committee report in-

cluded in the AGM report.

Mr William Wright observed that the Credit Union should make sure that the people volunteering on the day from the floor are examined using the same criteria adopted for the other volunteers.

Ms Lorna Campbell confirmed that the volunteers selected from floor will be examined based on the same criteria. In addition it is important to note that it is now a requirement to be accepted by the FSA under the approved regime scheme.

### GREETINGS

Mr John Biggs of GLA greeted the audience and emphasized the important role in the community of the credit union movement.

### ELECTION OF OFFICERS

The election process dictates that if the number of nominations does not exceed the number of seats available the members are automatically elected.

### ELECTION OF BOARD OF DIRECTORS

Mr Ismail Malik from the floor signified his intention to volunteer. Mr Stefano supported the nomination of Mr Ismail Malik.

All volunteers were elected automatically (number of seats exceed number of volunteers)

### ELECTION OF THE SUPERVISORY COMMITTEE

Mr David Campbell nominated Mr William Wright from the floor. The nomination was seconded by Ms Lorna Campbell.

No more nominations were available.

There is still a vacancy. Mr David Campbell proposed that with the approval of the FSA and ABCUL the board should look at co-opting a new member into the

committee

The motion was seconded by Diana Collins. Nobody against.

#### ELECTION OF THE CREDIT COMMITTEE

Mr David Campbell, seconded by Mr Alexander Heslop, put forward the nomination of Ms Eartha Eloi to the Credit Committee.

The Board will appoint a new member in due course

#### RECOMMENDATIONS & RESOLUTIONS

##### DIVIDENDS

Already discussed and approved.

##### AUDITORS

Already discussed and approved.

#### GENERAL BUSINESS

Mr Femi Adeeko (Director of ABCUL) showed a book describing the new rules for the Credit Union.

Ms Eartha Eloi proposed to adopt the new rules. Ms Marie Gullin seconded. The resolution was approved with the support of the majority of the members.

#### RESULT OF ELECTIONS

##### BOARD

Mr Alexander Heslop  
Ms Anne Josephine Smith  
Ms Camilla Shittu  
Mr David Campbell  
Ms Diana Collins  
Mr Ian Moseley  
Mr Ismail Malik  
Mr James Quartey  
Mr Sam Hynes

Mr Stefano Rizzetto  
Ms Victoria Adophy  
VACANCY

##### SUPERVISORY

Mr William Wright  
VACANCY  
VACANCY

##### CREDIT COMMITTEE

Mr Lascel Ellis  
Ms Eartha Eloi  
Ms Enid Robinson  
VACANCY

Ms Diana Collins read the acknowledgments. Ms Camilla Shittu, Vice President, thanked all those present.

AGM finished at 21:00

#### BOARD OF DIRECTORS REPORT

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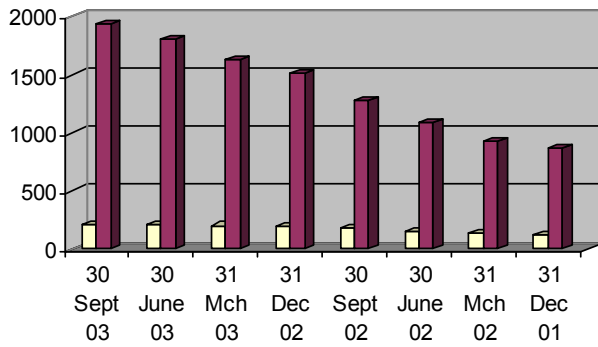
During the year THCCU has continued to grow and now by the end of the year had 2144 members with a total of £918,396 saved.

The income from our activities has also grown in comparison however we are still partially dependent on support and grants from external sources and we have actively sought to establish and maintain connections with other bodies for that purpose.

In particular the manager, staff, and president have provided consultancy and mentoring for our neighbouring credit unions in both Hackney and Newham on a fee-paying basis.

We have also established and maintained contact with various other organisations including the proposed East End Reinvestment Trust and the SAFE initiative at Toynbee Hall.

**Junior and Adult Membership.  
Year Ended 30 Sept 2003**



Membership Y/E 30 September 2003

Adult Junior

31 Dec 01	867	120
31 Mch 02	929	134
30 June 02	1084	152
30 Sept 02	1274	178
31 Dec 02	1512	197
31 Mch 03	1627	203
30 June 03	1804	206
30 Sept 03	1932	212

We are continuing to look new initiatives that will help to expand the Credit Union and its services to members. This includes liaising with the City University on the production of special schemes to involve junior members, the expansion of the Credit Union by opening an additional branch and, and examining the possibilities of introducing cash machines at branches.

Additionally we continue to review our loan policies to provide products that are more accessible and meet member's needs more precisely.

Although THCCU continues to grow, we would want to see it do so at a faster rate, doubling by the end of 2005. This would provide a greater pool of money for the use of members and greater stability for the Credit Union. Our ultimate goal is self-sufficiency, where we will be able to support all our day to day activities from our own income.

This is achievable and all of you can help. The whole principle of the Credit Union movement is mutuality and that every member can contribute to the activities of this, their own organisation. Even if you have no time to spare to assist directly, just spread the word and recruit your family and workmates!

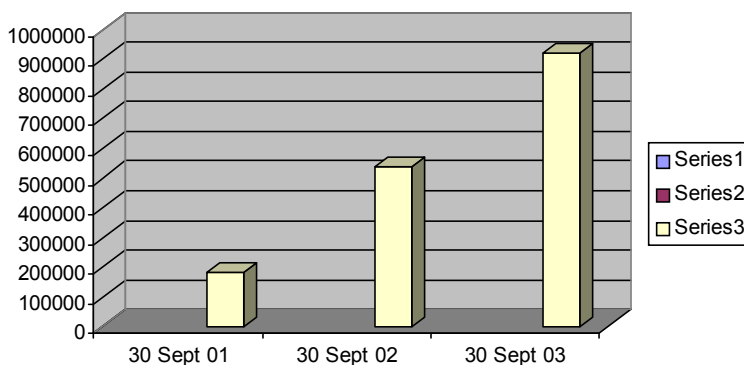
As has been said before, this is your organisation, you can help make it even stronger.

## CREDIT COMMITTEE REPORT

### STRUCTURE OF THE COMMITTEE

The following persons were elected at the 3<sup>rd</sup> Annual General Meeting held on 18<sup>th</sup> September 2003 to serve on this Committee.

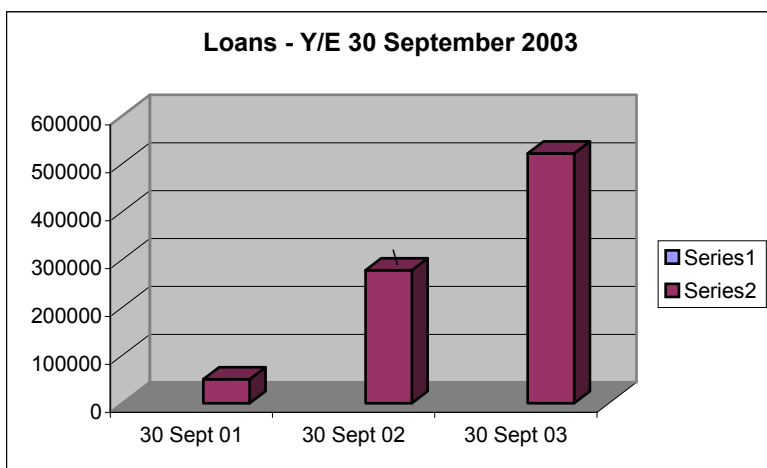
**Total Savings - Y/E 30 September 2003**



Total Savings - Y/E 30 September 2003

30 Sept 01	£182,272
30 Sept 02	£538,127
30 Sept 03	£918,395





Loans - Y/E 30 September 2003

30 Sept 01	£50,138
30 Sept 02	£277,819
30 Sept 03	£521,688

Ms Enid Robinson  
Mr Lascel Ellis  
Ms Eartha Eloi

Mr James Quartey was appointed to serve as a Board delegate on the Committee; however, Mr Quartey resigned at the first meeting. Anne Smith was appointed to take his place.

#### OVERVIEW

We conducted our duties with diligence in accordance with the standard rules and regulations of the Credit Union. This meant that a quorum of three was re-

quired to sign and discuss all loans applications.

During the period under review, the committee found it necessary to request one to one interviews with two members in order to ascertain additional information in an attempt to exercise our commercial judgement on behalf of the membership of the Credit Union.

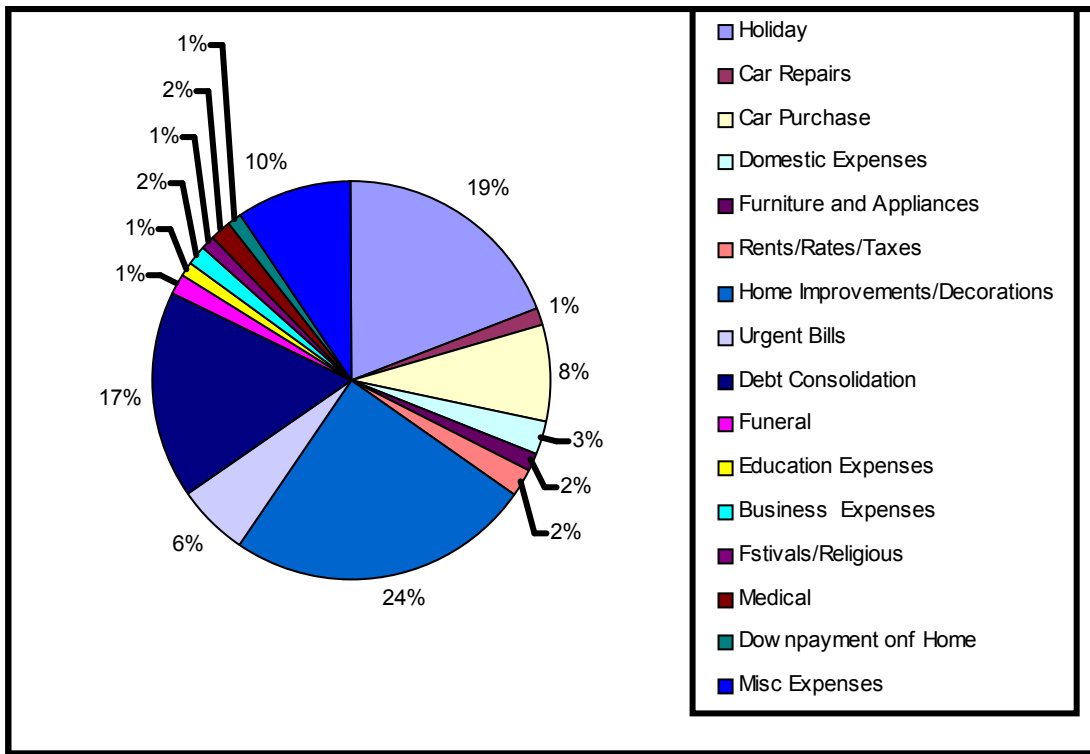
#### LENDING

From 28<sup>th</sup> March to 30<sup>th</sup> September 2003 the Committee granted 296 loans to the value of £284,296.74. Loans were

### AN ANALYSIS OF LOANS GRANTED FROM 28/03/03 TO 30/09/03

PURPOSE OF LOAN	NO. OF LOANS GRANTED	VALUE	% OF
		OF LOANS	TOTAL LOANS
		£	%
Holiday	67	54,676.60	19
Car Repairs	7	3,602.54	1
Car Purchase	12	22,468.73	8
Domestic Expenses	15	7,340.38	3
Furniture and Appliances	9	4,700.55	2
Rents/Rates/Taxes	8	5,787.97	2
Home Improvements/Decorations	31	70,122.00	24
Urgent Bills	35	16,721.48	6
Debt Consolidation	20	48,564.33	17
Funeral	6	4,186.00	1
Education Expenses	5	3,459.71	1
Business Expenses	6	5,100.00	2
Festivals/Religious	2	2,700.00	1
Medical	5	5,200.00	2
Down payment on Home	2	2,500.00	1
Misc Expenses	66	27,166.45	10
<b>TOTAL</b>	<b>296</b>	<b>£284,296.74</b>	<b>100</b>

## LOANS BY TYPE AND



granted mainly in the area of, home improvements/decorations, holidays decorations, holidays, car purchases, urgent bills, debt consolidation and miscellaneous expenses.

### DELINQUENCY MANAGEMENT

Delinquency increased marginally during the period and the aged analysis is detailed on the next page.

Notwithstanding efforts by the officers to reduce delinquencies continued unabated in the form of letters to delinquent members, phone calls, CCJ Judgements and

#### AGED DELINQUENCY ANALYSIS

MONTHS	MEMBERS	O/S	NET VALUE
0-3	22	631.65	£21,912
4-6	8	728.97	£10,340
7-12	5	835.64	£9,732
13-24	1	281.52	£2,275
24+	0	0	0
<b>TOTALS</b>	<b>36</b>	<b>2,477.78</b>	<b>£44,259</b>

application for order that debtor attend

court for questioning. The Credit Union will resort to other options including collection agencies and bailiffs as a last resort.

### ATTENDANCE AT MEETINGS

The attendance record of all officers was fairly consistent however due to other obligations it was not always possible for officers to meet to review and discuss loans. Due to the need to attend meetings at various locations a detailed record of attendance was unavailable however this will be regularised.

### CONCLUSION

All members of the committee gain and continue to gain tremendous experience while serving on the Credit Committee.

It has been a challenging year for Tower Hamlets Community Credit Union as the environment in which it operates, continues to respond to the forces set in motion

by monetary policies of Central Government. Our Credit Union must also continue to respond to the changes in the market, if it is to remain competitive and relevant to its membership and stakeholders.

In this regard greater emphasis must be placed on market intelligence and our responsiveness to the financial market. We must seek to capitulate on the expected growth in the economy and the benefits it would bring to our Credit Union.

The committee has developed a very good working relation with the Credit Union staff and wishes to thank Management and Staff for their support and cooperation in managing the challenges of the last year, which has helped to develop higher standards not only for the committee but also for the Credit Union.

We would hope that our working relationship with the Board of Directors and other elected Committees continues to be one of harmony and a shared vision.

To all our members, we would like to say special thanks for giving us the opportunity to serve you and with your help to position your Credit Union to grow from strength to strength in the current and forthcoming years.

Finally on behalf of all members of the Credit Committee, I wish to thank you all for your support.

## SUPERVISORY COMMITTEE REPORT

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### MEMBERSHIP

The current supervisory committee since the Annual General Meeting held of 18 September 2003 comprises

Edward Fowowe

Lena Pamphile

Bill Wright

At their first meeting, the Committee

elected Lena Pamphile as Chairperson and Bill Wright as secretary.

At the Annual Meeting 2004 Edward Fowowe is standing down and is eligible for re-election.

### RESPONSIBILITIES

The Supervisory Committee is responsible for checking that all the internal controls are in place and observed. The Committee is currently reviewing its detailed Terms of Reference for agreement with the Board; this will also be informed by the programme of training that members of the Committee are undertaking.

### PERIOD OF REVIEW

In respect of the period of the current report (the year ended September 2003), the supervisory committee has no comments to add to the report of the external Auditors in respect of the accounts for the year. Further, from direct observation of operations, discussions with officers and staff or from any written material, the committee has no indication that the Rules and procedures have not been followed.

### THE FUTURE

The committee will continue, among other activities

- To be responsible for checking that all the internal controls are in place and observed
- Having one member of the committee attending all Board meetings
- Reporting its findings to the Board in writing at least every quarter
- Reporting to the members the attendance of all officers at Board and Committee meetings
- Keeping minutes of all its meetings

# NOMINATING COMMITTEE REPORT

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## INTRODUCTION

The Nominations Committee has received the following notice of departures and proposals for membership of the Board and Committees of Tower Hamlets Community Credit Union. The nominated members marked with \* were able to attend for interview.

The departures leave 4 vacancies on the Board, 1 vacancy on the Supervisory Committee, and 1 vacancy on the Credit Committee to be voted for at the A.G.M.

## BOARD OF DIRECTORS

### STEPPING DOWN

Sam Hynes  
Alexander Heslop (Resigned)

### STEPPING DOWN AND SEEKING RE-ELECTION

Stefano Rizzetto  
Victoria Adophy

### NOMINATIONS RECEIVED

Ailton Barreto\*  
Grenville Bingham\*  
David Gachette\*  
Tusher Sarkar \*  
Rosalind Shaw (Apology for interview)

## SUPERVISORY COMMITTEE

### STEPPING DOWN AND SEEKING RE-ELECTION

Edward Fowowe

### NOMINATIONS RECEIVED

Tusher Sarkar \*  
Yasmin S. Ahmed

## CREDIT COMMITTEE

### STEPPING DOWN

Lascel Ellis

### NOMINATIONS RECEIVED

Geraldine Cooper-Arrindel  
Nadine Collins  
Mohammed Shuhin Miah

It must be noted that the Financial Services Authority requires all board and committee members to be Authorised Persons, with specific authorisations being required for certain posts. In the event that any elected candidate is refused authorisation the Board will co-opt suitable candidates from the nominations list in order of votes received.

## RECOMMENDATIONS AND RESOLUTIONS

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### PAYMENT OF DIVIDEND

The Board has discussed the financial status of the Credit Union and considers that, while the current situation following further support from the Tower Hamlets Housing Action and Trust, is acceptable, the requirements of the FSA with regard to maintenance of reserves and our plans for the expansion of the Credit Union to a branch in Chrisp Street, it recommends that no dividend be paid for the year in question.

The board would like to remind members that they receive, at no cost, a life insurance benefit that is related to their share value.

### APPOINTMENT OF AUDITORS

The board has agreed to recommend the following resolution to members:

-Be it resolved that the firm of Appleby & Wood are retained as Auditors to Tower Hamlets Community Credit Union.

## AUDITORS' REPORT

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWER HAMLETS COMMUNITY CREDIT UNION LTD

We have audited the financial statements of Tower Hamlets Community Credit Union Limited for the year ended 30th September 2003 which are set out on pages 1 to 6. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Credit Union's members, as a body, in accordance with the Industrial and Provident Societies Acts 1965 to 1978 and for no other purpose. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditors' report and for that purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one than the Credit Union and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

Industrial and Provident Society law and Credit Union 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 deficit 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 judgments 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Credit Union. 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 1978 and the Credit Unions Act 1979. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Credit Union has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Credit Union is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

APPLEBY & WOOD  
Registered Auditors  
3 The Office Village  
4 Romford Road  
Stratford  
London E15 4EA

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED  
FINANCIAL STATEMENTS  
YEAR END: SEPTEMBER 30<sup>TH</sup> 2003.

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TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED  
REVENUE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2003

	Note	2003		2002	
		£	£	£	£
<b>Income</b>					
Loan Interest			47,093		18,926
Bank Interest			4,995		5,154
Management Fee			41,500		-
Sundry Income			1,599		2,338
			<u>95,187</u>		<u>26,418</u>
Grants Receivable			<u>70,086</u>		<u>107,347</u>
			165,273		133,765
<b>Less Expenses</b>					
Staff Salaries		87,417		64,376	
Other Staff Costs		2,389		114	
Cleaning		493		342	
Printing & stationery		3,206		6,240	
Travel costs		2,541		760	
Professional Fees		1,838		5,529	
Repairs & Maintenance		3,591		1,782	
Telephone		5,898		2,850	
Computer Development		1,567		2,071	
Advertising & Publicity		1,797		4,763	
Depreciation		10,796		13,022	
Fidelity Bond		911		742	
ABCUL fees		680		463	
CUNA Insurance		3,969		3,305	
Insurance		95		865	
Committee Expenses		472		420	
Bank charges		76		850	
Office Expenses		1,370		1,721	
Sundry Expenses		2,769		2,633	
Audit		2,264		2,228	
Training		100		140	
Rent, Heat and Light		28,591		24,217	
Provision for delinquent loans		12,114		444	
Regulatory fees		346		-	
			<u>(175,290)</u>		<u>(139,877)</u>
Deficit for the year before taxation			(10,017)		(6,112)
Corporation Tax			-		(257)
Deficit for the year after taxation			(10,017)		(6,369)
Transfer from Other Reserves			<u>8,324</u>		<u>11,100</u>
			(1,693)		4,731
Proposed Dividends			-		(4,505)
(Deficit)/Surplus to Reserve			<u>(1,693)</u>		<u>226</u>
General Reserve-Statutory		(1,693)		226	
			<u>1,693</u>		<u>(226)</u>

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED  
BALANCE SHEET FOR THE YEAR ENDED 30TH SEPTEMBER 2003

	Notes	2003		2002	
		£	£	£	£
Fixed Assets	5		44,961		51,192
Investments	9		195,023		179,104
Loans Due from Members		521,688		277,819	
Less Provision for Bad Debts		<u>(13,617)</u>		<u>(1,503)</u>	
			<u>508,071</u>		<u>276,316</u>
			748,055		506,612
<b>Current Assets</b>					
Other Debtor	6	42,709		49,664	
Cash and Bank	7	<u>146,820</u>		<u>15,223</u>	
		<u>189,529</u>		<u>64,887</u>	
<b>Current Liabilities</b>					
Sundry Creditors	8	16,814		16,476	
Proposed Dividend	11	-		4,505	
Corporation Tax		<u>520</u>		<u>520</u>	
		<u>17,334</u>		<u>21,501</u>	
<b>Net Current Assets</b>			<u>172,195</u>		<u>43,386</u>
			<u>920,250</u>		<u>549,998</u>
Represented by:					
Share Capital	10		918,396		538,127
General Reserve	4		<u>1,854</u>		<u>11,871</u>
			<u>920,250</u>		<u>549,998</u>

Director

Director

Director



TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER 2003

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**1. Accounting Policies**

a) Accounting Policies

The financial statements have been prepared under the historical cost convention.

b) Interest

Interest receivable from loans to members is accounted for on receipts basis. All other interest payable and receivable is accounted for on an accrued basis.

c) Corporation Tax

The provision of UK Corporation Tax is based on bank deposit account interest received on the rate of 10%.

d) Fixed Assets

Depreciation has been provided on fixed assets at rates considered sufficient to write them of over their useful lives:

Computers 25%

Fixtures, fittings & equipment 15%

Refurbishment of Bethnal Green Office 6 years

**2. Statement of Total Recognised Gains and Losses**

The retained profit for the year was the only recognised gain or loss in the year.

**3. Historical Cost Profit and Loss**

All assets are stated in the financial statements at historical cost. Therefore, no adjustments are required to the reported profit which is stated on an unmodified historical cost basis.

General Reserve Total

**4. Reconciliation of Movements in the General Reserves** Voluntary Statutory

	Others	Statutory	
	£	£	£
Balance as at 01 October 2002	8,324	3,547	11,871
Deficit for the year		(10,017)	(10,017)
Transferred to Appropriation Account	-	-	-
Transferred to Statutory Reserve	(8,324)	8,324	-
Balance as at 30th September 2003	-	1,854	1,854

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER 2003

**5 Fixed Assets**

**Improvement Computers Equipment Total**

	£	£	£	£
<b>Costs</b>				
As at 01 October 2002	39,339	23,598	6,056	68,993
Additions	-	4,565	-	4,565
As at 30 September 2003	<u>39,339</u>	<u>28,163</u>	<u>6,056</u>	<u>73,558</u>

**Depreciation**

As at 01 October 2002	6,557	10,336	908	17,801
Charge for the year	3,278	7,518	-	10,796
As at 30 September 2003	<u>9,835</u>	<u>17,854</u>	<u>908</u>	<u>28,597</u>
 Net Book Value @ 30 September 03	 <b>29,504</b>	 <b>10,309</b>	 <b>5,148</b>	 <b>44,961</b>
 Net Book Value @ 30 September 02	 32,782	 13,262	 5,148	 51,192

**6 Debtors**

	<b>2003</b> £	<b>2002</b> £
Insurance recoverable(stolen cash)	2,796	2,000
Grants and Fees Receivables	20,750	47,664
General Expenses	<u>19,163</u>	<u>-</u>
	<u>42,709</u>	<u>49,664</u>

**7 Cash and Bank**

	<b>2003</b> £	<b>2002</b> £
Bank Current Account	131,553	6,027
Juvenile Deposit Account	-	2,670
Paypoint Bank Account	438	862
Petty Cash	375	549
Cash Float	<u>14,454</u>	<u>5,115</u>
	<u>146,820</u>	<u>15,223</u>

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 30TH SEPTEMBER 2003

<b>8</b>	<b>Other Creditors</b>	<b>2003</b>	<b>2002</b>
		£	£
	Audit fees	2,200	2,200
	Bow People's Trust	5,000	7,161
	PAYE/NIC	7,605	3,685
	HSCU	2,009	-
	Expenses	-	3,430
		<u>16,814</u>	<u>16,476</u>
<b>9</b>	<b>Investments</b>	<b>2003</b>	<b>2002</b>
		£	£
	Main Investments	189,213	173,452
	Junior Investments	5,810	5,652
		<u>195,023</u>	<u>179,104</u>
<b>10</b>	<b>Share Capital</b>	<b>2003</b>	<b>2002</b>
		£	£
	Adult Shares	902,399	527,358
	Junior Savers	15,997	10,769
		<u>918,396</u>	<u>538,127</u>
<b>11</b>	<b>Proposed Dividends</b>	<b>2003</b>	<b>2002</b>
		£	£
	Adult dividend	-	4,074
	Junior dividend	-	431
		<u>-</u>	<u>4,505</u>

TOWER HAMLETS COMMUNITY CREDIT UNION LIMITED  
 CASH FLOW STATEMENT AND NOTES  
 FOR THE YEAR ENDED 30TH SEPTEMBER 2003

	Notes	2003 £	2003 £	2002 £	2002 £
<b>Net Cash(Outflow) Inflow</b>	<b>1</b>		3,077		(40,600)
<b>Interest Received</b>			<u>4,995</u>		<u>4,154</u>
Net cash inflow before investments & financing			8,072		(36,446)
<b>Investment activities</b>					
Fixed Deposit Investment		(15,919)		(57,403)	
Fixed Assets		<u>(4,565)</u>	<u>(20,484)</u>	<u>(47,457)</u>	<u>(104,860)</u>
Net cash inflow before financing			(12,412)		(141,306)
Dividend Paid			(4,505)		(1,233)
<b>Financing</b>					
Increase in Shares		380,268		355,855	
Increase in Loans Granted		<u>(231,755)</u>		<u>(227,237)</u>	
Net Cash Inflow from Financing			148,513		128,618
Increase(Decrease) in Cash	<b>2</b>		<u>131,596</u>		<u>(13,921)</u>

**NOTES TO THE CASH FLOW STATEMENT**

**1. Reconciliation of deficit  
 Before tax to net cash inflow/(outflow)**

Deficit before Taxation			(10,017)		(6,112)
Add: Decrease/(Increase) in debtors		6,955		(47,303)	
Depreciation		10,796		13,022	
Bank Interest		(4,995)		(5,154)	
Increase in Creditors		<u>338</u>		<u>4,947</u>	
			13,094		(34,488)
Net Cash Inflow/(Outflow)			<u>3,077</u>		<u>(40,600)</u>

**2. Analysis of Changes in Net Funds**

	As at 01.10.02 £	Change	As at 30.09.03 £
Cash at Bank and in Hand	<u>15,223</u>	131,597	<u>146,820</u>

## ACKNOWLEDGEMENTS

**We would like to thank all those individuals and groups who have worked in various ways and enabled us to achieve our targets.**

Our special thanks go to our members, as they are the pillars of the Credit Union. Without them there would be no Credit Union.

All our staff especially our Manager, Colin Eddy, without whose dedication, it would not be possible to achieve such concerted progress.

ABCUL, The National Credit Union body, CUNA Mutual Insurance, The Credit Union Movements Insurance Company, The Financial Services Authority (FSA) and our Partners.

Our Board Members, The Credit Committee, The Supervisory Committee, and all other sub-committees for their contributions, continued support and expert advice.

All our Sponsors and Funders:  
London Borough of Tower Hamlets  
Abbey National and Mapeley Columbus  
Old Ford Housing Association  
Tower Hamlets Housing Action Trust  
Connecting Communities (formerly City-side Regeneration)  
Unity Trust Bank  
East London Business Alliance

Gren. Bingham of ContactPoint.com for producing this Annual Report of 2002/2003.

