

## President's Report

On behalf of the Board of Directors it is with great pleasure that I present this, our 7th annual report.

Once again, I am pleased to report that Fusion has performed well in our financial year ending 30th September 2012. Fusion continues to grow steadily and this past year has seen us expand into Cannock Chase District, with a new Collection point operating at the Civic Centre in Beecroft Road.

Naturally, we are all facing some form of financial challenge as the UK struggles to move out of recession and into growth. And Fusion is not immune to these challenges. For 2 years we were able to benefit from Bromford Housing providing us with free office accommodation at Edgeworth House. Now that has ended, our expenses have increased significantly as we are now having to pay rent for our current offices at Mansell House.

In order to help contain Fusion's operating costs, the Board would like members to approve two changes to our 'rules' Firstly, we would like to increase the membership fee for new members. Our proposal is that this fee is increased to £5. Junior members will continue to benefit from free membership. Secondly, we would like to have the option to charge a maximum of 2% per month for loans. This option would only be used for certain, higher risk loans and 1% per month would remain our rate for 'repeat' loans. You, the members, will have the opportunity to vote on these two proposed changes during the AGM.

Many banks and building societies continue to pay 0.1% interest (or less) on savings accounts. This year we are recommending a 0.75% dividend

*Fusion's "Money Tree at Lichfield Cathedral*

I am also very pleased to report that Fusion continues to offer loans at a competitive interest rate with no early repayment charges.

We are of course very grateful to Lichfield and Cannock Chase District Councils, the North Lichfield Initiative, local Councillors, Lichfield City Council, Staffordshire County Council and Burntwood Town Council for their continued financial support.

Above all, our continued success is attributable to the dedication of our team of volunteers and, on behalf of the Board, I wish to record a sincere thanks for continuing to help make Fusion a friendly and reliable place for your savings and for low-cost, affordable loans.

At any time, please feel free to contact myself, any Board members, or volunteers with any questions. You can call us on 01543 415032 or visit our website at [www.fusioncreditunion.co.uk](http://www.fusioncreditunion.co.uk).

Peter Selwyn  
President  
March 2013



# Treasurer's Report

At the end of the financial year, September 2011, the audited accounts of Fusion Credit Union show that members' deposits stand at £121,604 compared to £84,033 at the end of the previous year. At that date there were 462 active members compared with 429 the previous year. Underlining the comments from the Auditor, there has been excellent growth in share (44.71%) and loan (31.99%) balances with an increase in the membership numbers.

The profit and loss and balance sheet for the year ended 30th September 2011 are circulated with this report and further copies are available on request. Dealing first with the profit and loss account the total income for the year amounts to £11,524 and represents:

1. Interest from loans to members of £3618
2. Membership fees of £134
3. Interest from investments £723
4. Grants released to income £5966

Our net expenses in the year totalled £10,073.

These costs comprise the general expenses of operating the credit union, as can be seen under expenditure in the financial statements.

For reasons of prudence Fusion has made a specific provision for bad debts.

Overall the surplus for the year, after provision for tax is £1303 which is allocated as follows:

	£
Transfer to General Reserve (as required by Financial Services Authority)	265
Proposed Dividend	1038

Turning now to the **balance sheet**, the key information is that at the end of the year:

1. Members shares deposits total	£121,604
2. Loans outstanding at the year end	£34,695
3. Cash at Unity Trust Bank current account	£27,783
4. Cash at Unity Trust Bank development account	£42,866
5. Cash at Hanley Building Society Inv Bond	£45,500

The following detail is relevant:

1. Unity Trust Bank Development Account is an account we use to deposit longer term funds.
2. Unity Trust Bank current account – this account acts as our main banker and provides our cheque book facility and immediate access to funds.
3. Hanley Building Society account – this is a fixed rate bond.

## Grant Funding

During year to 30<sup>th</sup> September 2010 further grant funds were obtained:

	£		£
Grants brought forward			
	266	Capital	
	<u>13,738</u>	Revenue	
	14,004		
Grant income	<u>6,860</u>		20,864
Less grant expenditure	266	Depreciation/capital	
	<u>5,700</u>	Revenue	<u>5,966</u>

Revenue grants  
carried forward

14,898

Janet Bamber  
Treasurer  
February 2012

## Credit Committee Report

Over the past year we have seen a modest increase of 9.97% in the value of loans granted. Of the 58 loans granted there were some interesting uses of Fusion's money such as for laser eye surgery, outstanding income tax liabilities and the purchase of a computer.

We are continuing to see a fall in loan enquiries, as members strive to reduce their indebtedness.

My thanks to the members of the committee for their continuing support and diligence.

T J Warner  
Chair  
16 February 2012

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## Supervisory Committee Report

The purpose of the supervisory committee within a credit union is to act as an internal audit body reviewing procedures and practices in general and, in particular, verifying the bank reconciliation each month and ensuring that the quarterly return required by the FSA has been submitted. These activities have been carried out throughout the year and the supervisory committee is well satisfied with the conduct of the administration and that all necessary returns have been made in good time.

One of the external audit requirements is that each statement is accompanied by a slip asking the member to indicate whether they are able to agree or not their balance. At the time of writing it would appear that we are on course for a 20% response, which is considered acceptable and that less than one per cent have queries.

The committee consisted as above throughout the financial year under review; however earlier in 2012 Dick Wingrove resigned from his various voluntary activities, which includes Fusion. Dick has been very actively involved as a Director and some time Treasurer since the inception of Fusion and enjoyed only a relatively short break before joining the supervisory committee. The committee is grateful for the time and effort he has put in.

The committee welcomes nominations for further members. If you are interested in joining us please speak to Tony Wilkins or myself to find out what is involved. Furthermore, if the members accept the Board's recommendation to extend our common bond to include Cannock Chase District (a recommendation that the committee strongly endorses) then the committee may co-opt any interested parties from that area.

Tony Kelly  
March 2012

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## Proposed changes

As mentioned earlier in this report, the Directors propose that Fusion adopts the following changes to its membership and lending policies:

1. Individual membership fee is increased to £5.00.
2. The maximum interest rate for Fusion loans be increased to 2.00%.

Both of these proposed changes are in keeping with many other UK credit unions.

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## Proposed Members' dividend and interest for Junior Savers

The Board of Directors proposes to the members that a dividend of 0.75% be paid to all qualifying active members, based on their shareholdings throughout the financial year to 30<sup>th</sup> September 2012.

The Board of Directors also proposes that interest at 0.75% be paid to all junior savers.

Subject to agreement by the membership these payments will be paid directly into the members' share accounts by 31<sup>st</sup> March 2013.

## Management Team

### Board of Directors

Peter Selwyn President  
Valerie Wale Secretary and Vice-President  
Janet Bamber Treasurer  
Maurice Keenan Director  
Tim Warner Director  
Jackie Whittenbury Director

### Credit Committee

Tim Warner (Chair)  
Janet Bamber  
Maurice Keenan

### Supervisory Committee

Tony Wilkins  
Tony Kelly

## Directors' Remuneration & Attendance Report

All directors are unpaid volunteers.

<u>Remuneration</u>	2012	2011	<b>Board Meeting Attendance (since the last AGM – 12 meetings)</b>	
	(£)	(£)		
Janet Bamber	0	0	Janet Bamber	12
Peter Selwyn	0	0	Peter Selwyn	11
Maurice Keenan	0	0	Maurice Keenan	8
Valerie Wale	0	0	Valerie Wale	12
Tim Warner	0	0	Tim Warner	10
Jackie Whittenbury	0	0	Jackie Whittenbury	11

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## Appointment of auditors

The Directors recommend that Business Focus & Systems Ltd be appointed as auditors until the next Annual General Meeting.

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## Election of officers

The Directors who retire by rotation in accordance with our rules are Valerie Wale and Jackie Whittenbury. Jackie Whittenbury has decided to stand down as a director but will continue as Volunteer Co-ordinator.. Valerie Wale offers herself for re-election.

The Directors wish to place on record their appreciation of the services of Jackie Whittenbury as a Director for the past three years.

One member of the Supervisory Committee retires by rotation in accordance with our rules; Tony Wilkins.

# Collection points

Why not come and visit us soon at one of our collection points?

## Lichfield District:

The Old Mining College Centre Queen St, Chasetown, Staffordshire, WS7 4QH	Wednesdays	10:00 to 12:00
Jigsaw, 72 Dimbles Lane, Lichfield, WS13 7HL	Wednesdays Saturdays	10:00 to 12:00 10:00 to noon
Curborough Community Centre, Reynolds Close, Lichfield, WS13 7NY	Tuesdays	8:30 to 10:30
Citizens' Advice Bureau, Levetts Fields, Lichfield	Fridays	13:30 to 15:30
Beacon Park Village, Lichfield	Tuesdays	14:00 to 15:30

## Cannock Chase District:

Civic Centre, Beecroft Road, Cannock, WS11 1BG	Mondays	10:00 to 12:00
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## Protecting Your Money

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a credit union is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme.

Your eligible deposits are protected up to £85,000 by the FSCS, the UK's deposit protection scheme. The £85,000 limit relates to the combined amount in all the eligible accounts with Fusion Credit Union and not to each separate account.

For further information about the scheme (including the amounts covered and eligibility to claim) please call us on 01543 41503, ask at your local collection point, visit [www.fscs.org.uk](http://www.fscs.org.uk) or call 0800 678 1100.



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Generously supported by:



Lichfield City Council



**BURNTWOOD TOWN COUNCIL**