

138th

Annual General Meeting minutes

The Original Holloway Friendly Society Limited

Minutes of the One hundred and Thirty-eighth Annual General Meeting. Held at Holloway House, 71 Eastgate Street, Gloucester, Gloucestershire, GL1 1PW on Wednesday 12th June 2019 – Commencing at 1.00pm

Martin Day** – Chair

Paul Harwood** – Company Secretary

Stuart Tragheim** – Chief Executive

Andy Rowson**

Anna East**

Andrew Haughton – CMS

John Holland**

Mr Ian Gardner*

Derek Wright**

Keith Taylor**

Adrian Humphreys**

Martin Collins*

Graham Newitt**

Colin Organ*

Alison Poyner#

*A Member of the Society

#A member of the Society's Board of Management and/or a Society employee/contractor

The Company Secretary noted that the meeting was quorate in terms of members present and represented.

Chair's Address

The Chair welcomed the members to the 138th AGM and thanked them for their attendance and interest in the affairs of the Society. He welcomed Andrew Haughton from CMS who would be noting the proxy votes that had been received. The Chair asked if there were any questions from the floor before starting the business of the meeting. There were none.

Notice

The notice of the meeting was taken as read.

Resolutions

Resolution 1: To confirm the Minutes of the Annual General Meeting held on 12 June 2018

The minutes of the Annual General Meeting held on Tuesday 12th June 2018, available on the website, were taken as read.

The resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands, there were eleven votes in favour of the resolution and two abstentions. The Chair was directed to sign the minutes as an accurate record of the meeting.

The proxy vote was 345 for the Resolution, 2 against and 11 withheld.

Resolution 2: To receive and, if approved, adopt the Report of the Society's Board of Management and its Financial Statements for the year ended 31st December 2018

Prior to proposing the Resolution the Chair called upon the Chief Executive to present his strategic overview, reproduced verbatim below:

"2018 was a challenging, exciting and rewarding year for the Society and I am delighted to be able to share the progress we have made in the year.

"We want to be modern, to be attractive to intermediaries and to serve our Members well. We have enjoyed success in all three areas.

"The modernisation has been seen in every corner of the Society. Examples include our re-branding, the completion of the refurbishment of Holloway House and the upgrading of our computer infrastructure.

"We are delighted with our progress in the market. Our new business premium income was almost £1.9m API, or over 5,400 new policies. This represent an increase of over 350% over 2017. The number of intermediaries who choose to recommend us time and time again has also grown.

"Repeat business has always been at the heart of our strategy. Membership at the end of 2018 stood at over 18,000, an increase of almost 25% over 2017.

"Our financial statements show that Earned Premiums increased over the year by around 5% to £6.70m. The increase is modest compared to the reported sales growth because Optimal premium income was very much lower in 2018 following its closure and because new business is received throughout the year.

"Despite 2018 being a heavy year for expenditure, we were able to add more than £7.5m to the Fund for Future Appropriations, thus increasing the amount available to support our wider Membership in the future. Embedded Value has grown significantly this year, primarily due to successful sales growth and despite the sharp falls in equity values at the end of 2018.

"Our balance sheet strengthened during the year, driven by increased new business volumes, with total assets increasing by almost 14% to just over £62m. Our Solvency Ratio fell over the year for a number of reasons, including the high levels of new business and the fall in investment markets at the end of 2018. We will continue to monitor the Solvency Ratio in 2019 and take steps to

ensure that risks accepted can be managed properly.

“Ultimately, as a mutual, our success is measured in the number of Members that we help through their time of need, ideally helping them return to work. I am pleased that we have paid more sickness benefits to more people in 2018.

“Service is critical to retaining the support of Members and intermediaries alike. We have developed and maintained a focus on service levels, and are proud to offer industry leading turnaround times for many routine transactions.

“By way of example, in 2018, our average processing time from application to decision was less than 4 hours, and 4 out of 5 of our claims decisions were made within 7 hours.

“We have continued the enhancements to our services to Members. Our communications with Members are evolving, to good effect, given the numbers that choose to remain with the Society.

“In my report last year, I highlighted the planned investment in our new computer system, PRISM. Great progress has been made on this project during 2018. We anticipate beginning its implementation in 2019. Projects like this are fraught with complication. I am delighted at the wide-scale contribution made by my colleagues to ensure that PRISM will be implemented successfully.

“We continued our support for the James Hopkins Trust in 2018, a local children’s charity providing support for severely disabled under 6s and their families. Our support ranges from fundraising to giving time to smarten up their grounds. On fundraising, the Society was pleased to match the amount raised by colleagues, with the result that £2,100 in total was donated during 2018.

“I am a firm believer that organisations thrive when they invest in the right way and in the right people. This belief has driven all of the people-related activity at the Society since I joined. I am proud to reflect on the achievements of 2018. Every area of the Society has developed in this time, based on able people striving to improve the outcomes for Members. There is a liveliness, an energy and an honesty in the teams I work with every day, and I am grateful to all my colleagues for the intensity and attitude that they bring to their work.

“In summary, during 2018, we have built on the foundations laid in prior years. We have seen a jump in Member numbers, higher sales and solid progress in a number of business areas. These achievements were expected in our strategic plan, but they only happen because we have able and motivated people who have worked hard on Members’ behalf. As a result, the Embedded Value – the value of the Society to Members – has grown, at the same time as a record investment in PRISM. Most importantly, we have been able to help more of our Members at their time of greatest need.

“I trust that we will see more of the same in 2019”

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands, there were ten votes in favour of the resolution and three abstentions.

The proxy vote was 349 for the Resolution, 2 against and 8 withheld.

Resolution 3: to approve the Director’s Remuneration Report for the year ended 31st December 2018

The Chair noted that this is an advisory vote as recommended by the Corporate Governance Code followed by the Society. The report is on page 33 of the 2018 Report and Accounts.

The Resolution was proposed by Anna East and seconded by John Holland. **The Resolution was carried** by a vote of hands, there were ten votes in favour of the resolution and three abstentions.

The results of the proxy vote was 333 for the Resolution, 14 against and 11 withheld.

Resolution 4: To approve the Remuneration Policy

The Chair noted that this is a binding vote and is required every three years in accordance with the Annotated Code. The policy is contained within the Directors’ Remuneration report is on pages 29 to 33 of the 2018 Report and Accounts.

The Resolution was proposed by Anna East and seconded by Adrian Humphreys. **The Resolution was carried** on a show of hands; there were eleven votes in favour of the resolution and two abstentions.

The results of the proxy vote was 328 for the Resolution, 19 against and 11 withheld.

Resolution 5: To appoint, as Independent Auditor, PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol, BS2 0FR

The Board were recommending that PricewaterhouseCoopers LLP be re-appointed for a further year.

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands, there were eleven votes in favour of the resolution and two abstentions.

The results of the proxy vote was 339 for the Resolution, 13 against and 5 withheld.

Resolution 6: Any Other Business not requiring Notice of Motion

The Chair asked if anyone had any other business not requiring notice of motion. There was none.

Resolution 7: To re-elect Mr M.J. Day

The Chair explained that the elections were in line with the Society's rules as agreed with and approved by the Members in 2017. As the subject of the first of these elections Mr M.J. Day stood down as Chair and Mr J.E Holland took the Chair for this item.

The Chair explained that Mr M.J Day is retiring by rotation and, being eligible, offers himself for re-election for a term of one year as a Non-Executive Director of the Society. Having served more than six years on the Board, this election has been carefully considered by the Board, which supports the proposal.

The Resolution was proposed by John Holland and seconded by Adrian Humphreys. **The Resolution was carried** on a show of hands with twelve voting in favour of the resolution and one abstention.

The results of the proxy vote was 345 for the Resolution, 8 against and 4 withheld.

Following the vote on Resolution 7 Mr J.E Holland stood down and Mr M.J Day resumed the Chair.

Resolution 8: To re-elect Mr J. Holland

The Chair explained that Mr J. Holland is retiring by rotation and, being eligible, offers himself for re-election for a term of one year as a Non-Executive Director of the Society.

Having served more than six years on the Board, this election has been carefully considered by the Board, which supports the proposal.

The Resolution was proposed by Martin Day and seconded by Adrian Humphreys. **The Resolution was carried** on a show of hands with eleven voting in favour of the resolution and two abstentions.

The results of the proxy vote was 348 for the Resolution, 4 against and 6 withheld.

Resolution 9: To re-elect Mrs A. East

The Chair explained that Mrs A. East is retiring by rotation and, being eligible, offers herself for re-election for a term of two years as a Non-Executive Director of the Society.

The Resolution was proposed by Martin Day and seconded by Adrian Humphreys. **The Resolution was carried** on a show of hands with eleven voting in favour of the resolution and two abstentions.

The results of the proxy vote was 347 for the Resolution, 9 against and 2 withheld.

Resolution 10: To re-elect Dr A. Humphreys

The Chair explained that Dr A. Humphreys is retiring by rotation and, being eligible, offers himself for re-election

for a term of two years as a Non-Executive Director of the Society.

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands with eleven voting in favour of the resolution and two abstentions.

The results of the proxy vote was 345 for the Resolution, 10 against and 3 withheld.

Resolution 11: To elect Mr G. Newitt

The Chair explained that there was one new Board member, Mr G. Newitt, who, being eligible, offers himself for election for a period of three years as a Non-Executive Director of the Society.

The Resolution was proposed by Martin Day and seconded by John Holland. **The Resolution was carried** on a show of hands with eleven voting in favour of the resolution and two abstentions.

The results of the proxy vote was 339 for the Resolution, 6 against and 9 withheld.

Chair's Closing Remarks

Closure of the meeting

The Chair thanked those present for their attendance and expressed his hope that he would see them at the next AGM.

There being no further business the Chair closed the meeting at 1.12pm.

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