

Extra-Ordinary General Meeting (EOGM)

LBS-F

28th March 2021



MKSI LEICESTER



Meeting Ground Rules

- Please enter your FULL NAME when joining the meeting
 - This is required for minute and voting purposes
 - Participants joining via telephone only should identify themselves
 - Any participants that are not identifiable shall be ejected from the meeting
- There will be an opportunity for Q&A after the presentation
 - All participants will be muted at the start of the presentation and unmuted at the end of the presentation to prevent disruption to the meeting
 - If you have a question please “Raise your hand” using the feature in the meeting, or direct your request to the Hon. Secretary



Agenda

- **Recitation of the Holy Quran**
- **History & challenges (5 mins)**
- **Current Projection of the fund (5 mins)**
- **Break even – almost! (5 mins)**
- **Objectives and Changes (5 mins)**
- **Gradual Approach**



History & challenges

- Annual fee for Multi Household Policy (MHP) has only changed once since initiation by only £15 with great resistance which is not sustainable
- The annual fee of £115 for a MHP of up to 7 people is not sustainable
- Based on year on year increase in funeral costs of 2.75%, and with the challenge of increasing the fees, the fund is not sustainable and will fall into huge deficits within the next 30 years
- MHP also includes children over the age of 18 that are now adults and should be encouraged have their own policy



Current Projections for the fund

- The average age of all the members combined is 44 and the average life expectancy in the UK is 81, meaning we have 37 years to collect the money from all the MHP.
- With funeral costs increasing by 2.75% each year and the average cost of a funeral based over 37 years is £3,578 then we need to collect £1,309,523 for 366 people
- If the multi household policy continues to increase by 15% every 10 years only then in 37 years we will collect a total of £444,410 from 89 MHP
- Therefore a colossal deficit of **-£865,112**



Break even – almost!

The average age of the combined members is 44 years and with a life expectancy of 81, we have 37 years to collect the money

The average cost of a funeral is £3,578 over 37 year period with an increase of 2.75% each year

The total funeral cost of all 383 members is £1,309,523 based on average funeral cost is £3,578

<ul style="list-style-type: none"> • MHP annual cost (15% increase every 10 years): <ul style="list-style-type: none"> • 2010 to 2020: £100 <ul style="list-style-type: none"> • 89*100*10 is: £89,000 + • 2021 to 2030: £115 <ul style="list-style-type: none"> • 89*115*10 is: £102,350 + • 2031 to 2040: £132 <ul style="list-style-type: none"> • 89*132*10 is: £117,480 + • 2041 to 2050: £152 <ul style="list-style-type: none"> • 89*152*10 is: £135,280 	
<p>Total collected £444,110 - Total cost £1,309,523 is: <u>-£865,112</u></p>	

<ul style="list-style-type: none"> • MHP annual cost (97% increase every 10 years): <ul style="list-style-type: none"> • 2010 to 2020: £100 <ul style="list-style-type: none"> • 89*100*10 is: £89,000 + • 2021 to 2030: £197 <ul style="list-style-type: none"> • 89*197*10 is: £175,330 + • 2031 to 2040: £388 <ul style="list-style-type: none"> • 89*388*10 is: £345,320 + • 2041 to 2050: £765 <ul style="list-style-type: none"> • 89*765*10 is: £680,850 + 	
<p>Total collected £1,290,500 - Total cost £1,309,523 is: <u>-£19,023</u></p>	

These are indicative costs and are subject to change based on individual time and date of death and therefore should be reviewed regularly

The calculations does not include turnover of members leaving and joining

Based on current approach is not palatable and will leave the jamaat in a huge deficit within 30 years

In order to **almost** break even, the MHP fees must be increased by 97% every 10 years in order to collect £1,290,500, leaving only a deficit of £19,023



Objectives and changes

- The fund **must** be sustainable for the jamaat and **must** not put the jamaat into a huge deficit
- There **must** be a disclaimer ensuring the jamaat is protected should funds run out
- The fees **must** be increased in line with the calculated figures
- The fees **must** be reviewed on a regular basis (at least every 3 years) to ensure its projections are on track
- The fund will be centralised and managed by the treasury team, Mohamed Walji, Mustafa Walji and Sameer Rajani
- Policies will now be from April to March and not February to January in line with membership fees, with annual direct debit being the recommended method of payment
- All members to declare any terminal conditions in advance
- A joining fee for joiners above 40 and 60 years
- Cover for the first five years for new joiners **must** be on a percentage basis:
 - Year 1 – 0%,
 - Year 2 – 20%
- Year 3 – 40%
- Year 4 – 60%
- Year 5 – 80%
- Adults over 18 should be encouraged to start their own policies for the success of the fund
- Non-resident fees is capped at the funeral cost of Leicester City Council
- Policy holders are required to pay for their dues, be responsible of their own dues and no payment will lead to automatic cancellation of policy
- This will enable us to safeguard the Jamaat and policy holders
- Things to consider for the future:
 - Purchase many plots/ land
 - Review single policy and couples policy
 - Invest
 - Assist with grant applications
- Out of scope:
 - Single policy

Option to pay for 5 years in advance

Phased Approach

- April 2022 – increase to £150 for all MHP
- April 2023 – increase to £175 for all MHP
- April 2024 – increase to £197 for all MHP
- April 2025 – review status quo



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Awareness

- **Management Committee** → 8th March 21 ✓ 🙌
- **Trustees buy in** → 15th March 21 (inc. accounts for the period 2019/20) ✓ 🙌
- **General members approval @ EOGM** → Tuesday 30th March 21 ✓ 🙌

In the best interest of our community



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The Management Committee
take the requirements of our
members very seriously and the
safeguarding of the Jamaat



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UPCOMING EVENTS



Annual General Meeting → elections & more
Sunday 9th May 21 (Time TBC)

All members are requested to attend