

**MINUTES OF THE 1ST CLASS CREDIT UNION LTD
29TH ANNUAL GENERAL MEETING HELD ON 30/01/21
AT 12 NOON VIRTUALLY**

Present on behalf of the Board of Directors: B Devenport, (BD) S. McLarty (S. McL)
G. McClure (G McC) P. Edwards (PE), T. Higgins (TH) J. McNichols (J McN) J. Coventry
(JC) P.Kelly (PK) P.Selby (PS)

For Attendance on behalf of Supervisory Committee: R.Hall (RH)

In Attendance: A. Wright (AW), L.McGilvray (LM), J.Littlewood (JL), G.Copeland (GC)

Auditor in attendance: Gary Copeland of Sharles + Co Chartered Accountants.

The chairman welcomed all present, he then declared there was a quorum and opened the meeting at 12/ Noon. Bruce passed over to Jackie who then explained how the voting and asking questions functions to the attendees.

Bruce provided the sad news that board member Dave Bean who passed away in the past year. Bruce then held a minutes silence for everyone who has passed away.

Bruce explained the agenda, the Standing Orders and that the meeting would follow the reports as detailed in the presentations handed out to all attendees of the meeting.

JL held a voting poll for the Standing Orders to be agreed, they were unanimous in agreement.

The minutes of the previous AGM were shown on screen, and a vote was held to agree the previous minutes. The attendees were unanimous in their agreement.

The Chairman introduced the auditors (Gary Copeland) and ask that any questions be left to the end of his report.

Auditors Report:

The Auditor went through the accounts of the credit union, from the report available to all in attendance, starting with page 4 opinion, responsibilities and basis for opinion, and informed those present that the books were in good order, well-kept and maintained to a good standard and that the financial statements give true and fair view of the state of the credit unions affairs as at the end of September 2020 and that they (auditors) had no reservations or reporting of irregularities within the year end audit.

He outlined page 19 and gave a summary of The Revenue Account for the year, explaining the increase in income from Loans was up by £3,547 giving a Loans Income of £1,234,914.00. The Bank Interest has decreased from £36,563 to £33,550.

Together with other incomes we now have a Total Income of £1,278,973.00.

Our Expenditure was increased from £1,001,865 to £1,021,073.

He addressed the Balance Sheet (page 7) that our Net Assets had grown from £1,651,335.00 to £1,942,396.00 an increase of £291,061.00.

The Bank Balance (Cash at bank) has increased from £4,466,408.00 to £5,467,663.00 an increase of £1,001,255.00

Our General Reserve (retained earnings) increased from £1,400,400.00 to £1,403,862.00 increase of £3,462.00.

Revenue Reserve increased by £100,000 from £291,068.00 to £391,068.00.

He pointed out should the meeting agree with the director's proposals of the dividend pay-out this would equate to approximately £123,000 of the surplus.

All in all, another good year for the credit union.

Questions –

Q - What was the main reason for lower income?

A – GC, There were some investments which arrived with up front costs and the lending situation with COVID19.

Q – What are the impaired loans written off?

A – GC, This is the bad provision and covers any bad debt written off in the year.

Q – How are bad debts pursued by the credit union?

A – AW, We use a financial legal firm, sheriffs officers and courts to chase any bad debt until it becomes ineffective on our costs.

Treasurers Report:

James Coventry presented this report.

Carrying on from where the auditor left off, our income for this year was £1,355,881.00 (before tax).

Contained within these figures is loan income of £1,234,915.00.

Total Expenditure (including Bank services and charges) has increased from last year's figure of £1,032,201 to £1,038,446.00, made up of impaired loans provision, wages, Insurance costs (LP/LS, Office, Fidelity Bond), and depreciation costs.

We have made a profit of £229,375.00 (before tax) for this year and we propose to set aside approximately £123,00 for Dividend and the remainder after tax will be paid into our reserves.

Looking forward we need to think about offering a wider service, more accessibility and better products at the same time as giving value for money to you our members.

This Credit Union has once again had a successful year and we hope that you will listen to the proposals being put forward by the BOD and support them.

Supervisory Committee and Internal Audit Report:

The report was presented by R.Hall giving a brief synopsis of supervisory role and the work being carried out by them and Alexander Sloan (internal auditor) and gave assurance that 1st class credit union was abiding to its policies, the credit union act and PRA / FCA requirements.

Loans Report:

Loans Report read by Stephen McLarty:

The credit union made a total of 7274 **new** loans during the past financial year; these **new** loans totalled £7,234,000.00.

The Average **new** loan is £1,915.00.

The Average loan is £2,765.00.

Our total loan portfolio at the end of the financial year was £13,591,592.00.

As mentioned previously our Share to Loan Ratio currently stands at 75% this is a quite remarkable increase and one Ratio we need to maintain.

Most credit unions our size is struggling to achieve a 60% -65% on loans.

I would like to take this opportunity to thank the staff and volunteers who assist with the loan allocations.

CEO Report

AW broke down the past 12 months for the credit union, how COVID has effected both the credit union and its staff.

AW explained the decisions taken to steady the ship and the move to working from home. To support member we introduced holiday payment and payment reductions for all members.

AW brought to light how the credit union will react going forward to the changes COVID has brought upon us. We will introduce new loan products, processes, member surveys and communication.

Board of Directors Report:

Read by BD.

This was our 29th year in operation and again another successful but a very challenging year, for us, the staff and of course you our members.

The Board would like to put on record our thanks to our staff for their commitment and dedication to their work. Also, we acknowledge the commitment, support and loyalty of you, the membership during this pandemic.

The board are fully aware that this period has been tough on members finances and on their ability to keep going and to keep thinking of the bigger picture.

We know of other credit unions and their members, for who this past year has been chaos and they are struggling to maintain adequate levels of services to their members.

I would like to take this time to assure you that the Board are committed to pursuing the policies, services, and vision of strengthening 1st class credit union to maintain a resilient and sustainable credit union to not only see us through this pandemic but to continue laying the foundation for the next 10 years and beyond and rest assured we will.

Our membership is growing, we are still recruiting new members, our loan portfolio is very healthy, we are building reserves, maintaining Capital above regulatory requirements.

All bodes well to see us through this very tough period, what we ask of you for this AGM is that you agree and support our recommendations for the dividend to allow us to strengthen the reserves of your credit union.

Can I add my personal thanks to each director for their support during the pandemic to ensure the sustainability of your credit union.

Board of Directors Proposals:

1. The Board of Directors are proposing a dividend of 1.25% to all share accounts with balances up to £2000.00 and a further 0.25% on balances over £2000.00- AGREED via virtual vote.
2. The Board of Directors propose the retention of Sharles and Co. as External Auditors. – AGREED via virtual vote.

Questions

Attendees of the meeting were allocated time to ask questions to the Board of Directors and CEO.

The meeting Adjourned at 14.00.pm.