

## SCOTWEST CREDIT UNION LTD

### MINUTES OF THE 27<sup>th</sup> ANNUAL GENERAL MEETING

Held at The Trades House, Glassford Street, Glasgow  
28 November 2015 at 6.30 pm.

#### CHAIRPERSON'S OPENING REMARKS

The Chairperson, David McRiner, opened the meeting by welcoming everyone to the AGM of Scotwest Credit Union.

#### 1. ASCERTAINMENT OF QUORUM

G Alan Ramsay	Kim Stevenson	John Magill
Stephen Wood	Ross Dinnett	Kenny MacLeod
James Gibson	Frances McCann	Ron Edwards
Eleanor Gibson	David McRiner	Jackie Alexander
Caroline McMichael	Scott Craig	John McDonald
Ashley McCrone	Alan Howat	Iain McBride
Jamie McGlinchey	Margaret Smyth	Cathy Jamieson
Catriona Scriven	Charles Sim	Alex Ibe
Ian Fraser	Douglas Wilson	

In attendance: Jennifer Alexander from Scott-Moncrieff, Chartered Accountants

Apologies were received from Deirdre Forsyth, Ian Sharp and Paul McGowan.

The Chairperson announced that as the quorum of 15 had been met, the Meeting could continue.

#### 2. MINUTE OF PREVIOUS ANNUAL GENERAL MEETING

The minute of the previous Annual General Meeting was included in the papers distributed to members prior to the Meeting and had been available on the website for two weeks prior to the AGM. There were no matters arising from the minute, and it was proposed by Charles Sim, seconded by Stephen Wood and approved by the meeting.

#### 3. CHAIRPERSON'S REPORT

The Chairperson's Report was included in the AGM pack available on the website and at the meeting.

David McRiner (DM) thanked previous Directors for the hard work and commitment to Scotwest and was pleased to see that they were present at this year's AGM.

He explained that this year both he and Stephen Wood, the Vice-Chair, were due for re-election and unfortunately there were no other members at the stage yet of being put forward for consideration.

The current Business Plan has the objective of rebalancing the ratio of savings to loans and increasing our capital reserve. This has meant the dividend rate has remained at 0.25% as we need to retain any surplus rather than distribute it.

DM then read the required regulatory confirmation:

As detailed in the report previously issued, credit unions in the UK are dual regulated by the Financial Conduct Authority and the Prudential Regulation Authority (PRA). In February 2016, the PRA introduced a new prudential source book (the Credit Union Rule Book) and this requires each credit union's governing body report to the members at the Annual General Meeting in respect of compliance as follows:

#### Depositor Protection

Scotwest is part of, and its members are protected by, the Financial Services Compensation Scheme. Membership of the scheme requires us to comply with various regulatory requirements in respect of the deposits we hold. In accordance with the Credit Union Rule Book Part 10.1 we confirm that we are compliant with the requirements of Depositor Protection 11 and 49 to 51.

#### Policy of Insurance

The Credit Union Rule Book Part 2.10 requires us to maintain insurance to protect us against loss suffered or liability incurred by reason of the fraud or other dishonesty of any of its officers or employees. In accordance with the Credit Union Rule Book Part 10.1, we can confirm that we have complied with those requirements.

#### Additional Activities

The Credit Union Rule Book Part 4 allows a credit union to carry out "additional activities" and provides additional compliance requirements thereon. In accordance with the Credit Union Rule Book Part 10.1, we can confirm that we have carried out the additional activities of "additional investments", "additional lending" and "mortgages" and that we are compliant with the additional requirements thereon.

DM thanked his fellow Directors for their commitment and time spent on the Board and asked if anyone wanted to consider it, then to get in touch with Scotwest.

He also thanked staff and Senior Management Team for their continued hard work and commitment and also the members, as they were the essential part of Scotwest. He asked everyone to go out and spread the word.

#### **4. CHIEF EXECUTIVE'S REPORT**

The Chief Executive's Report had been tabled prior to the meeting on the website and copies were available at the meeting in the AGM pack.

Kenny Macleod (KM) spoke to the report and advised that at this year's Strategy Day, the Board worked on the long term vision for Scotwest. The outcome was the following vision statement:

*Delivering better financial lives through caring about individual members and their happiness:  
growing together to be the leading credit union in Britain.*

Underpinning that vision, are the values which we apply to everything we do:

<i>Care</i>	We care: our values are what we do when no one is looking
<i>Openness and Honesty</i>	We can be open and honest with everyone because we do the right things for the right reasons
<i>Respect</i>	We treat everyone as individuals and value their individuality

As a mutually owned financial institution, we believe that the vision and values, put members at the centre of everything we do and deliver an organisation which you can be proud to be part of.

In addition to our transparent and ethical business practices towards our members and staff, Scotwest is an active co-operator with other Credit Unions, partner organisations and local and national governments.

Offering personal service is what we do that makes the difference – we treat everyone as individuals.

As explained last year, we are required to present our accounts in FRS102 format however we have also produced them in the previous format to make reading them easier.

We need to continue balance savings with loan book although we do not want to curtail savings by setting a maximum deposit threshold which is a strategy adopted by many credit unions so far.

KM also advised that this year's Christmas saving payout of £2.3 million was the largest ever.

## **5. ELECTION OF DIRECTORS**

KM explained that this year would be different as we do not have a contested election.

As per the Rule Book, Directors do not take up post until 1 February in the year after election. 1 Director stood down during the course of the year and two of the existing Board are standing for re-election for their second term. The Nominations Committee did not have anyone ready to be put forward for election at this time.

As there were two candidates and three vacancies the election would be by a show of hands. Brief biographies of the nominees had been on the website and were included in the packs and both were present at the meeting.

Both David McRiner and Stephen Wood were re-elected unanimously.

## **6. QUESTIONS FROM THE MEETING ON CHAIRPERSON'S AND CEO'S REPORT**

DM asked if there were any questions in respect of either the Chair's Report or the CEO's Report.

There was a question about the IT expenditure amount and could this be explained as it seemed very high at £250,000.

KM advised that our core banking system, online banking and mobile app accounted for about half of this amount and the remainder included other items such as compliance and risk monitoring and all hardware.

To remain competitive we need to be able to provide the services that members want. Many well financed companies are coming into the market and are offering similar services to us on a “for profit basis” and we need to keep up with them to be able to retain and attract new members.

There were no other questions.

## **7. FINANCIAL STATEMENTS**

The Financial Statements were included in the AGM pack available on the website and at the meeting.

KM spoke to the papers and highlighted the following:

- The Balance Sheet shows members shares sit at £59m - a 5% increase
- There is an ongoing flow of savings into Scotwest; 70% of which is by payroll deduction or Direct Debit
- Shares and reserves total £67m
- The Capital Ratio is 11.3% compared to 11.1% last year. The regulatory requirement is 10% but the Board prefer to be above this figure as a buffer.
- Loan book is currently £32.5 million - 11% up on previous year.
- Income is up 10% - due to increase in loans.
- On the face of it, the figures indicate a rise in administration expenses but this was due to the release last year of part of the provision for part debts.

## **8. AUDITORS' REPORT**

Jennifer Alexander (JA) confirmed a clean audit report on the Financial Statements as contained on pages 4 – 6 of the Financial Statements.

JA explained that as part of the external audit responsibilities, Scott Moncrieff has to ensure that Scotwest was fully compliant with all necessary regulations and that it would be in existence 12 months from now. She also confirmed that the entire audit was independent from the credit union. As part of the audit, the policies and procedures had been reviewed and there was nothing to be raised and everything was operating as it should be.

Thanked KM and Alan Howat (Financial Controller) for their help and advised that they were fully prepared for the audit.

No audit adjustments were required which is a good point as that means that the figures seen by the Board of Directors throughout the year are accurate.

## **9. QUESTIONS ON THE FINANCIAL STATEMENTS**

No questions were raised on the Financial Statements or Auditors' Report.

Those present at the meeting accepted the accounts.

## **10. APPOINTMENT OF AUDITORS**

The Chairperson noted that the board had determined to reappoint Scott-Moncrieff as external auditors for 2017-2018 and this was approved by the meeting.

## **11. CLOSE OF MEETING**

The Chairperson thanked all members for attending and there being no further business, the meeting closed at 7.05pm.