

SCOTWEST
where people count

Annual General Meeting
2023



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scotwest.co.uk

loans ▶ savings ▶ communities ▶

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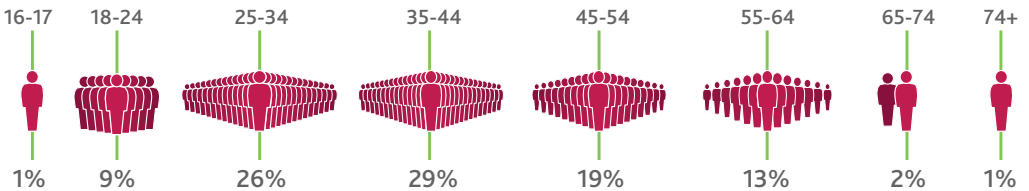
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Our Members

▶ THE NUMBERS ...



▶ OUR NEW MEMBERS ...



Our Members (Continued)

total value of members savings



our lending increased by



► Christmas Savings Account



SCOTWEST

LOTTERY



SCOTWEST

where communities count

► The Community Awards

HOW THE LOTTERY HELPED THIS YEAR ...



*given to these organisations
who were nominated by
Scotwest members:*

The Community Awards (Continued)



Homeless Project Scotland distributes hot food to those living on the streets, in hostels or those facing the difficult choice between heating their homes and eating this winter. The Award paid for food container tubs used to serve these meals.



Inverclyde Carers Centre is a welcoming space that supports local carers and young carers of family members or friends due to illness, disability, mental health or substance misuse. Their Award funded the fitting out of a new Carers Café at the centre.



Knit For Peace Bearsden & Milngavie is a community group that knits/crochets garments and blankets to support those in need in Glasgow and West and East Dunbartonshire areas. The award funded the purchase of yarn for the group to run their Blanket For Children drive.



Ardrossan Winton Rovers 2011s is a grassroots youth football team for over 30 young people. Their Community Award paid for the purchase of winter training jackets for the athletes and coaches for cold weather training.



Mainstay Trust is a Glasgow based charity, whose main focus is to support people with a learning disability who live in the city and surrounding areas. Their Community Award funded the purchase of new seating for the computer hub for their users.



Spinal Injuries Scotland is a charity and has provided a unique Peer Support Service for new and existing spinal cord injured people in Scotland since 2018. The Award will pay for a series of social events in the National Spinal Unit of Queen Elizabeth Hospital for patients and their families.

Find out more about the Community Awards Winners at scotwest.co.uk/community-awards/winners/

SCOTWEST
where communities count





**33rd Annual General Meeting
to be held on Monday, 4 December 2023
at 6.30pm**

1. Ascertainment of quorum
2. Minute of previous Annual General Meeting – Monday 5 December 2022
3. Chairperson's Report
4. Chief Executive's Report
5. Questions from the meeting on Chairperson's and CEO's Reports
6. Election of Directors
7. Financial Statements and Auditors' Report
8. Questions on Financial Statements from the meeting
9. Appointment of Auditors
10. Rule Book – proposal for amendment to Scotwest Rule Book
11. Close of meeting

Chairperson's Report 2022/2023

Introduction

This past year has seen a challenging environment for financial services as well as cost of living pressures for many of our members. In the face of those economic challenges, our Credit Union has stood by its values and ethos of cooperative finance. Our Board has consistently prioritised enhancing the financial health and wellbeing of our members. In this report, we look back not only at the challenges we have encountered, but also our achievements and share our vision for a future marked by progress and steadfast service to our members. Thank you all for your continued trust and engagement, which are essential to our continued success. I look forward to exploring how we can further develop our connection with you as members and continue to grow our Credit Union for your benefit, while also contributing to the wider movement.

The Year in Review

Building our Membership

This year has been one of remarkable growth for Scotwest, with over 2,500 new members joining our ranks—an impressive 9% increase from the previous year, which itself marked a significant upturn. It's heartening to see a growing number of individuals, especially from the younger age groups, choosing to become a part of our community. Their engagement speaks volumes about the relevance and appeal of our services to the younger generation.

However, we are not resting on our laurels. To further our commitment to accessibility and inclusivity, we will work to simplify the process for younger teenagers to join and save with us, independent of the school-based credit union programs which have previously been in place. This pivotal move is set to pave the way for a flourishing future for Scotwest, ensuring that financial empowerment starts from a young age.

Savings Challenge

In an economic landscape where financial institutions are fiercely competing by offering high returns, it has been challenging for our community-focused model, to maintain and grow the robust savings levels which allow us to continue our ambitious range of loans.

Despite these pressures, over the past year, Scotwest has been unwavering in its commitment to serve our members' needs effectively.

While we are conscious of the attractive rates available elsewhere, we strive to strike a delicate balance between providing meaningful returns to our savers and ensuring low-cost borrowing remains accessible to all members. This balance is at the heart of our philosophy and operations.

With these challenges in mind, we are poised to introduce our first Fixed Term Savings account in the coming weeks. This product will allow members to make a one-off deposit secured for one year, offering an excellent 5% interest rate. We believe this will be an especially appealing option for our long-term savers, exemplifying our dedication to delivering value while upholding the cooperative principles that set us apart.

Chairperson's Report (Continued)

Making our Communities Greener

Our commitment to community enrichment has been evident through our support of various local initiatives. We have proudly partnered with impactful organisations such as Homeless Project Scotland, the Mainstay Trust, and Inverclyde Carers Centre, among others.

As the urgency to address climate change grows and recognising its role in many of the economic challenges our communities face, we understand that our actions can make a difference. To this end, our Community Awards will now prioritise projects and organisations that are creating a positive environmental impact, or promoting sustainability, whether at a local level or more widely.

We continue to value our Members' insights in identifying worthy causes. Thus, we encourage you to visit our website to discover how you can be part of this environmentally focused initiative by nominating projects from your community.

The Year Ahead

I am pleased to report on the strides Scotwest Credit Union has made, driven by our collective vision for growth and a steadfast commitment to our members and the sector at large. The decision taken last year to broaden our common bond has already begun to bear fruit, setting the stage for a transformative period ahead.

It is with great pleasure that I can announce that we are moving forward with two mergers and are now ready to welcome the members of Perth & Kinross Credit Union and Stirling Credit Union into our Scotwest community. These mergers are a strategic step, not just in expanding our membership but in strengthening our service capabilities and reinforcing our influence throughout Scotland.

While this growth marks an exciting chapter for us, I assure you that the high standard of service you rely on will continue seamlessly, as we expand the Scotwest family. These mergers are more than an expansion; they are a catalyst for us to innovate and refine our services and products for the benefit of all members.

We embark on this journey with the promise of progress, unity, and the shared goal of enhancing the financial well-being of every member we serve.

Governance

Our volunteer Board of Directors remains dedicated to managing Scotwest Credit Union for the benefit of our members. This year, we saw the departure of Jackie King from the board and in February next year Alex Ibe will be stepping down from the board after eight years serving as a Director. I would like to thank them both for their service and significant contributions to Scotwest and we wish them both the very best going forward.

Chairperson's Report (Continued)

Governance (Continued)

This year we are conducting elections for four Directors. John Begg, who has been serving on the board for some time now and Maurice Gilligan who was co-opted to the Board earlier this year, and two new prospective Directors in Stewart Wallace and Samantha Fisher-Hamill. You can find out more about them in our Director's Biographies section below.

I'd like to remind members that they can help shape the development and continued success of Scotwest by signing up to our Director Training Academy then stand for election to the Board. You can find out more about this free tailored training on our website.

Regulatory Disclosures

Like all credit unions in the UK we are regulated by the Financial Conduct Authority and the Prudential Regulation Authority. At our AGM we are required to report to you our compliance with Depositor Protection, Insurance and Additional Activities. You can find out more about this in the appendix to this pack.

In Summary

As we continue to move beyond the pandemic's challenges, our vision for Scotwest Credit Union's future is clear and forward-looking. We are eager to meet our members' changing needs and to contribute to a more sustainable world, aligning with the hopes of both new and long-standing members. Our commitment is to continue being a credit union where individual value is paramount thus ensuring our legacy as a credit union where people really do count.

I would like once again to express my gratitude to my fellow Directors and the Scotwest staff for their dedication and hard work. Most importantly I thank you, our members, for your continued trust in us to safeguard your financial wellbeing and for contributing to our vibrant community.

Cathy Jamieson, Chair

December 2023



Regulatory Disclosures

Depositor Protection

Scotwest members are protected by the Financial Services Compensation Scheme. This means we are required to comply with various regulatory requirements in respect of the deposits we hold. In accordance with the PRA Credit Union Rule Book Part 10.1 we can confirm that we are compliant with the requirements of Depositor Protection 11 and 49 to 51.

Policy of Insurance

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

Additional Activities

The PRA Credit Union Rule Book Part 4 allows a credit union to carry out “additional activities” and provides additional compliance requirements. In accordance with the PRA 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.

Chief Executive's Report 2022/2023

Introduction

In presenting this CEO report, I am proud of the resilience and future-forward approach that has characterised Scotwest Credit Union's progress over the past year.

The adaptability and commitment of our team have been central to our successes, guided by the strategic oversight of our Board of Directors. As we move forward, my deepest thanks go to our members, whose trust fuels our mission to provide not just financial services, but a community built on support and shared mutual well-being.

Our focus is unwavering: to meet our members' evolving financial needs while championing sustainability. This report will highlight our achievements and the paths we are carving in service to a diverse and growing membership.

Savings

While the pandemic era saw a robust increase in savings, this past year has been marked by a modest reduction of approximately 6%. This dip reflects a significant shift in the savings behaviour of our members, influenced in part by the prevailing high interest rate environment and the ongoing cost of living crisis. In response to these trends, we've recently improved dividend rates and are excited about the upcoming launch of our first-ever Fixed Interest Savings Account.

Additionally, the growth in new Employer Partners who are offering our services through their payroll, highlights a strong demand for more varied savings avenues. To meet this need, we are developing new savings products designed to reward regular contributions, which will augment our existing Scotwest Saver Account, offering instant access benefits. We look forward to unveiling more information about these forthcoming products in the year ahead.

Lending

This year has seen Scotwest Credit Union achieve a remarkable surge in our lending activities, with an impressive 383% increase from the previous year. This significant growth is a testament to our unwavering commitment to offer members meaningful financial solutions. In upholding our fiduciary responsibilities, both the Board of Directors and Management have diligently maintained a careful balance between the deposits taken and loans issued. This steadfast approach underlines not just our financial prudence but also affirms the resilience of our credit union, ensuring we remain a robust and reliable financial partner for our members.

Chief Executive's Report 2021/2022 (Continued)

Lending (Continued)

We are taking a deliberate pause with our mortgages, strategically refining them, to align our products with the current interest rate landscape. This careful recalibration allows us to fine-tune our interest rates and product features, ensuring that our mortgages meet the evolving market conditions. We understand the importance of mortgage products to our members and are committed to reintroducing these after conducting a thorough review of all our lending rates.

Growth

At Scotwest, our drive is matched only by our ambition—for our Credit Union, our members, and the broader sector. This was exemplified last year by the expansion of our common bond, which has since attracted partnership interest from other credit unions within these new regions. Following thoughtful deliberations with our Board of Directors, I am delighted to share that we are actively progressing with a merger. This will welcome members from Perth & Kinross Credit Union and Stirling Credit Union into the Scotwest family.

This integration not only promises a significant increase in our membership base but also expands our service reach within these communities, further solidifying our presence across Scotland and within the credit union industry. For our current members, the quality of service you have come to expect will remain unchanged, though you may hear some new voices when you call our Member Service line. We are confident that this merger will serve as a dynamic platform for us to enhance and diversify our offerings for all our members.

Looking to the Future

As we emerge from the shadow of the pandemic into a reality where the cost of living crisis looms as a potential 'new normal,' our focus at Scotwest is steadfastly on supporting our members through these turbulent times. We find ourselves navigating a prolonged period of financial uncertainty, grappling with the dual shock of soaring interest rates and high inflation.

These challenges are exerting unprecedented pressure on the affordability of essentials, with many facing the distress of securing basic necessities like food. In this landscape, our commitment is to stand with our members, offering the support and stability needed to help weather this storm.

It is with this in mind, I share with you our credit union's ambitions.

Chief Executive's Report 2021/2022 (Continued)

Looking to the Future (Continued)

Our Purpose

As a credit union built on co-operative values we believe in equity and sustainability; it's in our DNA. We know access to financial services is essential for dignity and a decent life, and that credit unions have an amazing opportunity as well as an important responsibility to bring about positive change. Our purpose is to broaden financial inclusion, promote our members' financial stability, security and wellbeing, strengthen local communities, and improve environmental sustainability through fair practice and responsible consumption.

Less can be more. Simplicity, stability, community and resilience are our guiding values.

Our Way

We care for and about our members, respecting all as people living complicated lives. We provide equitable access to fair finance and take action to help improve members' financial lives and happiness.

We will build partnerships to promote a less-is-more approach, encouraging members to be environmentally aware and thoughtful consumers by offering them choices that are good for them and also good for the planet. We will continue to support community efforts that are good for the environment and we choose to cooperate with, rather than compete with, credit unions across Scotland to challenge and inspire our industry to serve more and use less.

Our Impact

We hope to attract new members because of our values and through our actions. As we grow, we'll help to reduce financial exclusion across our common bond and promote personal and planetary resilience and sustainability. More members means more people benefitting from fair financial products, services, advice and options, enjoying greater financial security and overall peace of mind.

Thank you.

Frances McCann, CEO

December 2023



Scotwest Credit Union Director Election 2023

Election Biographies

John Begg

John is an experienced finance manager who previously worked in the same capacity at Scotwest between 2016 and 2017. He has been a Director since 2018, firstly being co-opted before being elected to fully sit the following year. John is looking to be re-elected for a period of twelve months to assist the Board with its succession plan.

John feels he has been able to contribute meaningfully to the Board via his financial expertise, while at the same time assimilating well with the other Directors in pursuit of the valuable service the Credit Union provides to its members. His time on the Board so far has given John an understanding of the good work that Scotwest does in encouraging savings of all levels and offering financial support to people when they need it. In being re-elected he hopes to continue playing a part in delivering this important support and service.

Maurice Gilligan

Maurice is a long standing member of the Credit Union, having joined in 2011, and was co-opted to the Board of Directors in April this year. Professionally, he is member of Refrewshire Council's Children's Services Senior Leadership team, working closely with the Scottish Government, COSLA and other high profile public service agencies. Maurice previously worked in leadership roles with Skills Development Scotland, and has a great deal of experience delivering positive outcomes for the people of Scotland and their communities.

Maurice hopes to continue contributing to the future development of Scotwest by bringing his experience from his working and personal lives. Having benefitted himself from being a member of the Credit Union through the years, he hopes to do all he can to help widen the membership so more individuals from different backgrounds and with different experiences can also take advantage of it.

Samantha Fisher-Hamill

Samantha is a small business owner currently pursuing her Bachelors of Arts (hons) in Business Law and Finance. Her professional journey includes impactful internships at Morgan Stanley and JP Morgan. Complementing her academic pursuits, she has acquired a diploma in trading, showcasing her dedication to a comprehensive understanding of financial markets. Notably, she is actively engaging in fostering financial education as part of her collaboration with Strathclyde University, where she plays a pivotal role in the expansion of the "Young Strathclyde" financial education programme. She hopes to join the Board with the aim to promote fair finance and financial education.

Samantha's early career in leadership within the pharmacy sector has afforded her first-hand insights into the far-reaching health and social implications of financial inequities. As a member of the Board, she will strive to advocate for transparent financial products that benefit Scotwests members fairly. Samantha's dedication to the intersection of finance, education, and community welfare positions her as an asset to the Board.

Scotwest Credit Union Director Election 2023 (Continued)

Stuart Wallace

Stuart has been a Scotwest Member since 2021. His current position as a Senior Investment Analyst at Scottish Water and previous roles as Audit Associate with KPMG and Account Manager with Crawford Scientific illustrate his interest in corporate governance.

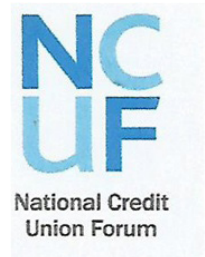
He has a long-standing interest in the financial services sector began with led him to study with the Chartered Institute of Accountants in Scotland and he has developed a fascination with the role not-for-profits like credit unions play within the sector. He hopes to deploy his skills in an effective way as one of Scotwest's volunteer Directors.

Thank You

We would like to extend our thanks to all of the stakeholders that we have collaborated with throughout the year.

- The Financial Inclusion Centre
- National Credit Union Forum (NCUF)
- The Building Societies Association (BSA)
- Scottish League of Credit Unions (SLCU)
- Association of British Credit Unions (ABCUL)
- Social Investment Scotland (SIS)
- Work and Save
- Action for Financial Inclusion

Action for Financial Inclusion



Scottish League
of Credit Unions



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