



**Great Western Credit Union**

**Annual General Meeting 2022-23**

**19 March 2024, 6pm-7pm**

**Online Meeting by Zoom**

**DRAFT Minutes**

**In attendance:**

Lewis Ryden (Chair - LR), James Berry (CEO - JB), Peter Kellett (Secretary), Denis Lindsay (Vice-Chair), Harry Partington, Elaine Ashley, Trish Mensah, Luana Dee, Caroline Harvey, Karen Burridge, Annette Davis, Simon Taylor, Elizabeth Jeffery, Valerie Davey, Carmen Anderson, Kate Whittle, Paul Watkins, Susan Blake, Rachel Watkins, Tim Topper, Henry Logan, Nard Duin\*, Holly Piper\*, Ben Commis, Andrew Barnes, Paul Jones, Nigel Gregory, Robert Avant, Hilary Cooling, Simon Bradshaw, Jac Solomons, Namaswi Paladugu, Irene Zikusoka.

“\*” denotes non-member.

**1. Apologies**

- (i) LR welcomed members to the quorate AGM. LR explained the voting process for members asking non-member attendees to abstain on votes. LR invited those attending to ask questions if they wished to using Q&A feature on Zoom. LR explained the agenda. There were 31 participants at the start (with 15 required to make the AGM quorate).
- (ii) Apologies had been received from: Jonquil Cairns.

**2. Minutes of the Meeting held 16 March 2023**

- (i) Members approved the minutes of the meeting held 16 March 2023: 85% of those who voted approved (22 for, 1 against and 3 abstentions) and any matters arising would be addressed during this AGM. The link to the minutes was sent with the meeting invitation.

**3. Presentation of the Annual Review of 2022/23**

- (i) LR presented the Annual Review. LR noted the key themes of the long-term strategy and putting it into plan with three key objectives: continuing to grow income through careful lending; driving further efficiency through automation and cost control; and using investment then surplus to support capital resilience.
- (ii) Lending grew to £8.7m by year end and GWCU is on track for its target this year too. LR noted the substantial growth for the credit union. Net interest income (that from loans to members and deposit of capital, less interest payments to members of interest-bearing accounts and to lenders to GWCU) has increased by 10% in the past year and is forecast to grow similar amounts over the current and next financial years.

- (iii) A close eye is kept on bad debts. GWCU changed the lending criteria in year and our plan is to keep total bad debt level the same, despite making more loans. A question was asked about lending to corporate members – LR noted though GWCU could, but it doesn't as it lacks the expertise to assess lending risks to businesses. A question was asked about what happens to bad debts – LR noted that GWCU does discuss these with members, but some loans do eventually get written off and removed from the balance sheet.
- (iv) Deposits are at £10.1m with a plan to increase them over the next couple of years.
- (v) The deficit reduced slightly in 2023. The plan is to reduce the deficit further in 2024 and 2025. The current plan is to return to profit in 2026.
- (vi) GWCU completed the next phase of capital raising. It offered an investment opportunity to a wider audience using an online crowd investor platform, Ethex. An 8-year fixed bond term at 6.5%. This rate is higher than that offered to ordinary member deposits as it is higher risk, as the capital is not protected by a compensation scheme. Overall, just less than £1m was raised with substantial good work by the management team, and then on top of this Fair4All Finance matched the investment £ for £. This approach led to nearly £2m of capital being raised. There was one new institutional investor in year, City Funds capital which lent £700k. This was the last part of the capital raise, and the focus now shifts to delivering the strategy and moving to profitability.
- (vii) GWCU published its 4<sup>th</sup> Social Impact Report covering the previous year. The 20-page report sets out key statistics on how services are provided to members, those at risk of homelessness, families in the UK Resettlement Scheme amongst other matters. Compared to using high interest lenders, GWCU saved its members £3m last year in loan interest charges.
- (viii) A question was asked about why deposits had reduced – LR noted that savings deposits were used to lend out to members as loans and GWCU now has a strategy to grow deposits which JB will explain later in the meeting. JB noted that the combination of lending out savings and some had been spent by members during a time of higher costs.
- (ix) LR thanked the staff, volunteer directors, members, and investors, including Fair4All Finance, Joseph Rowntree Foundation, Bristol City Council, the Bank Workers Charity, the Co-op Loan Fund, City Funds, and partners including Ethex.
- (x) A question was asked about online services corporate members – JB explained that these had reduced in recent years after the end of the Bristol Pound, but more focus was now being put on providing online services for corporate members.
- (xi) A question was asked about rural services and online v face-to-face services – JB noted that GWCU has focused on its original bases in cities where it had grown. The primary aim is breakeven and GWCU is exploring different models through which community hubs could provide services to local members. There are quite a few challenges to overcome to get such a model to work. Whilst GWCU is mostly online, it is available by phone and office visits can be arranged for those who can reach Bristol.

#### **4. Presentation of 2022/23 Accounts**

- (i) LR noted that the accounts had been approved by the Board. LR presented the accounts to the meeting. They are available for review if members wish to. There were no questions.

**5. Proposal to reappoint auditors: Alexander Sloan.**

- (i) LR proposed that the current auditors were reappointed following a recommendation of the Board. The meeting voted in favour of reappointing Alexander Sloan (96% of members voted in favour, with 1 vote against).

**6. Regulatory Declarations**

- (i) LR noted GWCU's confirmation of compliance with rules relating to Depositor Protection, Fidelity Bond insurance, and that GWCU engages in one Credit Union Additional Activity – larger and longer-term loans (things that are beyond ordinary credit union business).

**7. Proposal to pay a dividend of 0.25% for 2022/23**

- (i) LR explained that directors had decided to propose that a dividend of 0.25% is paid to members for the financial year 2022/23. Members were invited to vote on the proposal. Members approved the proposal (27 voted to approve, with none against, and 1 abstention).

**8. Chief Executive Report: GWCU's plans for 2024**

- (i) JB welcomed members and noted the activities from the past year.
- (ii) This year the impact on GWCU members has been awful. Recent research suggests that 6.7m people are now in financial difficulty. The "cost of living disaster" means the average worker is 4% worse off in 2024 than 2019.
- (iii) JB noted the work to grow membership, with tighter lending criteria to protect members and GWCU. GWCU has strengthened the lending team to help make fair decisions based on the numbers it sees. Online marketing has increased to hopefully move some people away from higher cost lending.
- (iv) GWCU is looking at consolidation lending at present, to help members manage their debts better. A pilot is being planned to make further consolidation loans available to members.
- (v) Work is ongoing on growing savings. The reduced savings levels are not unexpected in a time of financial crisis and higher interest rates offered from other financial institutions. GWCU has responded with a cash ISA rate which has increased to 3.5% and balances have increased in response, a business saver account is being introduced with 1.5-2% interest to help businesses with their savings and thirdly a fixed term deposit product is being introduced with 4.5-5% interest. Products are open to existing and new members to grow deposit capital and support increased lending.
- (vi) The Money @ Work scheme is being developed through further resourcing, communications, and further digitisation with Money @ Work being brought into the main GWCU website. Money @ Work is important as it provides savings balances and lower risk lending to help move GWCU to profitability. After a flat period, investment into Money @ Work over the past 2 years has led to growth.
- (vii) JB noted the growth of lending in Dorset and South Somerset, the former Stroud Valley, and Wiltshire, by substantial percentages since the mergers over the past few years. Savings balances have fallen by less than member numbers, illustrating that people seem to want to continue to be members of the credit union.

- (viii) Questions were asked about the possibility of 3- and 6-month savings products – JB noted for a first go, GWCU was trying a 12-month product as it provided stability, but GWCU will look at this area next.
- (ix) Finally, JB noted that GWCU will be reaching its 25<sup>th</sup> anniversary in July this year (2024) and a celebration of some sort would be arranged.

**9. Appointment of Directors standing for election or re-election**

- (i) Paul Jones stood for election for the first time, Peter Kellett stood for re-election for a second term of 3 years. LR noted that as there were more vacancies than spaces there was no need for a vote by members under the election procedures. No objections were received from the members and LR declared PJ and PK elected and re-elected.
- (ii) LR gave his and the Board's sincere thanks to Sara Davies who had decided to step down from the Board for her hard work in supporting the Board as a Director over several years particularly in improving the GWCU social impact reports.

**10. Close**

- (i) LR asked any new potential Directors to get in touch with GWCU.

Peter Kellett (Secretary)

19.3.24