

Great Western Credit Union

Annual General Meeting 2023-24

18 March 2025, 6pm-7.10pm

Online Meeting by Zoom

DRAFT Minutes

In attendance:

Denis Lindsay (Chair - DL), James Berry (CEO - JB), Lewis Ryden, Peter Kellett (Secretary), Nigel Gregory, Nick Gallop, Carol Burke, Paul Jones, Steven Cunningham*, Jonquil Cairns, Ben Commis, Matt Jones, Luana Dee, Henry Logan, Barbara Segal, Jacci Marcus, Christopher Smith, Colin McDougall, Simon Taylor, Hilary Cooling, Justin Douglas, Clifford Morse, Misheck Semu, Andrew Barnes, Emily Woollin, Carmen Tilbury, Susan Blake, Chris Aldridge, Namaswi Paladugu, Sigita Botyriute, Ian Walters.

“*” denotes non-member.

1. Apologies

- (i) DL welcomed members to the quorate AGM. DL explained the voting process for members asking non-member attendees to abstain on votes. DL invited those attending to ask questions if they wished to using Q&A feature on Zoom. DL explained the agenda. There were 24 participants at the start (with over 15 being members which was required to make the AGM quorate).
- (ii) No apologies had been received.

2. Minutes of the Meeting held 19 March 2024

- (i) Members approved the minutes of the meeting held 19 March 2024: 73% of those who voted approved (19 for, 0 against and 7 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 2023/24

- (i) DL presented the Annual Review. DL 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 to members rose 20% in year to £10.5m. Net interest income grew 6% in year. Bad debt costs which will always exist in a business like GWCU have continued to fall despite GWCU having a larger loan book. GWCU is forecasting further falls in 2025.
- (iii) Deposits have remained flat in recent years and stood at £10.3m. GWCU is focussed on growing deposits this year. The deficit continued to reduce during the year and the focus currently is on reducing this further.

- (iv) GWCU published its 5th Social Impact Report covering the previous year. The report sets out key statistics on how services were provided to over 19,000 members (which has since grown to almost 20,500 members). During a year of an uncertain and fluctuating economy, about half of our borrowing members benefited from our Member Support. GWCU saved members over £3.5m in loan interest from the rates offered by alternative lenders.
- (v) Over 25 years of ethical and inclusive banking GWCU has grown from an inner-city credit union serving 16 members to the largest credit union in the South West. Over the last 25 years GWCU has served 30,790 members. It has provided access to 96,363 affordable loans and opened 74,086 savings accounts.
- (vi) DL 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 like Ethex.
- (vii) A question was asked whether the loss in year was cumulative or in year – JB answered it was in year. A question was asked whether the net interest includes the interest payable to institutional investors – answer yes. A question was asked about whether GWCU invested ethically – answer JB yes to the extent sensible across a range of providers noting that some ethical institutions do not accept credit union deposits and GWCU needs to spread its funds across several institutions to manage risk.

4. **Presentation of 2023/24 Accounts**

- (i) DL noted that the accounts had been approved by the Board. DL 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) DL proposed that the current auditors were reappointed following a recommendation of the Board. The meeting voted in favour of reappointing Alexander Sloan (93% of members voted in favour (28 members, 0 against, 2 abstentions).

6. **Regulatory Declarations**

- (i) DL 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 2023/24**

- (i) DL explained that directors had decided to propose that a dividend of 0.25% is paid to members for the financial year 2023/24. Members were invited to vote on the proposal. Members approved the proposal by 90% of those who voted (28 in favour, 0 against, 3 abstained).
- (ii) Question about how the 0.25% dividend was determined. JB explained that the Board conducted a the balance of affordability and a review of what other institutions paid. Member opinions were not expressly sought. JB explained that there was an intention over time to move towards interest rather than dividend payments which are generally more understood than dividends. The dividend will cost GWCU about £20,000.

- (iii) Question whether GWCU is lending to unincorporated corporate members. JB explained not currently although the Rule book did not prohibit this.

8. Chief Executive Report: GWCU's plans for 2025

- (i) JB welcomed members and participants and noted the activities from the past year.
- (ii) JB noted briefly the economic impacts on everyday lives. Inflation continues to affect those who have the least, wages have stagnated making it harder to maintain standards of living but the raise in the national living wage should help. Household debt levels continue to rise as people rely on credit to manage expenses.
- (iii) Lending has continued to grow strongly across the region. Wiltshire has been the biggest increase at 57%. A record nearly 7,000 borrowers have been supported.
- (iv) GWCU has been working with Fair4All Finance to test whether there is a business case for consolidation lending which would otherwise be outside of GWCU's risk appetite. Fair4All Finance has provided implementation support, risk support and additional lending capital. Since last September GWCU has issued 112 loans to an average value of £5630 which it wouldn't have issued before. The pilot has saved borrowers £156,000 in interest with nearly 470 debts cleared.
- (v) GWCU is working on lending to housing co-operatives. GWCU is providing its first tailored loan to a housing co-operative. It provides more affordable housing options for communities. GWCU is interested in hearing from further housing co-operatives.
- (vi) A question was asked about the APRs seeming high. JB explained that the rates offered by GWCU were much lower than the alternative lenders' rates and GWCU does not accept lending through a consolidation loan where the individual does not save money.
- (vii) JB noted that savings have stabilised following the fall the year before. Increases again have occurred in Wiltshire, Somerset and other areas. The biggest success has been new savings of £1.5m across 3 new tranches of fixed rate savings products. This allows GWCU to lend to borrowers as well as pay a return to savers. GWCU has also focussed on growing Money@Work savers with 98 new savers since 1 February.
- (viii) A question was asked about the why savings were lower in some areas – answer in newer areas where GWCU has not historically operated it takes time to build up saving deposits.
- (ix) JB introduced a chatbot which is being trialled over the coming weeks to answer basic questions to help the staff team spend more time on value added activities.
- (x) Question on in-person AGMs. JB noted that the hybrid AGM a couple of years ago had more on-line attendees. DL noted that the people in the room had a far better experience than those online and the Board will discuss what is best for the members as a whole before the next AGM. Question on obtaining statements. JB explained that members can obtain statements online or on request. Borrowing interest statements are available on the web. Question on branch opening – JB explained that GWCU has a far greater impact for members by focussing on online services rather than offering a service from an office which serves very few members.

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

- (i) DL explained that Carmen Palmer-Tilbury and Ian Walters were standing for election to the Board of volunteer directors for the first time. DL explained that the number of director candidates was equal to the number of vacancies so there had been no need for an election before the AGM. Instead DL explained that member approval was required for these candidates and asked members to vote on the proposals. Members approved the proposal by 90%. (27 voted to approve with 0 against and 3 abstentions).
- (ii) DL gave his and the Board's sincere thanks to Jonquil Cairns who has reached the end of her third and final term on the Board. DL thanked her for her hard work in supporting the Board as a Director and the Staff team at GWCU over nine years particularly in improving the GWCU's financial systems as it has grown from a paper based organisation to a digital one.

10. Proposal to Adopt Updated Rules for GWCU

- (i) PK explained that GWCU operates in a framework of law and guidance from regulators but has its own 35 page Rule book which sets out how it must operate on behalf of its members. Last year the Board commissioned a review of the rules as they were very out of date. The proposed updated rules before members tonight had been updated in lots of ways mostly to allow for numerous legislative changes over the last 20 years, but also, for example: to make the process for those wishing to become a Director more transparent; and to more clearly allow for a more online approach to meetings.
- (ii) PK asked if there were any questions about the proposed changes which are in track changes on the papers available to members before the meeting. There were no questions.
- (iii) PK asked members to vote upon the updated rules. Members approved the adoption of the new rules by 86%. (26 voted in favour, 0 voted against and 4 abstained).

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

Peter Kellett (Secretary)

18.3.25