



Minutes of AGM, 22 February 2024 held online, hosted by ABCUL.

Item	Discussion/Points of interest
1	<p>Welcome and Apologies:</p> <p>Chair Brian Phippen welcomed all to the Annual General Meeting with thanks for the time given. Apologies received: JM, PJ.</p>
2	<p>Ascertain that Quorum was met:</p> <p>Turnout of 17 registered, Quorum confirmed.</p>
3	<p>Minutes from 22nd February 2024:</p> <ul style="list-style-type: none">➤ Minutes were presented -➤ Poll 1– do you accept the approval of the minutes – yes, 100%

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Report of the board of Directors: Brian Phippen read the report.

A busy and difficult year with many challenges.

Our priorities:

- Loan growth
- Reducing arrears
- Increasing efficiency
- Improving member services
- Achieving financial sustainability

During the previous year (2023):

- Face to Face and our presence in the community.
we have maintained our presence in Pontypool, Cwmbran, Chepstow and Abergavenny
- Staff working remotely
Whilst most staff have returned to their offices, we maintain a flexible approach to home working
- Face to Face/Online/phone service
We have invested in improvements to our online and phone services as well as improving access to in person appointments with GCU colleagues.

Membership as at 30th September 2023:

- Adult membership - 4630
- Young savers - 429
- Community accounts - 61

Savings balances:

- Adults £2,921,905
- Young Savers £365,854

Actions taken during the year:

- Improved online processes
- Continuing tight credit control
- Regular review and maintenance of lending criteria
- Continuous professional development of staff and volunteers

Funding:

- Welsh Government Credit Union programme – funding, growth and development
- Joint Credit Unions of Wales ‘Moneyworks’ Marketing projects

Partnerships:

- Torfaen County Borough Council
- Monmouthshire County Council
- Citizens Advice
- Monmouthshire Housing Association
- Bron Afon Community Housing
- POBL Housing
- Melin Homes
- Aneurin Bevan University Health Board

The Consumer Duty Plan:

The Consumer Duty Plan was implemented this year in accordance with Prudential Regulatory Authority legislation Principle 12 [31st July 2023]. This ensures good outcomes for members and is therefore a principle wholeheartedly applied by all staff and volunteers in Gateway Credit Union. When we identify a vulnerable member, we will do our utmost to help them improve their financial resilience. Whilst we are not always able to help our members secure a loan due to existing liabilities and affordability issues, we will always endeavour to signpost them to partner organisations who may be able to give them the financial support that they need.

Our Business Plan:

- To become self-sufficient in our core business: earned income covers costs, generates a surplus to build reserves, pays a dividend and fair wages.
- To develop and grow the organisation to serve the whole of our extended common bond.
- To remain committed to the ethos and principles of a community based, mainly volunteer run, mutually owned social enterprise
- To promote the principles of thrift and prudent personal financial management.
- To ensure our products remain relevant and competitive and are attractive to the whole community, especially the financially excluded.
- To play our part in supporting our communities through working in partnership.

Organisational Structure:

- Volunteer Board
- Additional non-Board volunteers
- Skilled and experienced staff team

BP – a number of individuals leaving this year – PE from supervisory

- AB from treasury

- RS from the board

We wish to express our gratitude to them for services provided over their years with us.

Poll 2 - Do you receive the Board report given by the Chair? Yes – 100%

Questions from the floor:
No questions arose

Financial report: Andrew Blackmore read the report

Good afternoon one and all.

Thank you for the opportunity to set out our position.

It is important to recognise an unqualified audit which means that there was no identification of material or data errors.

Gratitude to Lorraine Symes and others for work done.

It is a huge achievement to achieve unqualified accounts.

Annual Accounts October 2022-Sept 2023

- Annual Accounts review
- Financial performance highlights
- Self-sufficiency: why it's important
- What we need to do
- Unqualified audit opinion
- A large accounting loss reported
- The underlying financials remain challenging but we have benefited from higher interest rates and our business mix.
- A stable balance sheet
- Loan interest income impacted
- Minor management actions required

Income (£)	2023	2022
Interest on loans and similar	275,261	225,728
Grants spent in the year	37,101	93,448
Other income	3,050	171,136
Total	315,412	<u>490,850</u>

Expenditure	2023	2022
Interest paid to members	7,994	10,679
Employment costs	174,558	135,756
Administrative expenses	98,242	122,700
Cost of bad debt	70,638	32,949
Total	351,432	<u>302,084</u>

Graphs shown

Trends in total provision for bad debts:

Year	Loans (£)	Bad Debt (£)
2018-19	1,887K	194.6K
2019-20	1,621K	286.9K
2020-21	1,572K	318.9K
2021-22	1,393K	348.9K
2022-23	1,324K	398.5K

- A shrinking loan book but increased arrears and bad debt
- Robust Board approved action plan implemented to stop and now reverse these adverse trends

Managing arrears:

We continue to:

- carefully assess each loan individually and sensitively with regard to credit risk and affordability
- Review trends in arrears and be aware of affordability pressures on our members given the 'cost of living crisis'
- Respond energetically to missed payment
- Renegotiate loans where we can
- Take all reasonable actions to recover debt
- Use court action where necessary

Achieving self-sufficiency:

- We continue to be highly reliant on government grants
- Our reserves are healthy but we need to generate more income through writing high quality loans
- We all need to work together to develop and deliver a cogent business and marketing plan

Poll 3 – Do you accept the audited accounts for Financial Year October 2022-September 2023?

Floor voted – 100%

The Board recommendation is to not allocate a dividend.

Poll 4 – do you accept the Board's recommendation?

Floor voted - 100%

Appointment of Auditors:

The Board went out to tender for the financial year 2023-2024 as proposed at the last AGM.

The Board proposes to retain the services of Bevan Buckland LLP for the current year 2023-2024.

Poll 5 – Do you accept the Boards recommendation to re-appoint Bevan Buckland LLP as Auditor for the coming year? Floor voted – 100%

Questions?

No questions arose.

Report of the Credit Committee: Malcolm Jones read the report.

Lending:

- Assessments, decisions & communication are managed by the lending Team leader, supported by staff and volunteers.
- All are primarily office based
- Processes, for assessment & approval of loans continue to reflect the realities of the ongoing cost of living crisis.

Credit Control:

- Strong credit control processes remain and continue to be reviewed regularly.
- A balanced and considered approach is taken in regards to the recovery of debt.
- Court action is taken only where appropriate, after all other avenues of recovery have been exhausted.

Summary:

- *During the year we issued 1,476 loans with a total value of £1,190,633*
- *92% [1,357] of these were for £1000 or less*
- *Loan repayments received totalled £1,243,250*

Questions? No questions arose.

Poll 6 – Do you accept the Credit Committee report?

The floor voted 100%

Report of the Internal Audit Committee: Tony Crowhurst read the report.

This Committee currently has 1 volunteer members. Myself, Tony Crowhurst.

However, during the year being discussed at this AGM internal audit consisted of two members.

The recruitment process for additional members is being undertaken at present.

Internal Audit Activities

During the year, the duties carried out were:

- Creation of reports for review at Finance Committee and Board meetings
- Report showing loan applications approved, rejected and not taken up.
- Credit report showing the status of the arrears.
- 20% sample of all loan applications checked for correct approval and processing.
- We attend the monthly meeting of the Board of Directors and present a monthly report on our activities and on any risks identified and any recommendations for improvements.

In conclusion we observe that:

- The Credit Union has the appropriate financial controls
- Last year was challenging and will continue to be during this Cost of Living Crisis

Questions? No questions arose

Poll 7 – Do you accept the Internal Audit report?

The floor received the report. 100%

Report of the Nominating Committee: Company Secretary and Managing Director David Williams

The committee consists of 3 members

Board of Directors

Members with 2 years' service remaining:

Phil Jenkins

Members with 1 years' service remaining:

Stephen Brooks

Members stepped down:

Rod Senior, Andrew Blackmore

Two proposed new members:

Pauline Buckley, Sara Burch

Three Members due for re-election for whom we have received completed nomination papers:

Brian Phippen, David Williams, Malcolm Jones

Election proceeded via Poll – 100%

Credit Committee:

This committee is chaired by Board Member: Phil Jenkins

No Members with 2 years' service remaining:

Members with 1 years' service remaining:

Charlotte Rickwood

Three members due for re-election:

Phil Jenkins, Paula Pippen, Sue Clouth

Internal Audit Committee:

The Committee consists of 1 member

Tony Crowhurst

Paul Erkens resigned in September 2023

Pauline Buckley has moved to Treasurer

One member is due for election for whom we have received a completed nomination form

Tony Crowhurst

Elections to Board

Poll 8 – Do you accept election to the Board of new member Pauline Buckley?.

The floor voted - 100%

Poll 9 – Do you accept election to the Board of new member Sara Burch?

The floor voted - 100%

Poll 10 – Do you accept re-election to the Board of Brian Pippen?

The floor voted - 100%

Poll 11 – Do you accept re-election to the Board of David Williams?

The floor voted - 100%

Poll 12 – Do you accept re-election to the Board of Malcolm Jones?

The floor voted - 100%

Elections to Credit Committee

Poll 13 - Do you accept re-election as to the Credit Committee of Phil Jenkins

The floor voted - 100%

Poll 14 - Do you accept re-election to the Credit Committee of Paula Pippen

The floor voted - 100%

Poll 15 - Do you accept re-election to the Credit Committee of Sue Clouth

The floor voted - 100%

Elections to Internal Audit

Poll 16 – Do you accept election to Internal Audit of Anthony Crowhurst?

The Floor voted – 100%

The floor received the report.

Participant questions and comments – the opportunity to ask any additional questions resulting from the presentation was given. None forthcoming.

Brian Pippen spoke of his appreciation to all staff and volunteers for all collaborations and work carried out.

Adjournment or close of meeting

Charlotte Rickwood
Board Secretary
Gateway Credit Union.