



Minutes of AGM, 15th March 2021 held online, hosted by ABCUL.

Item	Discussion/Points of interest
1	<p>Welcome and Apologies:</p> <ul style="list-style-type: none">➤ Chair Brian Phippen welcomed all to the Annual General Meeting with thanks for the time given.➤ Apologies received:
2	<p>Ascertain that Quorum was met:</p> <ul style="list-style-type: none">➤ Turnout of 18, Quorum confirmed.
3	<p>Minutes from 287h February 2020:</p> <ul style="list-style-type: none">➤ David Williams proposed the Minutes to be correct, Phil Jenkins seconded. The floor concurred.
4	<p>Report of the board of Directors:</p> <ul style="list-style-type: none">➤ Brian Phippen read the report.

Priorities for the year were.

- Loan Growth
- Increasing efficiency
- Improving services to members
- Achieving financial
- Reducing arrears

Then came Covid....

- Closure of offices to members and volunteers
- Staff working remotely
- Online and phone service only
- Reduction in loan applications
- Increase in arrears
- Lockdown savings increased
- Recovery during summer 2020
- Reopening with social distancing
- Loans now almost entirely online
- Debt recovery still limited
- Since October 2020 – Christmas lending reduced from previous years, then lockdown

Priority has been given to safe working and maintaining services, we have been unable to focus on growth.

Memberships:

- Active membership - 3267 at Sept 2019
- Active membership - 3498 at Sept 2020
- 138 new junior members
- 5 new corporate members
- 688 accounts opened and 815 closed (includes deceased, closed by membership fee, old debtors when loan cleared, etc)

Savings:

- Sufficient funds to finance loan growth
- Steady growth to over £3.027.657 in adult shares and savings
- Junior Savings increased to £410.812
- New payroll members

Loans:

- Reduced from £1.886.566 to £1.620.660
- Ongoing Debt Recovery
- Some lending rates adjusted
- Limit placed on large loans during pandemic

Organization:

- Dedicated volunteer board
- 30+ volunteers across both counties, many of whom were obliged to stand down during the pandemic
- Skilled and experienced staff team

Branch Offices:

- All offices closed to members March 2020.
- Pontypool and Chepstow reopened after first lockdown
- Abergavenny closed permanently
- Future of other face to face services under review

A difficult year

- The pandemic has changed our services and the financial environment
- Increased provision for bad debt, reduced payments or payment holidays.
- Members continue to be on tight budgets and cautious about borrowing

- Financial uncertainty

Actions taken:

- Improved online processes
- Continuing tight credit control
- Offices closed for safety
- Review of lending criteria
- IT migration (new server Oct 2020)

Review of services-summer 2020:

- Digital-first
- Serving members by phone and post
- Email, social media, and members app
- Retaining and reopening face to face and cash services safely

Partnerships: (suspended during the pandemic)

- Llanyravon Methodist Church
- Wyesham Community Project
- CoStar
- Our Lady of the Angels Primary
- Cross Ash Primary
- Llanyravon Primary
- HMP Usk and Prescoed
- Monmouthshire Housing Association
- Bron Afon Community Housing
- POBL Housing Melin Homes
- Aneurin Bevan University Healthy Board

Payroll Partnerships:

- Celtic Manor Resort
- Robert Price Builders Merchants
- H and H Engineering
- We Fight Any Claim
- Welsh Ambulance Service
- PIA
- Torfaen Citizens advice
- Thornhill playgroup

Funding:

- Welsh Government Credit Union Programme – funding to support development
- Joint Credit unions of wales IT and Marketing projects.
- Subordinated loan
- Lloyds Group Credit Union Development fund
- Third Sector Resilience Fund
- Covid-recovery funds
- Furlough Scheme
- Lottery Funding

Summary:

- Operating deficit due to provision for bad debt
- Reduction in lending
- Savings growth
- Continuing to offer small loans
- Active Payroll partnerships
- No dividend

	<p>An unfortunate deficit results in a recommendation of no dividend this year. Lending is reduced – with new risk assessment tools Manager has had an inventive time getting us through alongside her team. Loss of RE (DRO) – new career. RE was also a member of the board and had to step down Welcome to new DRO Andy Tish</p> <p>BP finished his summary with thanks to the Board, staff, and volunteers for their dedication and also to Jackie for facilitating the AGM</p> <p style="text-align: center;">Questions from the floor: No questions were received from the floor</p> <p style="text-align: center;">The floor received the report</p>
5	<p>Financial report and consideration of accounts:</p> <p>A full report was provided. David Williams presented</p> <ul style="list-style-type: none"> ● Past performance - ● Last year's performance ● Actions Taken ● Future challenges ● Update on self-sufficiency plan <p>A breakdown of Loan value, impairment and surplus over the last 7 years was provided. Income and Expenditure for 2020: Full figures were supplied.</p> <ul style="list-style-type: none"> ● Total Income - £361.331

- Total Expenditure - £336.879
- Surplus after Tax - £21.956

Transfer from Business: loan reserve to cover Torfaen Business Start-up loans written off

Increase income from loans interest:

Grow our loan book:

- Most applications now online
- Use of open banking and e-signature
- Advertising online, radio and leaflets
- New payroll Partners
- Growth from our current and new membership

Reduce loans impaired: The loans team continues to:

- Ensure loans are affordable
- Use Credit reports and risk profiles to make informed decisions
- Assess each loan individually
- Review trends in arrears and be aware of economic pressures on our members
-

The Credit control team continue to:

- Give a next day response to missed payments
- Renegotiate loans where we can
- Take all actions to recover debts
- Make covid – safe visits to members
- Use Court action where appropriate

Our Finances show as healthy because we had substantial grants to cover – false picture of how we have been affected.

Challenges for the current year:

1. Covid safe operations
2. Grants for development but not core costs
3. Uncertain economic outlook
4. Member's incomes will remain under pressure
5. Interest rates staying low
6. Member's changes of circumstances
7. Training and investing in our team
8. Re-establishing our physical presence
9. Effective marketing and promotion

Business Plan 2018- 21

1. Continue to provide good service levels and maintain a presence in each town.
2. Continue to widen our membership and attract new borrowers and savers
3. Continue to use new technology to improve efficiency and services to members
4. Encourage all members to save regularly (savings and lending growth in parallel)
5. Maintain contact with members by E-mail, post, telephone, and web to reduce dormancy rates
6. Seek funding for development and improvements to service and efficiency
7. Continue to keep bad debt under control
8. Start to achieve surpluses to strengthen our reserves
9. Continue to provide appropriate products for our vulnerable and low-income members

Our business plan 2021 – 25 is in development

Graphs shown:

'Actual and Planned' income

Loan book and savings current forecast

Questions from the floor –
No questions were received from the floor

	Query from the floor as to what 'Curtains' is. DW explained that Curtains is the software we use to administrate member accounts.
6	<p>Approval of the dividend: Chair Brian Pippen proposed no dividend for this year – it was felt that it would be inappropriate in the current climate.</p> <p>➤ The floor received and approved the Motion</p>
7	<p>Report of the Auditors Auditors reported our financial statements 'give a true and fair view of the state of the credit union's affairs as of 30 September 2020 and of its income and expenditure for the year then ended. And have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.</p>
8	<p>Report of the Credit Committee: Phil Jenkins presented</p> <p><i>Loans</i></p> <ul style="list-style-type: none"> • Assessments and decisions are led by Volunteers and supported by the Loans Officer. • Processes continue to be streamlined e.g., Electronic Signatures, open banking • During the year we issued 903 loans with a total value of £854.399 • 802 loans issued were for £1000 or less • Repayments totalled £1.097.643 <p>Graph showing exposure of live loans beyond 1 month as a percentage of all loans was displayed.</p> <p style="text-align: center;">Questions from the floor –</p>

	<p style="text-align: center;">No questions were received from the floor</p> <p>➤ The floor received the report.</p>
<p style="text-align: center;">9</p>	<p>Report of the Internal Audit: Paul Erckens</p> <p>4 volunteer members spend about 30 hours a week carrying out the following checks remotely:</p> <ul style="list-style-type: none"> • Loans issued were checked for correct approval and processing; computer records were checked against actual bank withdrawals • Trial balances checked once a month against the forecasts • All Bank statement entries were matched against computer records to improve the Bank reconciliation process: <ul style="list-style-type: none"> ❖ This included the receipts of Standing orders, Benefit payments, Payroll payments, FIT payments, World pay payments, All pay payments, ELDS payments, collection point deposits etc ❖ This included payments of Cheques, Faster payments, scheduled payments, Debit Card withdrawals, Invoice Payments etc • Payroll and expenses for Staff and Volunteers were checked for accuracy and processing • Internal Audit attended the monthly Finance and loans committee meetings • Internal audit attend and report to the Board on a monthly basis the activities carried out, any risks identified and any recommendations for improvements. <p>In conclusion we observe that:</p> <ul style="list-style-type: none"> • The Credit Union has the appropriate processes, and they are being followed. • The data processing is done accurately with few errors and processes are in place to track and resolve them. • The next year will be challenging but we support the strategy set for profitable growth to ensure a sustainable future for the Credit Union. <p>The report was received by the floor.</p> <p style="text-align: center;">Questions from the floor – No questions were received from the floor</p>
<p style="text-align: center;">10</p>	<p>Report of the Nominating Committee: David Williams</p> <p>A complete report containing a breakdown of who was up for re-election and those who have time remaining was provided.</p>

	<p>3 Years of service before re-election.</p> <p>Voting took place, votes were counted, and the results are shown below: -</p> <p>Election of Directors to the board. Member standing for election - Andrew Blackmore Due for re-election – Brian Phippen, David Williams, Rod Senior, Malcolm Jones Stepped down – Ross Edwards</p> <p>Election of members to Credit committee Member standing for Election - Due for re-election – Phil Jenkins, Paula Phippen, Sue Clouth</p> <p>Elections to Supervisory committee Member standing for election – Pauline Buckley Due for re-election – Paul Erckens, Andrew Amos</p> <p>There were no objections to the electives.</p> <p>The report was received & approved by the floor.</p>
<p>12</p>	<p>Appointment of Auditors: The Board proposes to retain the services of Bevan Buckland LLP for the current year The floor concurred.</p>
<p>14</p>	<p>Adjournment or close of the meeting:</p> <p>Brian Phippen - Thank you firstly to Jackie for her excellent service – really helped us to get through. BP thanked all staff, volunteers, and Board members for sticking with us and seeing the year through, and lastly a huge thankyou to all members for their continued support.</p>

	The meeting is now closed.
--	----------------------------

Charlotte Rickwood
Board Secretary
Gateway Credit Union.