

**MINUTES OF THE TWENTY-THIRD ANNUAL GENERAL MEETING
HELD AS A CONFERENCE CALL IN ACCORDANCE WITH RULE 116
ON WEDNESDAY 10 MARCH 2021 COMMENCING AT 19.30 HOURS.**

Members Present

Ian McEwen (Chairman), Stephen Clough (Treasurer), Ray Seymour (Secretary), Carol Bennett, Roy Bedford, Sheila Bissell, Gordon Charlton, Peter Doyle, Barbara Doyle, Jennie Edgar, Joy Feerick, Keith Gaunt, Ann Jones, Nyaradzai Kupeta, Joanna Martin, Jon Miles, Joyce Mrehwa, Larry Mukumbwe, Mark Nicholson, Gillian Parker, Richard Pooley, Kevin Rodgers, Sherene Russell, Michelle Taylor, Clare Walsh, Mary Walsh, Margaret Wells, and Tony Whitehead.

1. Apologies for Absence

1.1. Apologies for absence were received from M Aldi, Kenneth Blackburn, Colin Bolster, Vanessa Coyle, Wendy Evans-Wood, Adrian Hamilton, Adam Hussain, Caroline Kuria, Julia Roman Quispe De Lenihan, Morakot Garcia-Morgan, S Nkomo, John Rodgers and Judith Zisengwe.

2. Minutes of the Twenty-Second AGM held on 04 March 2020.

2.1. On a proposition from Tony Whitehead, seconded by Keith Gaunt, the minutes of the twenty-second AGM were approved and signed.

3. Matters Arising

3.1. There were no matters arising.

4. Report of the Board of Directors

4.1. The previously circulated and tabled report to the Board prepared by the Chairman was received *nem. dis.* The Chairman highlighted the following: -

4.1.1. During the year the number of directors had declined from ten to six with two more due to be elected to the Board later in the meeting. Regrettably Vanessa Coyle had decided not to seek election after joining the Board in April.

4.1.2. The BCU had 2,098 active adult members (2,244 in 2019). This represents a mix of new accounts opened offset by a substantial number of dormant accounts which were identified and removed from our member count. Our Junior Account numbers fell significantly – as expected following the closure of school savings clubs – to 847 at year end (1,021 in 2019).

4.1.3. Loans excluding provisions fell from £521,177 at the end of September 2019 to £349,601 at the end of September 2020 – a drop of 33%. The loan book is the only major source of income for funding operating expenses therefore, in what became a very difficult and complex year, we made a loss of £8,556, despite some assistance from a Covid small business grant, a period of furlough for one staff member, and a reduction in our staff numbers.

- 4.1.4. The first months of the current year have seen the loan portfolio begin to stabilise, but at a low level. In the short-term generous grants from the House of Industry and the Harpur Trust will allow us to continue to trade while loan growth returns. We are grateful for their help and support during these unusual and difficult times. I would emphasise that as we remain highly liquid, adequately capitalised and are members of the deposit guarantee scheme, there is not, and will never be, any danger to members' deposits.
- 4.1.5. In the first six months of the year the directors, staff and volunteers worked on a strategic review of our business. A new business plan was reaching its final iterations just as the world changed. Importantly we had agreed a refreshed mission statement: *Bedford Credit Union will be well-known in Bedford and the surrounding area as a key provider of fair loans and savings products. We will help to combat financial exclusion and assist the less well-off access, understand and manage financial services. We will expand our membership and services in a sustainable way to help our community in the long-term.*
- 4.1.6. Before the onset of the Covid-19 pandemic some elements of the strategic plan were implemented. School savings clubs were closed as they were expensive to operate, and few Junior Members became Adult Members. There were also many alternative providers of junior savings accounts with better interest rates.
- 4.1.7. Major changes had been made to our loan products to make fair loans more accessible to our community. In 2019 we introduced Child Benefit Loans offer customers in receipt of Child Benefit rapid access to credit without requiring any initial savings and in June we increased the amount that could be borrowed under this arrangement to £1,000. Last July we introduced the 'Save as you Borrow' loan, which allows members with no significant savings to access a loan up to £1,000. In October we radically reduced our requirement for prior savings to access larger loans, now we only require a savings balance of £250 against any size of loan from £1,000-£7,500. These decisions will make our loans much more attractive when normal economic activity resumes and help drive out predatory door-step loans.
- 4.1.8. Operating a Covid-safe environment has been a challenge but the primary duty of the BCU remained the health and welfare of staff, volunteers, members, and everyone connected or impacted by the business. Two staff members were advised to 'shield' and therefore one worked from home while another was furloughed, and we had to do without many regular volunteers. Our reduced staff meant that we could only operate on reduced hours using one cashier desk. In the autumn we had to suspend general access to the branch to keep staff and members safe, so we have only been able to provide an emergency cash facility with brief appointments for necessary visits.
- 4.1.9. Thank and appreciations were expressed to everyone for their support of the BCU during a difficult and complex year, with particular reference to staff and volunteers without whose commitment the BCU could not continue to operate. Specific thanks were extended to Roy Bedford who, in July, retired from the BCU after 11 years of service.

5. Adoption of the Accounts for the Year Ended 30 September 2020.

- 5.1. The previously circulated and tabled audited Annual Accounts for the ended 30 September 2020 presented by the Treasure were received *nem. dis* and he highlighted the following: -



- 5.1.1. This had been a very difficult and challenging year but the BCU had escaped relatively lightly due to the receipt of grants, strong financial position built up over several years, and the efforts of the staff. However, there had been a significant fall in the loan level of the book which is the main source of BCU income, and it is crucial that the BCU increase the size of its loan book over the next year or two.
- 5.1.2. There was a deficit of £8,556 (£1,170 surplus in 2019), primarily due to the impact of the pandemic. Without a Covid small business grant and furlough support the loss would have exceeded £20,000. The current year is likely to show a similar underlying loss but the impact will be softened due to the generous commitment of grants from the House of Industry and the Harpur Trust, secured since the year end.
- 5.1.3. Loan interest receivable was £93,337 (£111,965 in 2019), a reduction of circa 17% or £18,000 as most of the contraction in the loan book was concentrated in the final half of the financial year. There will be a further impact in the current year unless there is a dramatic increase in the amount lent to members in the second half of the year.
- 5.1.4. Bank interest was almost the same as last year (£10,653 compared to £10,957 in 2019) despite the increase in the amount on deposit due to lower interest rates.
- 5.1.5. Fees and commissions receivable increased to £10,032 (£8,010 in 2019) and was due to the increase in entrance and annual membership fees, part way through 2019.
- 5.1.6. Other income, which included grant income was higher at £27,261 (£2,082 in 2019) and included a small business grant for Covid-19 restrictions of £10,111, furlough monies of just over £2,000 and grant money received in an earlier year which had been held on the balance sheet pending capital expenditure of £13,270 that had been immediately written off within the depreciation and amortisation of £14,414 (£860 in 2019) set against the new server and office computers purchased during the year.
- 5.1.7. The administrative expenditure had increased by circa £5,000 to £95,567 (£90,340 in 2019) as a result of salary increases and staff holidays accrued but not taken. This will be lower in the current financial year as the BCU now employ less people.
- 5.1.8. The balance sheet showed gross assets and liabilities had increased by circa £100,000 to nearly £2m. Member and junior savings were in excess of £1.8m (£1.7m in 2019) and have been used to fund loans to members of £347,122 (£521,177 in 2019) with bank deposits of £1.62m (£1.34m in 2019).
- 5.1.9. The BCU had retained earnings of £100,262 (£108,818 in 2019), which represents the accumulated surpluses since the inception of the credit union. As a regulated business the BCU is required to maintain a minimum capital ratio of 3%. Including the long-term loan of £30,000 in capital, the regulatory capital stood at 6.6% (7.4% in 2019).
- 5.1.10. There was no recommendation to pay a dividend to members but there was a recommendation to pay interest not exceeding £600 (£625 in 2019) to junior members.
- 5.2. On a proposition from Stephen Clough, seconded by Ray Seymour, it was unanimously agreed that the Annual Accounts for the year ended 30 September 2020 be adopted.

5.3. The Chairman thanked the Treasurer for his hard work and diligence to the affairs of the BCU during the year.

6. Declaration of Dividend.

6.1. On a proposition from Stephen Clough, seconded by Ian McEwan, the Board's intention not to declare a dividend was accepted *nem. con.*

6.2. On a proposition from Stephen Clough, seconded by Ian McEwan, a junior interest payment not exceeding £600.00 was agreed *nem. con.*

7. Report of the Supervisory Committee

7.1. The previously circulated and tabled report of the Supervisory Committee was received *nem. dis.* There were no questions arising.

7.2. On a proposition from Larry Mukombwe, seconded by Barbara Doyle, the report of the Supervisory Committee was received *nem. con.* and the Chairman thanked Joanna Martin and her team for all their hard work during the year.

8. Appointment of Auditors for 2020 – 2021

8.1. On a proposition from Steve Clough, seconded by Tony Whitehead, it was agreed *nem. con.* that Appleby & Wood be appointed Auditors to the BCU for the year 2020 – 2021.

9. Elections to the Board of Directors.

9.1. The Company Secretary confirmed that the number of nominations was less than the number of vacancies to the Board or Supervisory Committee. Rule 103 stated that if the number of nominees did not exceed the number of vacancies then the AGM could dispense with elections and appoint the nominated members.

9.2. On a proposition from Margaret Wells, seconded by Peter Doyle, the two directors retiring by rotation, Jennifer Edgar and Raymond Seymour, having been duly nominated and seconded in accordance with the Rules were re-elected *nem. con.*

9.3. On a proposition from Tony Whitehead, seconded by Steve Clough Gordon Charlton and Larry Prosper Mukombwe, who had been duly nominated and seconded for election as directors in accordance with the Rules were elected *nem. con.*

10. Elections to the Supervisory Committee

10.1. On a proposition from Joanna Martin, seconded by Gill Parker, Richard Pooley, having been duly nominated and seconded in accordance with the Rules was elected *nem. con.* to the Supervisory Committee.

11. Change of Rules.

- 11.1. The Company Secretary confirmed that a two thirds majority was required to change the rules of the BCU.
- 11.2. On a proposition from Ian McEwen, seconded by Ray Seymour, it was unanimously agreed that Rule 7(a)(i) be amended by replacing the word “Aragon Housing Associations” with the words “Grand Union Housing Group Limited”.

12. Any Other Business

- 12.1. Ian McEwen expressed the appreciations of the BCU to the House of Industry and the Harpur Trust for their generous grants that will assist us during this very difficult period of our history.
- 12.2. The meeting was advised that the BCU continued to have strong support from Bedford Borough Council, and they have agreed to circulate a flyer on our behalf with the Council Tax demand this year.
- 12.3. At the behest of Stephen Clough, the meeting acknowledged the hard work of Ian McEwen in attracting support grants from the house of Industry and Harpur trust.
- 12.4. At the behest of Kevin Rodgers, the meeting was advised that dependent on Covid-19 regulations the office intended to return to more normal working arrangements in late Spring or June but that the arrangements would be different to those that predated the pandemic.
- 12.5. At the behest of Barbara Doyle, the meeting expressed appreciations to the Directors and staff, particularly to Michelle Taylor and Joy Feerick.
- 12.6. In response to a question from Kevin Rodgers the meeting were advised that following the rule change all members of the Grand Union Housing Group were in the BCU Common Bond regardless of where they lived or worked. Also, that the BCU were hoping to develop a better product for housing associations so that we could work more closely with them then we do now.
- 12.7. In response to a question from Keith Gaunt the meeting was advised that consideration was being given to the return of volunteers to the office, but this was dependent on safety considerations.

13. Closure

14. The Chairman declared the meeting closed at 20.35 hours.

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Ian McEwen
Chairman