



# CASTLEMILK CREDIT UNION

**Castlemilk Credit Union**

32<sup>nd</sup> Annual General Meeting

Wednesday 23rd March 2022

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## WELCOME

DIRECTOR: ANGUS MCINTOSH

It gives me great pleasure to welcome you to Castlemilk Credit Union's 32nd Annual General Meeting. On behalf of the Board of Directors, I am pleased to present our Annual Report and Financial Statements for the year ended 30th September 2021. Our aim is that whatever stage of life you are at, we have a savings or loan product to suit you.

I would like to welcome our Guest speaker Mr. Dermot O'Neill – CEO of the Scottish League of Credit Unions (SLCU) whom we have been affiliated to since 1998.

I would also like to welcome our invited guests from other Credit Unions and of course, you the members.

This time last year saw us introducing our 31st Anniversary and our first virtual AGM.

We have worked tirelessly during the pandemic to maintain our services albeit with a difference. During the last financial year, we still managed to serve our members whilst dealing with staffing issues around Covid and managing as well as we could.

This report will detail how we have performed up to year end September 2021 and how the business has managed during these extraordinary times.

## CREDIT UNION INVOCATION

Make me an instrument of your peace

Where there is hatred, let me sow love

Where there is injury, pardon

Where there is doubt, faith

Where there is despair, hope

Where there is darkness, light

And where there is sadness, joy

Grant that I may not so much seek

To be consoled as to console

To be understood, as to understand

To be loved, as to love

For it is giving that we received

It is pardoning that we are pardoned

And it is dying that we are born to eternal life

## ADOPTION OF STANDING ORDERS

GENERAL MANAGER: ELIZABETH CAMPBELL

Standing Orders for the Annual General Meeting shall inter alia be:

1. A Member shall address all comments through the Chair.
2. A Member shall only address the Meeting when called upon by the Chair to do so and should raise their hand to indicate that they wish to address the floor.
3. Speeches are to be clear and relevant to the subject before the Meeting.
4. The person proposing the motion shall be allowed a maximum of five minutes to speak on the motion.
5. The person seconding the motion shall be allowed a maximum of three minutes to speak in support.
6. A Member may not speak twice on the same subject except he/she: (a) Is the Mover of a motion with the right of reply. (b) Wishes to object or to explain (with permission of the Chair).
7. The Mover of a "Procedural Motion" (Adjournment, Lay on the Table, Motion to postpone) shall have no right of reply.
8. Debate shall cease when the Chair decides sufficient debate has taken place.
9. No speeches or amendments are to be made after the "Motion" has been put and carried or negated.
10. A Member speaking on a "Point of Order" is to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Order".)
11. (a) A Member shall not "Call another Member to order" but may draw the attention of the Chair to a "Breach of Order". (b) In no event can a Member call the Chair to Order.
12. A "Question" shall not be put to the vote if a Member desires to speak on it or move an amendment to it, however the following may be moved at any time: a "Procedural Motion: The Previous Question" "Proceed to the Next Business" or the Closure: "That the Question be now Put."
13. Only one amendment should be before the meeting at one and the same time.
14. When a motion is withdrawn, any amendment to it fails.
15. The Chair shall have the right to a "Casting Vote"
16. If there is equality of voting on an amendment and if the Chair does not exercise a Casting Vote, the amendment is lost.

17. Provision is to be made for protection of the Chair from vilification.

No Member shall impute improper motives against another Member. Conduct at General Meetings Any person in breach of these Standing Orders, who interrupts the person speaking, who uses rude or abusive language, or disrupts the conduct of the meeting, shall be warned that any repeat of such misconduct will result in his/her expulsion from the meeting. Elections If the chair is a candidate standing for election, she/he shall hand over the chairing of the meeting to another officer or member of staff for that item.

## ASCERTAIN QUORUM

Credit Union Rule 50.1 states that:

*10% of the membership or 15 members, whichever is the lesser number, shall constitute a quorum. A meeting may proceed to business if a quorum is present within half an hour after the fixed time for commencement of the meeting. If after this time a quorum is not established the meeting shall be adjourned to a later date within 28 days when the meeting so adjourned may proceed to business whatever the number of Members present.*

## ATTENDANCE & APOLOGIES

- Number of member's present
- Other persons in attendance
- Apologies

## A MINUTE SILENCE FOR DECEASED MEMBERS



## READING & APPROVAL OF AGM PREVIOUS MINUTES

DIRECTOR: ANGUS MCINTOSH

**Castlemilk Credit Union, 31st Annual General Meeting, Wednesday 24th March 2021, at 2pm. This meeting was held virtually on Zoom.**

### **Minutes**

#### **Welcome**

Craig Mathie, Director, opened our first virtual meeting and welcomed all persons present to the 31<sup>st</sup> Annual General Meeting.

#### **Invocation**

Liz gave a brief background of the Invocation; explaining how it was first introduced in 1935 by Thomas Doig who along with Roy Bergengren were early advocates for the formation of CUNA Credit Union in America to ensure all people everywhere had access to credit union membership.

Liz Campbell invited all present to join her in saying the Credit Union Invocation.

#### **Adoption of Standing Orders**

Standing Orders were read and approved by all present.

Proposed by Ellen Kerr and Seconded by Eileen McKee

#### **Ascertain a quorum**

A quorum was ascertained of more than 15 members which allowed the meeting to proceed.

#### **Apologies**

Apologies were accepted from Janet McLean

#### **A minute's silence for deceased members**

The meeting held a minute's silence for deceased members. Remembering Sylvia Falconer, one of our founding members and those who sadly passed away to Covid. Our thoughts are with all families affected at this time.



**Approval of 2020 AGM minutes & matters arising**

The minutes of 30th AGM held on 13th March 2020 were read and there were no matters arising.

Proposed by Anton Mclean and Seconded by Debbie Barr

**Board of Directors Report**

The board of directors' report was read and accepted by the meeting. The boards main key areas are to establish objectives, formulate a business plan, monitor the financial position of the Credit Union; determine and document policies and procedures, maintain adequate reserves and provide for bad and doubtful debts. The board ensures the Credit Union complies with all statutory and regulatory requirements and complies with its registered rules. The board is fulfilling the demands of the FCA and PRA and are compliant with the Senior Management Regime and Certification Regime for banks Building Societies and Credit Unions.

**General Manager Report**

The general managers' report was read and accepted by the meeting.

Liz gave an overview of the actions taken over the year in relation to the Pandemic.

The first step involved was letting go of our existing volunteers for their own health and wellbeing.

New processes were implemented to allow us to maintain the credit union and to continue to serve the membership in a safe environment.

Our opening hours were reduced to 10am-2pm but maintained the staffing levels and business hours.

Limitations on cash handling and encouragement of card payments over the phone was enhanced.

Liz added that the credit union was still surviving and with the new methods she hoped the new journey for the members will make it an easier place to do business.

Proposed by Ian Lochrie Seconded by Catherine Moran.

### **Guest Speaker**

Dermot O'Neill, CEO of the Scottish League of Credit Unions presented to the meeting the role of the SLCU

The SLCU support around one-third of the Credit Unions in Scotland, who collectively have around 45,000 adult members, 12,000 Junior Members, £76m in Savings and £30m in Loans. The SLCU *core purpose* is to help our member Credit Unions become & remain; *Compliant, Sustainable & Ethical*.

We do this by focusing on six Key Pillars of activity: Advice, Education, Networking, Facilitation, Representation & Promotion.

The experience of Scottish Credit Unions over the past couple of COVID-affected years has been.

Stagnation of MEMBERSHIP

+ Increase in SHARES

+ Reduction in LOANS

+ Increase of PROVISIONING

+ Increase of BAD DEBT

+ Reduction of SURPLUS

+ Erosion of CAPITAL

= *challenging times for Credit Unions*

*How Credit Unions have reacted...*

*Mothballed*

*Pretended*

*Reacted*

*Embraced*

*Those CUs that have embraced... characteristics have been...*

Full strategic & tactical reviews (Underway or Planned)

Draw a line in the sand (look Forward, not Back)

Digitize & deploy new Services & Channels & Products (relevant to the Needs & Wants of Members)

### **Financial Statements**

Chris Brown from Sharles explained the auditor's role and gave an overview of the credit unions financials statements to the meeting. Chris confirmed there were no matters that were required to bring to the attention to the members at the AGM from the results of our audit testing and review. Chris confirmed a clean management report and audit.

**Adoption of accounts**

Proposed by Eileen McKee and Seconded by Ellen Kerr.

**Appointment of auditor**

Charles Audit Ltd were elected as our Auditor for 2021/2022.

Proposed by Anna Campbell and Seconded by Catherine Moran.

**Membership Committee Report**

We have now introduced the use of Smart search, an anti-money laundering tool and “Know your customer” verification service. We encourage new members to provide as much information as possible to pass the verification process.

The numbers of members joining is down in comparison to last year to 103 from 125. It is anticipated in the next few months the “apply for membership “online will be up and running.

Proposed by Eileen McKee Seconded by Anna Campbell

**Credit Committee Report**

The report was read and approved.

Loans can now be applied for online via our website, online applications will automatically receive an email to allow the credit union access to Open banking. This allows us information with consent from the member on their current income and expenditure which assists in the decision-making process. Loans are available for electronic signing via email. These processes will ensure a prompt response and reduces turnaround time via the application process.

Proposed by Ellen Kerr and Seconded by Anton McLean.

**Credit Control Report**

The report was read and approved.

The Credit Union operates with a “here to help” philosophy. This objective is to assist both parties reach an amicable solution.

We have engaged with Stirling Park as our external recovery agency.

We urge anyone who is having trouble to contact the credit union and we will signpost you to a simpler way of managing your debt.

Proposed by Catherine Moran and Seconded by Claire Peace

**Internal Audit Report**

The report was read and approved.

During the pandemic, we have carried out a review of our processes and have adapted them to remain efficient.

Tributes were paid to the volunteers who sadly were let go due to the pandemic. Their contribution over the years has been invaluable.

Proposed by Eileen McKee and Seconded by Debbie Barr

**Nominations & Elections**

Craig Mathie, who was co-opted onto the Board during the year was ratified onto the board. Nominations were received for Lin Masson.

Janet McLean and Linda Barnwell were reelected for another term.

Proposed by Maria Campbell Seconded by Susan Caldwell

**Any Other Competent Business**

Craig thanked all for attending the meeting and looked forward in seeing everyone in 2022.

Meeting closed at 3pm

## MATTERS ARISING FROM PREVIOUS AGM MINUTES

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## BOARD OF DIRECTORS REPORT

DIRECTOR: ANGUS MCINTOSH

We would like to take this opportunity to thank you all for your continued co-operation and support throughout the year.

As a Board, it is our responsibility to **establish objectives** and formulate a business plan, monitor the financial position of the Credit Union, determine and document policies and procedures, maintain adequate reserves and provide for bad and doubtful debts. We must ensure that the Credit Union complies with all statutory and regulatory requirements and that the Credit Union complies with the requirements of its registered rules.

The Credit Union Boards of Management need to have written policies on a range of issues and to review these policies periodically. The best way of doing this is to timetable the reviews into the annual series of board meetings, which we have carried out during the last financial year. This has been another unprecedented year and its impact is something we will continue to monitor and review.

The Board's key objective is to ensure that, as our members' savings continue to grow, we continue to build our **capital adequacy** ratio to a level, which provides us with a strategic buffer above the regulatory requirements. To achieve this objective, without curtailing members' ability to save, we need to focus on growing our loan book and retaining most of the profits generated from those loans. This has proven to be more difficult because of the pandemic and looking to the future the rising cost of inflation as well as the many crisis we see in the world and ever-increasing energy prices. The injection of funding provided for by the Scottish Government, has allowed to continue operating during these times. Our strategic direction of travel going forward will hopefully keep us on the right path to continued success and growth. The General Manager's report will elaborate on what this means.

As a financial cooperative, we understand that we can most effectively serve you and strengthen the Credit Union movement by working through local, regional, national, and even international organizations. We are very involved in our trade body SLCU as well as support from the other trade bodies and independent Credit Unions with access to the training, tools, and resources available.

The Board's wants to maintain the balance between ensuring that Castlemilk Credit Union continues to be sustainable whilst remaining relevant to the members, growing with them, and continuing to make their financial lives better.

The purpose of the Credit Union is to allow members to save together and lend to each other at a fair and reasonable rate of interest. The principal risks and challenges facing this Credit Union are loan default; not lending a sufficient proportion of funds so that too much of the Credit Union's resources are tied up in investment products. These risks are managed by the Credit Union board to achieve an acceptable balance or growth and security for members' resources. Member's money serves better when in circulation through loans. Something we will strive towards improving.

**Regulatory Compliance** - Castlemilk Credit Union, like all Credit Unions in the UK, is dual regulated by the Financial Conduct Authority and the Prudential Regulation Authority (PRA). The PRA requires that each Credit Union's governing body will report to the members at the annual general meeting in respect of compliance as follows:

**Depositor Protection** – Castlemilk Credit Union members are protected by the Financial Services Compensation Scheme. This means we are required to comply with various regulatory requirements in respect of the deposits we hold. In accordance with the PRA Credit Union Rule Book Part 10.1 we can confirm that we are compliant with the requirements of Depositor Protection 11 and 49 to 51.

**Policy of Insurance** - The PRA Credit Union Rule Book Part 2.10 requires us to maintain insurance to protect against any loss suffered or liability incurred by reason of the fraud or other dishonesty of any of our officers or employees. In accordance with the PRA Credit Union Rule Book Part 10.1, we can confirm that we have complied with those requirements.

We look forward to serving you for another financial year.

## GENERAL MANAGERS REPORT

GENERAL MANAGER: ELIZABETH CAMPBELL

We have now come through a second year of the pandemic. I would like to say a huge thankyou to those who have been there every step of the way.

We have now established a new working pattern which will be continuously under review. Serving our members as best we can and know how.

- We must continue to encourage as much as possible online activity and limit cash handling.
- We will continue to adopt preventative measures to ensure hygiene is paramount.

We acknowledged the severity of this pandemic and the safety of our employees and members was paramount and will remain so. We will continue to monitor the situation and send updates as the information becomes available.

With the reduced opening times and maintained staffing levels and business hours, our staff have the opportunity to manage more business online or over the telephone. Our staff work diligently behind the scenes tending to our member's needs. The situation is very fluid.

So here we are, still surviving and serving our members. From a strategic point we decided to look at the opportunities which this situation had brought about. We had to make our journey for the members as easy and frictionless as possible. To date we have introduced new methods and hope to introduce more, to make our credit union the easy place to do business with.

Where are we at?

- We have remained opened and have fixed operating hours.  
Monday, Tuesday, Thursday & Friday, the office is opened between 10am – 2pm
- Staff are all working from home on a Wednesday with a continued service.
- Members can pay in over the phone using their debit cards.
- Members can now apply online for a loan, no paper forms or proof of income.
- Online loan applications automatically trigger a link to our open banking.
- Approved loans are now sent electronically and are signed for using e signature.
- Loans can now be approved and paid out on the same day under certain circumstances.
- Members can now apply to join on line and apply for a loan at the same time.



- We have reduced the need for producing paper trails and reducing our carbon footprint.
- All contact information is visible and available on our website.

What was in the pipeline?

- We will be changing our software provider to allow us to utilise many different tools and new technology. We did this and completed our transfer by 14<sup>th</sup> February 2022.
- Our new provider is INCUTO and over the months we have forged a strong working relationship.
- We expect Incuto to enable us to have faster, online applications, better communications and engagement, and easy-to-use online services to enhance the Member experience.
- Members to access our products and services online, and on any device 24/7. This includes online sign-up and application processes, pre-populated and authorised loans, and end-to-end loan fulfilment.
- A communications platform that intelligently monitors our data and allows us to send professional communications.
- This and much more.

We will continue to serve our members in the office with over the counter services and cash.

Whilst we continue to strive in these times, we are still very positive and excited about what the future holds for us and our membership. It continues to be very rewarding and enlightening. I would like to say a special thanks to my staff Eileen McKee (Assistant Manager), Anton McLean (Information Technology Officer/Finance), Michael Madden (Information Technology Officer Assistant), Catherine Moran (Loans Officer), Susan Caldwell (Front Counter Teller), Claire Peace (Internal Audit/ Finance) and Margaret Ronald (Credit Control/Front Counter Teller).

To the Board of Directors for managing to cope with virtual Board Meetings and still being here.

## GUEST SPEAKER

SLCU CEO: DERMOT O'NEILL

Some words from special guest Dermot O'Neill, CEO of the Scottish League of Credit Unions.

## CREDIT UNION PERSONNEL

Board of Directors	<i>Angus McIntosh</i>	Director	
	<i>Linda Barnwell</i>	Director	
	<i>Janet McLean</i>	Director	
	<i>Craig Mathie</i>	Director	
	<i>Lin Masson</i>	Director	
Management	<i>Elizabeth Campbell</i>	General Manager	0141 631 5145
	<i>Eileen McKee</i>	Assistant Manager	0141 631 5144
Staff	<i>Claire Peace</i>	Internal Auditor	0141 631 5143
	<i>Catherine Moran</i>	Loans Officer	0141 631 5141 / 5146
	<i>Susan Caldwell</i>	Teller	0141 631 5140
	<i>Margaret Ronald</i>	Teller	0141 631 5149
	<i>Anton McLean</i>	IT Officer	
	<i>Michael Madden</i>	ITO Assistant	

## INDEPENDENT AUDITOR REPORT

FINANCIAL STATEMENT

### **Castlemilk Credit Union Ltd**

**30 September 2021**

### **External Auditors Report**

#### **Overall**

Clean audit report on pages 4-6.

We can confirm that there are no matters that we are required to bring to the attention to the members at the AGM from the results of our audit testing and review. The Credit Union complies with both their own rules and those laid down by the Bank of England through the PRA and the FCA.

#### **Financials**

It has been another unusual year for the credit union during the current pandemic however, the credit union has continued to serve its members and remains financially stable.

Generally, this year credit unions have seen the wrong type of growth, with loans falling and share continuing to rise as members' needs and spending has changed significantly. Castlemilk CU however, unlike many credit unions this year has loans to members increasing slightly with share growth still increasing.

Although a good sign, this has not yet been enough to reverse the trend. With the %age loans to overall assets continuing to fall. For 2021 the %age fell from 40% in 2020 to 38%, even as the loan book stabilises and is slightly up by around £103k with members saving an additional £343k (an increase in growth rate). This resulted in the credit union's bank balances rising by nearly £463k this year and at 30 September the bank balances stood at nearly £3.43m.

In terms of the capital asset ratio which is the PRA's main indicator of the health of the credit union, the ratio fell to 6.2% from 7.2%. The credit union remains above the PRA minimum of 5% at the year-end for the size of credit union. This fall is in part due to repayment of £125,000 subordinated loan from the Scottish government although does not include the additional £105k of unutilised deferred grants held by the credit union at the end.

**Income and Expenditure (Summary page 7, detailed 20 & 21)**

In terms of the Revenue Account for the year, total income has fell slightly to £501k down £1k. Main variances include loan interest down £44k, grants up £43k. Bank interest down £3k and sundry receipts up £5k. All other income is consistent with 2020.

Overall costs this year mainly similar to 2020, total costs down £52k with the main changes: Wages down £5k and insurance up £8k. Bad debts and provisioning showed a net decrease/improvement of £58k this year.

This left the credit union with a small surplus after tax for the financial year of £100,511 which compared to 2020's £48,704, although reserves in total have currently decreased with the repaid of the sub loans and deferred grant held.

**Charles Audit Ltd**

# INCOME & EXPENDITURE ACCOUNT

## FINANCIAL STATEMENT

### CASTLEMILK CREDIT UNION LIMITED

#### Detailed Revenue Account for the Year Ended 30 September 2021

	2021		2020	
	£	£	£	£
<b>LOAN INTEREST RECEIVABLE</b>		<b>319,095</b>		<b>363,376</b>
<b>Other income</b>				
Rental income	10,800		10,816	
Sundry receipts	11,582		6,227	
Donations	700		-	
Grants	125,000		82,000	
Impaired loans recovered	4,953		5,856	
Interest on bank account	12,862		16,426	
Entrance fees	515		660	
Members service fees	<u>15,478</u>		<u>16,750</u>	
		<b><u>181,890</u></b>		<b><u>138,735</u></b>
		<b>500,985</b>		<b>502,111</b>
<b>Expenditure</b>				
Rent and rates	10,371		10,288	
Insurance	79,929		72,272	
Light and heat	5,646		5,281	
Wages	146,388		151,192	
Employer NIC	8,071		7,953	
Pension	2,586		2,425	
Hire of equipment	10,358		8,419	
Telephone	1,095		1,120	
Printing, postage & stationery	4,872		2,881	
Staff travel & subsistence	816		1,030	
Dues, seminars and travel	10,276		9,415	
Computer maintenance	26,655		28,092	
Repairs and renewals	16,596		16,923	
Sundry expenses	1,697		5,708	
Cash (overage)/shortage	76		2,008	
Professional fees	2,304		5,774	
Auditors' remuneration	5,450		4,770	
Impaired loans written off	30,113		182,621	
Impaired loan provision	10,669		(84,988)	
Impaired losses recovery expenses	<u>7,337</u>		<u>216</u>	
		<b><u>381,305</u></b>		<b><u>433,400</u></b>
		<b>119,680</b>		<b>68,711</b>
<b>Finance costs</b>				
Bank charges		<u>5,833</u>		<u>6,561</u>
Carried forward		<b>113,847</b>		<b>62,150</b>

## LOANS & SHARES

### FINANCIAL STATEMENT

<b>8. MEMBERS LOANS AND OTHER ASSETS</b>			
		<b>2021</b>	2020
		£	£
Unsecured members loans		<b>2,278,833</b>	2,175,385
Specific impairment provision		<b>(150,587)</b>	(139,918)
Prepayments		<b>6,891</b>	20,700
		<u><b>2,135,137</b></u>	<u>2,056,167</u>
<b>Loans to members</b>		<b>2021</b>	2020
		£	£
As at 30 September 2020		<b>2,175,385</b>	2,478,731
Advanced during the year		<b>1,382,682</b>	1,352,938
Interest on members loans		<b>319,095</b>	363,376
Repaid during the year		<b>(1,568,216)</b>	(1,837,039)
Impaired loans written off		<b>(30,113)</b>	(182,621)
		<u><b>2,278,833</b></u>	<u>2,175,385</u>
<b>Impaired losses on member's loans - Changes in the year</b>			
	<b>General</b>	<b>Specific</b>	<b>Total</b>
	£	£	£
As at 30 September 2020	-	139,918	139,918
(Decrease)/Increase in impairment provision	-	10,669	10,669
	<u>-</u>	<u>150,587</u>	<u>150,587</u>
As at 30 September 2021	<u>-</u>	<u>150,587</u>	<u>150,587</u>
<b>9. CASH AT BANK AND IN HAND</b>			
		<b>2021</b>	2020
		£	£
Cash and bank balances		<b>3,406,144</b>	2,937,869
Cash in hand		<b>26,460</b>	31,700
		<u><b>3,432,604</b></u>	<u>2,969,569</u>
<b>10. MEMBERS SHARES AND OTHER CREDITORS</b>			
		<b>2021</b>	2020
		£	£
Corporation tax		<b>3,371</b>	4,148
Other creditors		<b>10,148</b>	9,489
Juvenile deposits		<b>196,447</b>	175,125
Members share balances		<b>5,228,915</b>	4,794,694
Accrued expenses		<b>14,469</b>	10,255
		<u><b>5,453,350</b></u>	<u>4,993,711</u>

# BALANCE SHEET


## FINANCIAL STATEMENT

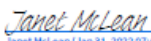
CASTLEMILK CREDIT UNION LIMITED (REGISTERED NUMBER: 213657)


Balance Sheet  
30 September 2021

	Notes	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	7		355,982		357,837
<b>CURRENT ASSETS</b>					
Members' loans and other assets	8	2,135,137		2,056,167	
Cash at bank and in hand	9	<u>3,432,604</u>		<u>2,969,569</u>	
		5,567,741		5,025,736	
<b>CURRENT LIABILITIES</b>					
Member' shares and other liabilities	10	<u>5,453,350</u>		<u>4,993,711</u>	
<b>NET CURRENT ASSETS</b>			<u>114,391</u>		<u>32,025</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			470,373		389,862
<b>ACCRUALS AND DEFERRED INCOME</b> 12			<u>105,000</u>		-
<b>NET ASSETS</b>			<u>365,373</u>		<u>389,862</u>
<b>RESERVES</b>					
Subordinated Loan	13		-		125,000
Retained earnings	13		<u>365,373</u>		<u>264,862</u>
			<u>365,373</u>		<u>389,862</u>

The financial statements were approved by the Board of Directors and authorised for issue on Jan 31, 2022 ..... and were signed on its behalf by:

  
Angus McIntosh (Jan 31, 2022 16:29 GMT)  
A McIntosh - Director

  
Janet McLean (Jan 31, 2022 07:44 GMT)  
Ms J McLean - Director

  
Linda Bamwell (Jan 31, 2022 08:39 GMT)  
Ms L Bamwell - Director



## APPOINTMENT OF AUDITOR

**2022 AGM proposal:** Re-appoint Sharles Chartered Accountants as Credit Union auditor.

## MEMBERSHIP COMMITTEE REPORT

GENERAL MANAGER: ELIZABETH CAMPBELL

We are continuing to use Anti-Money Laundering (AML) and Know your customer (KYC) verification service. This is for identity validation for the prevention of fraud and/or AML and KYC requirements. This happens when you join and will be carried out automatically.

When a member joins it is in their best interest to provide us with as much information as possible to pass this verification process. We will no longer be required to retain any personal identity information.

The numbers of members joining this year is down on last year with 70 compared to 103. However, from the 3<sup>rd</sup> of February 2022 to 21<sup>st</sup> March 2022 41 new members have joined on line, so we are hoping to see a difference over the rest of the year.

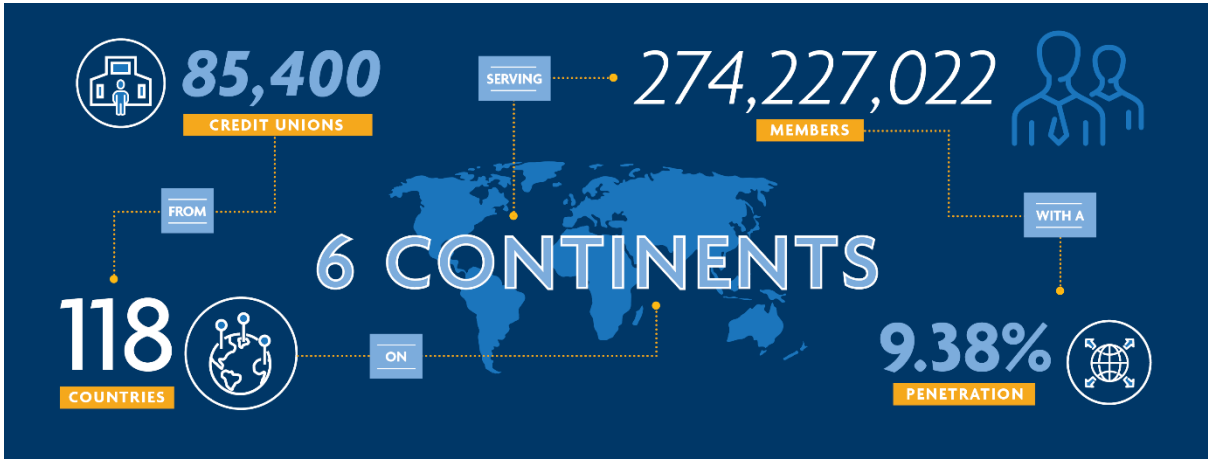
A Credit Union is a financial co-operative which provides savings, loans, and a range of services to its members. It is owned and controlled by the members.

Each member has one vote and volunteer directors are elected from the membership, by the membership.

Credit Unions are owned by the people who use their services, and not by external shareholders or investors. So, the emphasis is always on providing the best service to members – not maximising profits.

Credit Unions have a proven track record across the world.

March 2020

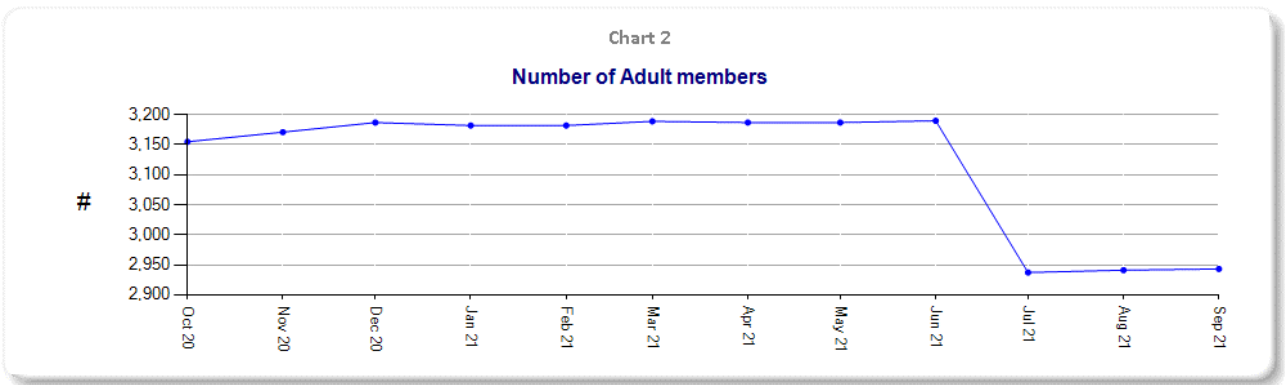


March 2021

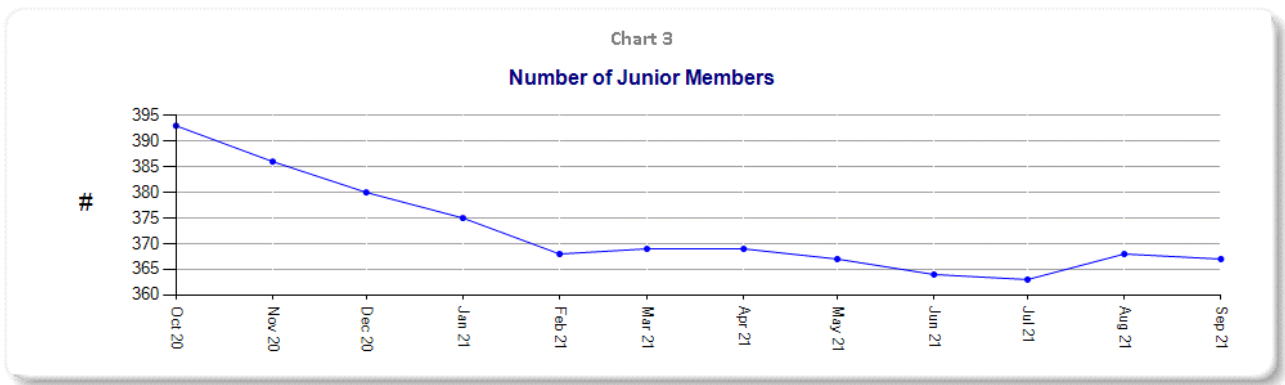


March 2022





- 2943 adult members as of 30<sup>th</sup> September 2021.
- July is when annual maintenance is carried out on inactive accounts.



- 367 junior members as of 30<sup>th</sup> September 2021.

## CREDIT COMMITTEE REPORT

LOANS OFFICER: CATHERINE MORAN

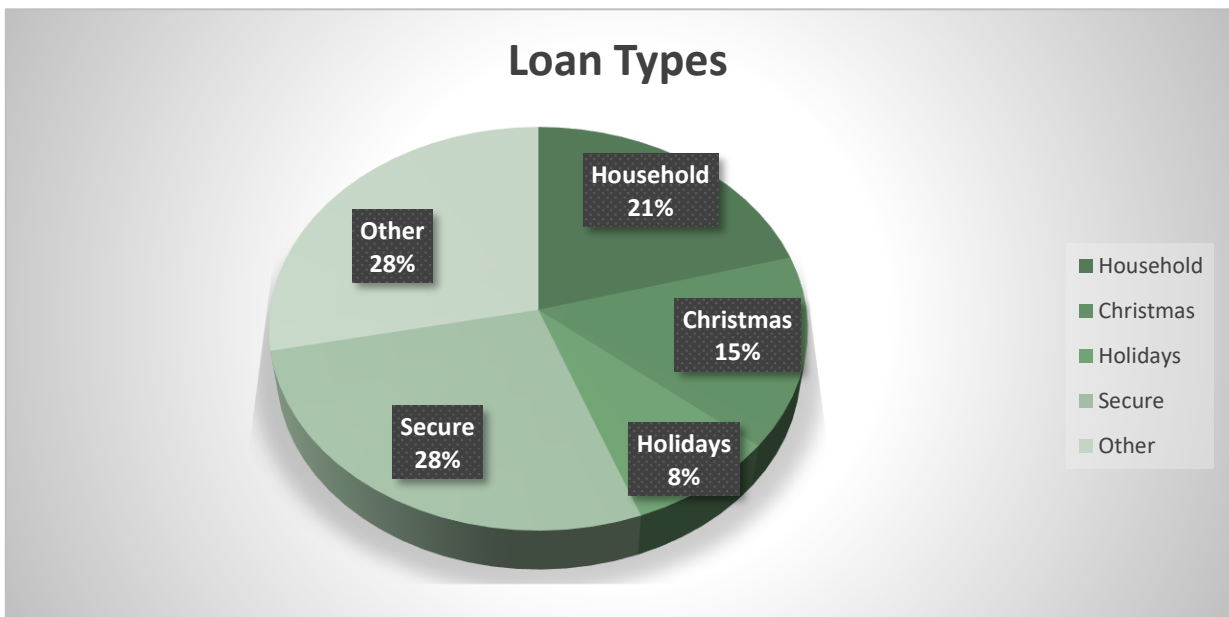
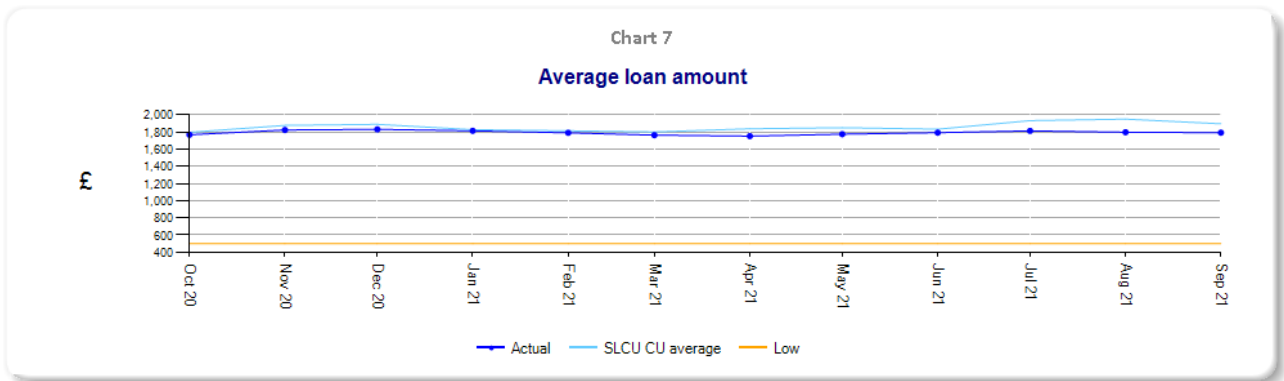
Catherine Moran (Loans Officer) would like to take this opportunity of thanking all those who have supported her during this financial year.

Loans can now be applied for online via our website. The apply on line journey for members has improved since last year with more automation and communication with our members. Looking forward we can only see this improving even further and look forward to affordable loans being decided automatically reducing the friction for our members and making the process much quicker and painless.

The need for members to provide us with the most current information about their income & expenditure is no longer required if they have access to their banking via the internet or a mobile app. This allows us access to open banking with consent from the member. We still use the same principles behind the matrix criterion that we used previously, however this has been scaled back because of the open banking information. To process loans efficiently & timeous, using open banking will be the way forward, although we will still be available to conduct a loan application as previous. To best serve the member, we are constantly reviewing how we do things although the member must also be responsible for their part in the process. A significant large number of loans granted are indeed secure which can be applied for at any anytime and can be processed at the front counter using digital technology as well as us having a way of dealing with this manually.

Loans are now available for signing electronically and if you have an up-to-date email address and mobile telephone number please inform the staff or email directly.

**Failure to respond to the open banking request or where necessary, production of proof of income & expenditure, will result in the Loan Application being UNNECESSARILY DELAYED. Please help us to ensure a prompt response to your request by providing the relevant information with your application.**



From Amount	To Amount	Count	Count %	Amount	Amount%
Minimum	100	153	7.57%	£7,068.27	0.25%
£100.01	£500.00	580	28.68%	£167,943.13	5.83%
£500.01	£1,500.00	628	31.06%	£580,442.32	20.16%
£1,500.01	£2,500.00	268	13.25%	£524,938.59	18.23%
£2,500.01	£5,000.00	328	16.22%	£1,156,970.06	40.19%
£5,000.01	£10,000.00	62	3.07%	£397,978.71	13.82%
£10,000.01	£15,000.00	3	0.15%	£43,444.79	1.51%
15000+	£20,000.00	0	0.00%	£0.00	0.00%
<b>Total</b>	<b>Loans</b>	<b>2022</b>	<b>100%</b>	<b>£2,878,785.87</b>	<b>100%</b>

## CREDIT CONTROL REPORT

ASSISTANT MANAGER: EILEEN MCKEE

As a people centered organisation, Castlemilk Credit Union is willing to negotiate loan terms with members who have difficulty in making payments. We have and will continue to have an open-door policy with our members, as most problems can be resolved.

Any member experiencing difficulties in meeting agreed repayments are encouraged to contact the Credit Union at the earliest possible stage. All member engagement is of course confidential and non-judgmental, and our door is always open to members.

“The Credit Union firmly operates within a “here to help” philosophy. The objective is to amicably reach a solution which works for both parties”.

All of us can experience difficult financial circumstances after entering commitments in good faith. We in the Credit Union are here to assist you in managing the change in your circumstances through credit control. All our procedures i.e., phone calls, emails, text messages, letters and visits, & social media are to encourage those in arrears to come and talk over their problems with a view to resolving them. This we will do very sympathetically. However, we will use all legal means to pursue members who ignore their commitments.

We are currently using Stirling Park as our external recovery agency and in the event of a member who has benefits, we will pursue DWP for a deduction from benefits.

It is our main responsibility to protect our members’ savings and to recover bad debt on behalf of the membership.

Please contact us if you are having trouble and we can signpost you to a better alternative way of managing your debt.

Long term and with the introduction of a new software system, we hope to engage more with our members in assisting them with better financial education based on shared information provided by the member during the lifetime of membership.

In the first instance please contact:

Margaret Ronald - [m.ronald@castlemilkcu.co.uk](mailto:m.ronald@castlemilkcu.co.uk)

## INTERNAL AUDITOR REPORT

INTERNAL AUDITOR: CLAIRE PEACE

I am satisfied with all the tasks carried out during the past year. I would like to thank the Board of Directors and Staff for their assistance and patience, which enables me to carry out my duties.

We continually review our processes and adapt them to maintain compliance and adherence to the requirements specified in law.

The introduction of our new database and accounting software will hopefully enhance our existing processes.

*“External audit is focusing on whether the numbers in the year end accounts a true reflection of the affairs of the credit union are. Internal audit is considering your controls throughout the year including non-financial controls. The internal auditor focus will be on controls throughout the organisation. A strong internal audit function will help support your compliance officer. Compliance will be part of your second line of defence in a three line of defence model while internal audit is your third line.*

*The regulator requires a Credit Union to have an internal audit function whether that is carried out by the Supervisory Committee or a Credit Union Internal Auditor. However, internal audit should be more than just a regulatory requirement and should add value to the Credit Union. It should help give the Board the assurance they require that the Credit Union's controls are operating effectively.*

*For many Credit Unions, they use both a Supervisory Committee and an Internal Auditor to carry out their internal audit work. The Internal Auditor can provide specialist analysis of key areas while the Supervisory Committee can carry out their reviews in between providing a cost-effective system for the Credit Union.”*



## NOMINATIONS & ELECTIONS

DIRECTOR: ANGUS MCINTOSH

Person	Position	Elected	Due for re-election
Angus McIntosh	Director	2020	2023
Linda Barnwell	Director	2021	2024
Janet McLean	Director	2021	2024
Craig Mathie	Director	2020	2023
Lin Masson	Director	2021	2024

## ANY OTHER BUSINESS

DIRECTOR: ANGUS MCINTOSH

## CLOSE OF MEETING

DIRECTOR: ANGUS MCINTOSH

Once again, we would like to take this opportunity of thanking for joining us in our 32nd AGM. We very much look forward to reporting to you next year.





A proud member of

**Scottish League**  
of Credit Unions