

Bute and Cowal Credit Union Ltd.

Twenty-fourth Annual General Meeting

27 February 2019 at Trinity Church Hall Rothesay

Directors' Report

The report covers the year October 2017 – September 2018

The Directors are pleased to report that the past year has been the best in terms of income due to a greater number of Loans being granted and a higher percentage over £3,000. There has been steady growth in membership numbers with 68 (26 net) new members joining. The Total Active membership (that is having used their accounts at least once in the previous two years) at 3 September 2018 was 427

Adults 427 Juniors 14. There were 221 Dormant accounts (accounts not used in the past two years).

It has been a year of changes. There was the implementation of more strict regulations governing Data Protection following the introduction of the GDPR; fundamental amendments were made to our Loan Policy: interest on Loans of £1,000 and less was increased to 2% to reduce the loss incurred on servicing small Loans and amendments made to reduce the risk associated with "loan loading" (both changes were the subject of debate at last year's AGM); our Bute office opening hours on Tuesdays were reduced by one hour (now 10.30 – 12.30) because of the greatly reduced footfall due to the large number of members using Standing Orders to make deposits (members using the office were consulted and were fully supportive); increasing use of emails to communicate with members – this is speedy and virtually cost free.

Our grateful thanks go to our Managers and Staff for their work in ensuring these changes were as effective as possible and caused minimal disruption; and to the Credit Committees for the quality of their assessment work in minimising the loan-risk factors.

The year has also been one where the Board has intensified its efforts to ensure the sustainability and quality of our services and to increase their range - as we promised to do at last year's AGM. Much research was done including in depth discussions with our Trade Body, the Scottish League of Credit Unions and other credit unions. Our conclusion was that we have to be able to introduce services which make full use of all the components of modern communications and internet banking; we need to engage more actively with the local community; we need to be open minded and realistic about the difficulties that small community credit unions have in being able to maintain Board and Staff numbers at viable levels. It became obvious that the only way we could achieve all this was to engage with an existing credit union which already had these things in place and had the governance, financial, administrative and technical capability of merging our services with theirs. In addition, and equally important we were looking for a credit union which had a fundamental belief in the importance of local offices and being able to offer their members face to face contact with staff. We had in depth discussions with four credit unions following which a clear, unanimous decision was made to engage further with RefrewWide Credit Union. The merging of the credit unions is termed: **Transfer of Engagements**

RWCU had a particular further attraction in that Board and Staff had the experience of RWCU itself having been formed by the merging of small local CUs in Renfrewshire with a large one in Paisley; additionally RWCU has for some time been considering further expansion.

We will be asking members to authorise the Board to take the discussions further.

The Board

Sadly Mick Common who was Director/Treasurer died during the year. He is sadly missed as a valued member of the Board and as a colleague and friend.

Due to pressure of her own work we unfortunately lost the services of Kim Findlay – our thanks to her for her efforts on the Board and her general support of BCCU.

The Board were very pleased to get the services of John Weir as an advisor. John has been CEO of a large Cheshire based credit union and has wide business experience. Submissions have been made to our Regulators for John to have Approved Person status which will allow us to Co-opt him onto the board.

Supervisor

Rev Andrew Swift left us at the end of the year, to be Bishop of Brechin. He was a very effective Supervisor and a very supportive friend of BCCU.

Staff

We were fortunate to gain the services of Evelyn Smithies and Hazel Jenkins who brought general office experience and much valued computing skills with them.

Regulation

We have been compliant with the requirements of all Regulators.

Auditors

As always our auditors, Sharles Audit Lt .have provided us with a much appreciated first class service and we will be proposing their re-engagement

Training

Since 2015-16 all credit union Boards of Directors have been required to include in their Annual Report details of on-going board and staff training. Staff have attended the two annual Scottish League of Credit Union conference/workshop weekend; and joint office in-house training events, such as that run by our specialist software provider. Board members attended the SLCU conference/workshop weekends; and took part in Strategic Development and Business Planning days which were specifically structured for the needs of BCCU.

Trade Body: Scottish League of Credit Unions

SLCU provide a bedrock of advice and support. We must thank in particular Dermot O'Neil, CEO, and Katrina Clements, Administrator.

I.T.

In August a successful application was made to The Unity Trust Bank for a grant of £5,000 to upgrade our computer hardware. The equipment will be gradually installed and members should not be adversely affected by the process. We are very grateful to UTB without whose support we would not have been able to do this.

Our thanks to George and Elaine Weir, our Financial Programme providers, and Paul Welsh, our IT advisor for their always prompt and effective response to emergencies and requests for advice.

Publicity

Our thanks to Alison Cross, our very patient webmaster for keeping our website up to date and linked in with our Facebook site

We have continued with our Facebook presence and also we have continued with more traditional publicity methods – ads in the Buteman and Dunoon Standard, posters and leaflets for recruitment of volunteers, loan campaigns, and talks to various groups

Concluding words.....