

Minutes of Annual General Meeting held on 28th May 2020

Hosted using Zoom technology from Caledonia House, Glenrothes, KY6 2AL

Present:



Apologies:



In Attendance:



1. Welcome and Confirmation of Quorum

- 1.1 Vice Chair, George Macdonald will be the meeting chairperson. He welcomed everybody to the Annual General Meeting and explained the need to hold the meeting using Zoom technology due to the ongoing pandemic.
- 1.2 George requested some patience whilst technical issues were resolved with the connection to our auditor.
- 1.3 It was confirmed that more than 15 members (27) are in attendance and the meeting is quorate.

2. Introductions and Apologies

- 2.1 George introduced Janice Gourlay, Chairperson and advised that due to health issues is currently unable to speak for any length of time and so wouldn't be chairing today's meeting. He introduced Sofia Dogan, CEO and advised members that Kenny Murphy of Fife Voluntary Action was also in attendance to support the meeting. George advised that [REDACTED] will be taking the minutes of the meeting.
- 2.2 The chair read out apologies from [REDACTED]

3. Approval of Minutes of previous AGM held on 11 March 2019

- 3.1 George asked Members if they had questions or amendments for the Minutes as presented. No issues were raised.
- 3.2 Approval and adoption of the Minutes was proposed by Ben Evans, seconded by Tom Adams. The Chair asked Members to vote using the poll system on Zoom and to ensure that all Members were able to do so. All votes at today's meeting will be held using polls on Zoom. The Members voted to adopt the Minutes of the previous meeting with 26 votes in favour and 0 against.

4. Report from the Board of Directors

- 4.1 George presented the Board of Directors report. He highlighted the new challenges faced by all in light of the ongoing pandemic and recognised that we are all having to adapt to new ways of living and the impact this has on KCB. KCB continue to support our members during this time with Access Points being the only service stopped for the time being.

- 4.2 Thanks were given to the staff for their efforts and support in the many changes over recent months. Staff are recognised as the greatest asset and we have invested in staff training and development.
- 4.3 Sofia Dogan took up the post as CEO just a few months ago. It is recognised the task facing Sofia in modernising KCB is significant. This action is necessary for business development and sustainability. The Board are confident KCB has a strong future under Sofia's leadership and the new technology, products, policies and processes Sofia is working on will offer members an improved service in the coming months.
- 4.4 Thanks were given to the Directors, volunteers and to [REDACTED], who has decided to move on. Anyone interested in becoming a Director or volunteer should contact Sofia.
- 4.5 Thanks were also given to Fife Voluntary Action for their support. FVA set up the Helping Hand project to support vulnerable people in Fife. The Board of Directors agreed to donate £5,000 to support this project.
- 4.6 Members were urged to visit KCB's new website and update their contact details through the site.
- 4.7 Going forward, it is planned to utilise the services provide by ABCUL and upskill the Board of Directors. The business plan and forward strategy will be reviewed, especially in light of the pandemic. A significant internal audit process did not raise any new issues. KCB is also working towards cyber security accreditation.
- 4.8 Members were asked to adopt the report from the Directors. Members voted 26 in favour and 0 against.
- 4.9 Member [REDACTED] joined the meeting during this item.

5. Report from the Treasurer

- 5.1 Ben Evans presented the Treasurer's Report. Ben reported that the year has seen a growth in membership and new loans. Post tax profit shown £1,488. Although a drop from the previous year, this was largely due to the merger with DDCU.
- 5.2 Capital to asset ratio is very healthy (11.98%) and we should take steps to better use our assets for the benefit of members. An investment sub-committee has been established by the Board to work on this.
- 5.3 The impact of the pandemic has seen a drop in the level of business. KCB continues to provide loans where responsible and recover debts where reasonable. KCB will continue to take sensible precautions to protect members.
- 5.4 The external auditor has highlighted no new issues. The auditor considered the proposed dividend of 0.5% and 1% to be reasonable, fair and justified.
- 5.5 Ben on behalf of the Board of Directors recommended that members agree to adopt the audited accounts as a true and fair statement. Members voted 26 in favour and 0 against.

6. Report from the Auditor

- 6.1 David Adams of Lindley Adams presented his report. David reported that KCB continues to have a solid balance sheet with healthy reserves of £726,000. Over the past 2 years a small profit has been made (with exception to the DDCU merger).
- 6.2 He noted a rise in every element if income. Increased costs included death and loan insurance, office refurbishment, computer maintenance and employment costs. David commented that KCB would likely have been on course for an enhanced profit in the current year had it not been for the impact of the pandemic.
- 6.3 KCB have the funds to be making profit and to benefit members.
- 6.4 David added that KCB may look to reduce the use of grants and aim to be self-sufficient without grants.

6.5 In conclusion KCB have a clean audit report, making profit and with substantial funds to utilise.

6.6 Members were asked to adopt the Auditor's report and voted 26 in favour, 0 against.

7. Declaration of Surplus and Proposed Distribution

7.1 George advised that the Board of Directors proposes to the membership not to distribute the surplus (£1,488) but to invest back into the business.

7.2 Members were asked to vote on this proposal and voted 26 in favour, 0 against.

8. Dividend

8.1 Gordon advised that the Board of Directors proposes to the membership a dividend of 0.5% for qualifying adult members and 1% for junior members.

8.2 Members were asked to vote on this proposal and voted 26 in favour, 0 against.

9. Report from the CEO

9.1 Sofia gave a summary of what KCB has been working on over the past year, including investing in staff restructuring and training. Staff have been enrolled in the Chartered Banking Institute course and have undergone training provided by ABCUL with a view to develop staff. KCB has committed to be a Real Living Wage employer. Improvements have been made in our premises and this will require to be reassessed in the coming weeks/months as we look to return to work in branches again after lockdown. KCB made an important investment in I.T. There is a huge amount of work involved in moving to a new, improved system. New website has been launched and we are in the process of testing the new online feature to enable members to apply for loans online. Current loan waiting time has decreased from around 10 working days to 3 working days and it is hoped the online system will consolidate this, and potentially reduce it in some cases. Significant progress has been made with payroll saving with new employers joining, including Fife College.

9.2 The pandemic has had a huge impact on KCB. This has identified our strengths and also some weaknesses. Sofia stressed that KCB is here to help members during this time and urged those who are struggling to get in touch. Benefit cuts/Universal Credit have seen an increase in members finding themselves in financial difficulties and again, KCB will help where possible.

9.3 Sofia welcomed feedback from members, whether good or bad. Engagement with members is important in the running of KCB.

9.4 Staff were thanked for their hard work, enthusiasm and care for members. Thanks were also given to the Board of Directors and all volunteers. Special thanks were given to all members for their support and custom.

9.5 Members were asked to adopt the CEO's report and voted 25 in favour, 0 against.

9.6 Member Lesley Law left the meeting during this item.

10. Appointment of Auditors

10.1 George advised Members that it was the recommendation and proposal of the Board of Directors that Lindley Adams be retained as auditors for a further year.

10.2 Members voted 25 in favour, 0 against.

11. Elections to the Board of Directors

11.1 Procedurally, Board members require to stand after each 3 year term and are often able to be re-elected if they are willing and eligible. This year Ben Evans, Pauline Marsland and Jim Young are required to stand down. George advised that all 3 Directors are keen to stand again.

11.2 Members were asked to vote on the election of each candidate:

11.2.1 Members voted to elect Ben Evans, 25 in favour, 0 against

11.2.2 Members voted to elect Pauline Marsland, 25 in favour, 0 against

11.2.3 Members voted to elect Jim Young, 25 in favour, 0 against

George confirmed that all retiring Directors had been duly elected back onto the Board.

12. Special Resolution to Amend the Rules

12.1 George explained that these amendments are necessary to update our rule book to reflect our change in Trade Body from the Scottish League of Credit Unions (SLCU) to the Association of British Credit Unions Limited (ABCUL). This change has been made taking into consideration the significant training and support offered by ABCUL.

12.2 George pointed Members to the documentation that had been posted on our website and circulated to attendees in advance of today's meeting. The documentation shows the current Rules, proposed new rules and a list of the key differences between them.

12.3 George asked Members if they had any questions. No questions were raised.

12.4 George advised Members that it was the recommendation of the Board of Directors that the Members vote in favour of this Special Resolution to amend the Rules:

Do you agree that the Rules of the Society be amended per the briefing circulated in advance, and as set out in full in the Rules document accompanying the briefing, and that the Directors be authorised to take all steps needed to effect this?

12.5 Members voted 25 in favour and 0 against.

13. Any other Business

13.1 There being no further business raised, George brought the meeting to a close and thanked everybody for their attendance and support.

Ends.