

# Confirmed Minutes of Annual General Meeting held on 08 March 2023

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

**Present:** George MacDonald (Chairperson), Ben Evans (Treasurer), Tom Adams (Vice Chairperson), Pauline Marsland (Secretary), Janice Gourlay (Director), Jim Young (Director), Bryan Rees (Director), Sofia Dogan (CEO),

[REDACTED]

**Apologies:**

[REDACTED]

**In Attendance:** Kenny Murphy (FVA) Advisor to the Board, David Adams (Lindley Adams, Auditor)

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## 1. WELCOME AND CONFIRMATION OF QUORUM

- 1.1 GM welcomed everybody to the 19<sup>th</sup> Annual General Meeting.
- 1.2 GM then gave a brief update on the use of technology and instructions for voting via the online polls.
- 1.3 It was confirmed that more than 15 members are in attendance and the meeting is quorate.

## 2. INTRODUCTIONS AND APOLOGIES

- 2.1 GM introduced Sofia Dogan, CEO, Tom Adams, Vice Chairperson, Ben Evans, Treasurer and advised members that Kenny Murphy of Fife Voluntary Action was also in attendance to support the meeting. GM advised that [REDACTED] will be taking the minutes of the meeting.
- 2.2 GM welcomed David Adams from Lindley Adams to the meeting.
- 2.3 The chair read out apologies as noted above.
- 2.4 GM advised that this was our 4<sup>th</sup> AGM held on Zoom, which seems to have worked well, however we would appreciate any feedback on this method.

## 3. APPROVAL OF MINUTES OF PREVIOUS AGM HELD ON 10 MARCH 2022

- 3.1 GM asked Members if anyone had questions or amendments for the Minutes as presented.

- 3.2 [REDACTED] raised that it was herself that was in attendance and not [REDACTED]. GM confirmed that the minutes will be amended to reflect this.
- 3.3 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 unanimously.

#### **4. REPORT FROM THE BOARD OF DIRECTORS**

- 4.1 GM presented the Board of Directors' report.
- 4.2 GM stressed that this meeting is for the benefit of Members and that it is Director's duty to provide the membership with all the relevant information and updates on the running of the credit union.
- 4.3 GM further added that despite the many challenges over the year, the business continued to grow and transform, which is down to the commitment and hard work of our CEO and her staff team.
- 4.4 He updated Members that the Board had a new Director who unfortunately had to stand down due to health issues. He reiterated that should anyone be interested in becoming a Director, they should contact Sofia in the first instance.
- 4.5 GM noted that the Board's key objective continues to be the overall compliance of KCB with the emphasis on safeguarding Members' money.
- 4.6 GM thanked all Members for attending the meeting and for their continued support.
- 4.7 GM opened to questions. No questions raised.
- 4.8 Members were asked to adopt the report from the Directors. Members voted unanimously to adopt the report.

#### **5. REPORT FROM THE TREASURER**

- 5.1 BE presented the Treasurer's Report and expressed that it gives him pleasure to present a financial overview for the year 2021-2022.
- 5.2 BE commented that it was a year that saw us emerge from the pandemic, but the financial situation was still difficult for many.
- 5.3 BE further added that the business showed a surplus for the year of £71,079 compared with £53,304 the previous year. He was pleased to advise we are still weathering the storm and holding our own in the present period.
- 5.4 BE commented that the CEO and staff must be highly commended in the way they support the Members, which includes ensuring that we remain a responsible lender.
- 5.5 BE noted that the capital to asset ratio of 13.7% is also up on the previous year and exceeds the minimum of 5% as laid down by the regulatory requirements.
- 5.6 BE provided a brief update on the work carried out by the Auditors and any recommendation/s they provide. He confirmed that the Board has discussed these matters and all issues have been given the attention needed. He further added that that all historical issues raised previously have been resolved and that the financial management arrangements are in the strongest position they've ever been.
- 5.7 The external auditor has highlighted no new issues. The auditor considered the proposed dividend of 1.25% and a junior interest of 1.25% to be reasonable, fair and justified.
- 5.8 BE highlighted that the dividend matter is a separate item on the agenda.
- 5.9 BE, on behalf of the Board of Directors, recommended that members agree to adopt the audited accounts as a true and fair statement.
- 5.10 Members voted unanimously to adopt the audited accounts.

**6. REPORT FROM THE AUDITOR**

- 6.1 GM introduced David Adams of our external, independent auditors, Lindley Adams. DA thanked GM for the introduction and presented a brief verbal report.
- 6.2 DA reported that KCB continues to have a solid balance sheet with healthy reserves and echoed both GM's and BE's comments with regards to the sector's challenges over the past few years.
- 6.3 DA talked about the upcoming changes to the sector on the regulatory and legislative front. He further added that to achieve a clean audit report is a real testament and compliment to the work done well. Many organisations struggle to achieve this following the recent changes to the accounting reporting.
- 6.4 DA commented on the main contributor of the surplus being the work behind debt recovery and that we have a real potential to help Members with 20% of funds currently loaned out.
- 6.5 DA recommended that the Board looks at the ways to increase that and complimented the Board and staff for all their input.
- 6.6 GM thanked DA for a very positive report and asked if anyone had any questions.
- 6.7 [REDACTED] asked if it is possible for community groups to open bank accounts? DA responded that the upcoming changes to the sector will give it scope to introduce new products and services.
- 6.8 BE then added that whatever the changes, we will still need to remain a responsible lender. The staff are excellent at helping Members and pointing them in the right direction.
- 6.9 [REDACTED] and [REDACTED] and would struggle to access the Methilhill branch. She asked if there is a way she can access it. GM responded that her question is noted a member of staff will contact her directly to discuss available options and provide support.
- 6.10 DA further confirmed that the Auditor makes recommendations and raises issues with Directors post-audit and that there was nothing of concern to report to the Board of KCB.
- 6.11 In conclusion KCB have a clean audit report, with substantial funds to utilise.
- 6.12 Members were asked to adopt the Auditor's report and voted unanimously in favour.

**7. DECLARATION OF SURPLUS AND PROPOSED DISTRIBUTION**

- 7.1 GM advised that the Board of Directors propose that some of the surplus should be distributed to Members in the form of a dividend and remaining funds re-invested back to the business.
- 7.2 Members were asked to vote to agree the declaration of surplus and proposed distribution. Members voted unanimously in favour of the proposal.

**8. DIVIDEND**

- 8.1 BE advised that the Board of Directors proposes and recommends to the membership a dividend of 1.25% for qualifying adult members and 1.25% for junior members.
- 8.2 Members were asked to vote on this proposal and voted 29 in favour, 1 against, 0 abstentions.

**9. SETTING OF ADMINISTRATION FEE**

- 9.1 GM proposed that Members agree to retain the annual administration fee at a rate of £5.00.
- 9.2 [REDACTED] commented that she did not agree with the fee, the fact that the credit union is in a good financial position, why does everyone need to be charged?
- 9.3 [REDACTED] commented that it could be considered unfair to be charged the fee when in some years there was no dividend received.

- 9.4 BE responded that from his perspective, the £5.00 covers a lot of our administrative costs and if we did not collect this, it would affect our surplus and ultimately dividend payable to Members.
- 9.5 GM commented that it is a balancing act.
- 9.6 [REDACTED] commented that as a retired manager having worked in the administrative setting, she agrees that it is very expensive to run a business and understands the need for a fee.
- 9.7 Members were asked to vote on this proposal and voted 28 in favour, 2 against.

## 10. REPORT FROM THE CEO

- 10.1 SD opened her report, advising that it is a great pleasure to be able to address Members and discuss the past year and the year ahead with them.
- 10.2 SD gave a summary of what KCB has been working on over the past year and recognised the pressure on household budgets.
- 10.3 SD had hoped members had found time to read the latest newsletter which gives an insight on what has been happening at KCB and what our plans are.
- 10.4 SD commented that the increased surplus reflects on the changes over the past few years when we continue to strengthen the business.
- 10.5 She further added that we continue to manage our overheads to ensure that the credit union remains robust and sustainable.
- 10.6 SD provided an update on the two new projects that will be starting in April.
- 10.7 SD advised she was pleased to be able to share how we have improved every area of the business and are receiving dramatically fewer complaints. The staff team are now proud to be part of KCB.
- 10.8 Staff were recognised and thanked for their hard work, enthusiasm, and care for members.
- 10.9 Thanks were also given to the Board of Directors and volunteers. Special thanks were given to all Members for their support and custom.
- 10.10 GM thanked SD for her report and asked if there were any questions.
- 10.11 [REDACTED] asked if there were any plans to go out into communities to do face-to-face for those who are not digitally literate.
- 10.12 SD responded that our new projects would map the need within communities and we will be able to respond based on that.
- 10.13 [REDACTED] asked what would happen when or if the central banks were to go down. SD advised the CUs are regulated in the same way as banks and if she meant a national crash in banking system, then it would become a job for our government.
- 10.14 [REDACTED] asked if we are doing anything to keep cash. SD asked for clarification. [REDACTED] clarified that she was enquiring about cash in hand rather than going digital. SD advised we are digital but also accessible to people who do not have access to technology. GM advised there is an element of hard cash.
- 10.15 [REDACTED] advised she did not receive a statement, but went online to check account, tried to print off but it did not work. SD advised every Member had been emailed their statement and was posted to those who do not have an email address. SD will check and ensure [REDACTED] receives this. SD did agree that the online version does not allow it to print clearly and advised we are working towards improving this.
- 10.16 [REDACTED] really glad to be seeing financial inclusion on the agenda and thanked Sofia and staff for their dedicated work.
- 10.17 Members were asked to adopt the CEO's report and voted unanimously in favour.

## 11. APPOINTMENT OF AUDITORS

- 11.1 GM 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.

11.2 Members voted unanimously in favour.

11.3 GM thanked David for report today and all the work they do throughout the year.

## **12. ELECTIONS TO THE BOARD OF DIRECTORS**

12.1 GM informed Members that procedurally, Board Directors are required to stand down after each 3 year term and can be re-elected if they are willing and eligible. This year, Tom Adams and Jim Young are required to stand down. He advised that both are keen to stand again.

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

12.2.1 Members voted to re-elect Tom Adams, unanimously

12.2.2 Members voted to re-elect Janice Jim Young, unanimously

GM confirmed that both retiring Directors had been duly elected back on to the Board.

## **13. ANY OTHER BUSINESS**

13.1 ██████████ asked if there would be the possibility of having a KCB presence in Burntisland, she knew of volunteers that could set this up if training and support could be provided.

13.2 SD advised that if they have appropriate volunteers then training could be organised. ██████████ was advised to contact SD to discuss further.

13.3 There being no further business raised, GM brought the meeting to a close and thanked everybody for their attendance and support. He encouraged Members to recommend KCB to friends and family.

*The meeting finished at 19:02 hours.*

Ends.