

DRAFT, UNAPPROVED Minutes of Annual General Meeting, held on 26 May 2021

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

Present:

[REDACTED]

Apologies:

[REDACTED]

In Attendance:

[REDACTED]

1. WELCOME AND CONFIRMATION OF QUORUM

- 1.1 GM welcomed everybody to the Annual General Meeting and explained the need to hold the meeting using Zoom technology.
- 1.2 GM advised that meeting is conducted under the same Rules as last year and new Rules are currently with the Regulators for registration.
- 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 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.
The chair read out apologies as noted above.

3. APPROVAL OF MINUTES OF PREVIOUS AGM HELD ON 28 MAY 2020

- 3.1 GM asked Members if anyone 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 unanimously.

4. REPORT FROM THE BOARD OF DIRECTORS

- 4.1 GM presented the Board of Directors report. He highlighted the challenges faced by all in light of the ongoing pandemic and recognised that we have all had to adapt to new ways of living as well as the impact this has on KCB. The Board, too, has continued to develop.
- 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 GM highlighted that the CEO has continued to support KCB's journey and has introduced new strategies for business development and sustainability, ultimately bringing it into the 21st century.
- 4.4 GM commented on the progression over the past year with introduction of new technology, online access and more. GM took the opportunity to thank KM for his input, technological expertise and guidance and noted that his contribution was valued.
- 4.5 GM commented on how new technology allowed staff to work from home and stay safe, whilst serving Members without disruption.
- 4.6 Thanks were given to the Directors and volunteers. Anyone interested in becoming a Director or volunteer should contact Sofia.
- 4.7 Volunteers have had to step down during the pandemic but KCB is working on finding safe ways to re-engage with everyone.
- 4.8 Thanks were given to Fife Voluntary Action for their support to the Board during these testing times.
- 4.9 Thanks were also given to ABCUL for their support and the opportunities they have provided for upskilling the Board of Directors.
- 4.10 Members were urged to provide feedback, suggestions or raise any concerns relating to KCB services to Sofia in the first instance.
- 4.11 GM opened to questions. No questions raised.
- 4.12 Members were asked to adopt the report from the Directors. Members voted unanimously to adopt the report.

5. REPORT FROM THE TREASURER

- 5.1 Ben Evans presented the Treasurer's Report. Ben reported that it was a tricky year as the pandemic was gripping the world and it is also reflected on the performance of KCB with a loss for the year 2019 -2020 of £24,164.
- 5.2 BE further commented that whilst it is a disappointing figure, the financial performance since the year end has improved significantly, showing excellent resilience and for this the CEO and staff need to be highly commended.
- 5.3 The capital to asset ratio is very healthy (11.27%) and we should continue to take steps to better use our assets for the benefit of members. An investment sub-committee, established by the Board, continues to work on this.
- 5.4 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.
- 5.5 The external auditor has highlighted no new issues. The auditor considered the proposed dividend of 0.0% and a junior interest of 0.50% to be reasonable, fair and justified.
- 5.6 BE, on behalf of the Board of Directors, recommended that members agree to adopt the audited accounts as a true and fair statement. 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. David presented a brief verbal report. David reported that KCB continues to have a solid balance sheet with healthy reserves.
- 6.2 DA commented on the rise in the provision on delinquent loans and confirmed that this seems to be the position of many credit unions they are dealing with. This is one of the impacts of the pandemic.
- 6.3 David commented that KCB have the funds to be making profit and to benefit members.
- 6.4 The percentage of loans to funds held is low and KCB should be looking at ways to increase lending.

- 6.5 The capital to asset ratio is more than double of what is required and KCB is in a great position to move forward and recover from the past year.
- 6.6 DA further confirmed that the Auditor makes recommendations and raises issues with Directors post audit and there was nothing of concern to report to the Board of KCB.
- 6.7 DA stressed that improvements in systems and technology within KCB strengthened their resilience. He went on to further add, that only credit unions who developed their systems and made improvements to their accessibility will be able to survive in the future.
- 6.8 In conclusion KCB have a clean audit report, with substantial funds to utilise.
- 6.9 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 as there was no surplus made in the year, therefore there is nothing to distribute.
- 7.2 Members were asked to vote to agree that there would be no distribution of surplus for the year. Members voted 26 in favour, 0 against, with 1 abstention.

8. DIVIDEND

- 8.1 GM advised that the Board of Directors proposes and recommends to the membership a dividend of 0.0% for qualifying adult members and 0.50% for junior members.
- 8.2 Members were asked to vote on this proposal and voted 26 in favour, 0 against, 1 abstention.
- 8.3 The Member who abstained advised that she has not voted on both, the surplus and the dividend, as she is worried that it will put people off from keeping their money in the credit union.
- 8.4 GM explained that as there was no surplus, there is nothing to distribute back to the membership.
- 8.5 BE further added, that in the current economic climate, there is not much choice when it comes to a return on investment. If Members take their savings out, the choices to re-invest are very limited. With the bank's base rate at its lowest, we should be looking at the other benefits of being a Member of a credit union.
- 8.6 There were no further questions.

9. REPORT FROM THE CEO

- 9.1 SD commented that she is pleased to be here in her second year addressing Members as the CEO of their credit union.
- 9.2 SD gave a summary of what KCB has been working on over the past year, which she called a year of uncertainty, resilience, and perseverance.
- 9.3 KCB continued to make investments in I.T. Members can now apply for loans online, which has significantly improved the loan assessment time. New technology was a big learning curve for staff and Members alike.
- 9.4 SD commented that key policies were reviewed and updated during the year, in particular the Lending Policy. Importance is always given to being fair and consistent in our decision making process.
- 9.5 The pandemic has had a huge impact on KCB with many changes being put in place to better the way we communicate with Members and to give Members confidence in their local community bank.
- 9.6 SD reported that the downside of the pandemic was the necessity to close KCB's Access Points and ask volunteers to step down in order to protect their health and safety. SD recognised that volunteers have always been an integral part of KCB and work is under way to find a safe way to reinstate access points in a safe environment.

- 9.7 SD gave a brief update on the data cleanse which resulted in a reduction of membership (just below 6,000), indicating that KCB had a lot of old, dormant and inactive accounts that were previously included in calculation.
- 9.8 SD shared some further information that she believed would be of interest to Members:
- 1,209 Members joined KCB since October 2019
 - The online portal launched in March 2020 as a direct response to the lockdown and it resulted in 9,878 requests received in the first 12 months
 - The online loan application has gone live just under 8 months ago and 3,500 loans received to date already.
- 9.9 SD further added that whilst the audited accounts report the period to September 2020, the business has been returning to profitability, which has been steady and fairly swift.
- 9.10 SD welcomed feedback from members, whether good or bad. Engagement with members is important in the running of KCB.
- 9.11 Staff were recognised and 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.
- 9.12 Members were asked to adopt the CEO's report and voted unanimously in favour.

10. APPOINTMENT OF AUDITORS

- 10.1 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.
- 10.2 Members voted unanimously in favour.

11. ELECTIONS TO THE BOARD OF DIRECTORS

- 11.1 Procedurally, Board members are required to stand down after each 3 year term and are often able to be re-elected if they are willing and eligible. This year Ben Evans, Bryan Rees and Iain Douglas are required to stand down. George advised that Iain Douglas is standing down from the Board and the other two retiring Directors are keen to stand again.
- 11.2 GM thanked ID for his contributions and commitment over the years.
- 11.3 Members were asked to vote on the election of each candidate:
- 11.2.1 Members voted to elect Ben Evans, unanimously
 - 11.2.2 Members voted to elect Bryan Reese, unanimously
- George confirmed that both retiring Directors had been duly elected back onto the Board.

12. ANY OTHER BUSINESS

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

The meeting finished at 13:40 hours.

Ends.