

**Minutes of the 40th Annual General Meeting – Hybrid**  
**Turf Moor Burnley**  
**Go to Webinar online**  
**Friday 04<sup>th</sup> March 2022**

Jake Hatch – ABCUL – Welcomed members and covered housekeeping.

Questions were invited throughout the AGM via the questions tab.

The electronic polling system was explained and members were directed to the handout section for any relevant documents including last year's AGM minutes.

A test poll took place and this was successful

In the room, at 7pm Kathryn Fogg announced the new hybrid format for the meeting and explained to members that there were members present online and voting would take place via a poll.

Members were given 10 minutes to review the minutes of the last AGM.

Gerard Spain:

Good evening and welcome to our first hybrid AGM! And our 40<sup>th</sup>.

Welcome to our online guests also, hope everything runs smoothly.

**Quorum**

A quorum of the membership was present with 55 members present, 2 guests and 11 online viewers. 35 apologies had been given

Special mention to our guest speakers and to Mark, our accountant who now looks after 16 Credit Unions. There aren't many auditors that are working in the Credit Union world so we are very grateful to all Mark does for the sector.

The President said that, sadly, the Credit Union had lost 44 members who had died in the last year and the members held a minute's silent remembrance for;

Alan Waddington, Kenneth Parkinson, Robert Spillane, Albert Shea, Leonard Ormrod, Helen Sherman, Altaf Ahmed, Philip Kirkbride, Allan Durkin, Joan Skinner, John Whitaker, Margaret Proctor, Christine Gould, William Cairns, Katie Graves, Florence Hartley, Douglas Ralston, Tony Greaves, Richard Grennan, Vivienne Webber, Mary Thompson, Kathleen Heath, Brian Maden, Angela Harding, Tina Heffernan, Pamela Makinson, William Stephen, William Sloyan, Kelsey Devlin, Neil Grimes, Nazia Rashid, Anna Grattan, Mark Armistead, Georgia McNeill, Andrew Lunt, Susan Feckey, Maureen Foy, William Stevenson, Thomas Connors, George Messenger, Guy Mawson, Brian Russell and John Dalton.

Special mention was given to Alan Waddington one of the founding fathers of the Credit Union and Peter Pike and Kenneth Parkinson, as long serving Directors of PCCU

**Minutes of the last AGM**

Gerard Spain:

Minutes have been provided so we can dispense with the reading of the minutes.

No proposer or seconder would be required this year, we will hold a poll online and then a show of hands in the room.

A show of hands and online poll took place to approve the minutes from last year, this was a majority for both.

**Report of the Board of Directors**

The President, Gerard Spain, made the following points in the report of the Board of Directors:

Amidst all the problems in the world, it is nice to bring some good news about the success of PCCU. It has been a tough but successful year.

The performance

- The loan book is up from £5.6M to £6.8M, a 119% increase in the last three years. In Feb 22 this was up to £8.5M. This highlights the need for a local Credit Union
- Shares went from £10.3M to £13.2M and now at £13.6M.
- Assets up from £11.6M to £13.2M, and now at £15.8M in Feb 2022.

- In 2020 total income including grants received of £173k was £1.5m. In 2021 with no grants received this was £1.6m
- Surplus before distributions in 2020 was £583k, in 2021 this increased to £746k without grants received
- Distributions to members – 2019 £46k (37%)/ 2020 £108k (19%)/ 2021 £340k (46%)
- Total reserves have increased from £1.3m to £1.9m
- The general reserve has increased from £652k to just over £1M

The special reserve that stands at £500k is a separate reserve maintained by PCCU. The Board have agreed this should be held at £500k. This is an emergency fund in case of unforeseen expenditure to keep the general reserve intact.

With the large increase in loans, it's more important than ever to keep a tight control over the arrears. Over the last two years the arrears management has actually improved. In 2020 our net bad debt cost was £230k, in 2021 this reduced to £116k. The systems are constantly being updated in order to ensure we are protecting members' investments.

The Colne office move went exceptionally well, this came at a time when we needed more space for increased staffing levels.

The Affinity merger and expansion into Preston has been pleasing, we have had 963 new members in Preston taking loans of £682k and 974 new members in Cumbria, taking loans of £623k.

I'd like to take this opportunity to thank the Directors and staff at PCCU, without their support during the year it would not have been possible to undertake all the growth and development we have done.

I would also like to take the opportunity to thank the Directors and staff of Affinity Credit Union for their co-operation in making this merger happen.

It would be remiss of me not to mention Peter Pike who has died recently, he was a true stalwart of BACCU and then PCCU, his friendship and valued input will be sadly missed. Also to Ken Parkinson, who was a dedicated long term director, particularly in the NCCU days. Ken was sadly lost in the last 12 months also.

And Alan Waddington, one of the Founder Directors of NCCU, who opened the Parish Christmas club and was actually originally against the Credit Union, as he was concerned it would compete with his Christmas Club.

Finally and by no means least thanks to you the membership who continue to spread the good news about PCCU and continue to support us by using the services and spreading the word.

A show of hands and online poll took place to approve the report of the Board of Directors, this was a majority for both.

### **Auditors & consideration of the Accounts**

Mr Mark Heaton of KM Accountants, Burnley made the following points in his report.

Good to be with you again at your AGM. We are now working with 16 Credit Unions, we have found none are the same, some work with large employers, some with specific industries, some entirely volunteer run and some the same as you working in the community.

Credit Unions are led by board of directors, these are volunteers. This role is an important one as they are responsible for overseeing the activities and ensuring rules and regulations are followed.

My report is on pages 6, 7 & 8 of the accounts if anyone wishes to read them. In our opinion the accounts give a true and fair view of the state of the Credit Unions affairs and its income and expenditure.

The balance sheet shows total assets of £15M made up almost 50/50 of funds held in the bank and loans to members. The Credit Union owns a property in Nelson and that is stated at the cost it was acquired at although is now worth more in the current climate.

Shares amounted to 13M on 30<sup>th</sup> September.

Capital to assets ratio is 12.33% up from 11.1% the year before, the minimum requirement for PCCU is just over 6% so there is a significant buffer in place.

It is not always easy to compare one year's accounts to the next, 2020/2021 introduced new factors such as expenditure incurred on the transfer of engagements into Pennine from the merger with Affinity. The setting up of the new Colne office, plus additional expenditure that arises from growth of the Credit Union over the last two years, improved

telephony, increased mailshots and marketing and staff annual increments as well as increase in wages for taking on new responsibilities.

In conclusion I am able to advise that the processes in place are followed correctly and the Credit Union is well managed.

A show of hands and online poll took place to approve the minutes from last year, this was a majority for both.

### **Declaration of Dividend & Distribution of Surplus**

In terms of dividend on shares, we need to be careful we don't get flooded. We want regular savers. The Fixed term was well received but no longer continues. The majority of the savings in this were converted to normal shares and remain in the Credit Union as the dividend was still very competitive for today's market.

We can't make this too attractive as we will get a flood and this will impact existing members. We also need to consider the members who take the loans and generate the revenue for the credit union, its only right that they get their fair share of the distributable surplus that we have. Therefore this year The Board of Directors is recommending to increase the dividend to –

Adult Dividend 1.5% from 1%

Junior Dividend 1.5% from 1%

To increase the loan interest rebate from 6% to -

Adult loan interest rebate 10%

This means, for example, that members taking the family loan, every £10 they pay in interest they will get £1 back.

This is a phenomenal position to be in.

The allocations of money will be £179k in dividend and £161k in 10% loan interest rebate. Almost a 50/50 split between savers and borrowers.

A show of hands and poll took place, there was a majority in the room and online.

### **Appointment of Auditors**

Gerard Spain-

KM accountants/Mark Heaton put a lot of effort in supporting our sector and they are now doing accounts for 16 Credit Unions. This takes a phenomenal amount of work and we are pleased that his great reputation got out.

The Board would like to propose KM accountants and Mark Heaton as our Auditor for the next year.

A show of hands in the room and online poll took place. This was a majority for both

### **Charitable donation**

It has been another difficult year. The decision to increase the charitable donation last year was well received. The Board are proposing to go with the same proposal as last year but with the addition of a donation in Peter Pikes name to the charities he supported.

£2.5k to Building Bridges

£2.5k to St Peters Church

£12k will go to local charities and £2k will go to Cumbrian charities, this year's donations were recommended by the volunteers of Affinity Credit union.

A show of hands in the room and online poll took place, there was a majority in the room and online

### **Elisha house: Emma – Support worker.**

Emma is the only female worker at Elisha House and deals with referrals and assessments.

Thanks to PCCU for your generous donation, Elisha house is not for profit and every penny goes back into the project to ensure we can help as many people as possible.

We are very keen to give back. We are a recovery home that helps adult males, we are a safe judgement free project. Elisha house is a 31 bed project which was originally a 10 bed hostel, then a 10 bed recovery home 3 years ago, last year we expanded to a 25 bed recovery home with 6 flats in the community.

We are funded by housing benefits and the residents pay £45 for meals and service charge.

All the meals are prepared by a catering team and cooked by the residents, this is important as some residents never had a home before and have no basic life skills.

We offer a three stage programme:

Recovery - A safe place to detox supervised and the start of the 12 step programme.

Employment/Education and training – this has more freedom and 8 hours per week voluntary work. This give skills needed to achieve employment when they leave us.

Community flats – This provides a safe place to experience living back in the community as well as providing skills needed. All our residents leave with Functional skills such as English and Maths.

We have also opened a holiday club for children at risk or involved in substance abuse. These children wouldn't be accepted into a holiday club elsewhere.

We have a gardening project to help local people in the community that care take care of their gardens, we helped a local school organise their outdoor area, this was vandalised and we helped fix it up and make it safe for the children again.

We help with the Park run and Pendle triathlon and we are even moving an entire orchestra from one location to another soon!

We have a very small team who have all been touched by addiction, either personally or through loved ones

We plan on using this donation to by some recording equipment so that we can show and promote what we do and record their testimonials to share and give hope to others.

This donation is very generous and will make a massive difference to our residents but what it signifies is powerful, it signifies hope and acceptance.

A donation from a community not linked to addiction gives hope that they will be accepted when they leave us, hope that they have a future and the knowledge that they are loved and worth saving.

### **Gawthorpe Textiles: Christina Cope – Fundraising and Development officer**

It is an honour to be here and be given the opportunity totalk to you about Gawthorpe textiles collection.

Gawthorpe textiles collection is a small independent charity that operates from the Gawthorpe estate in Padiham. It's a real jewel of our local area.

We have over 30 thousand items of textiles etc. our charitable objective is to hold a collection and develop arts and crafts for educational purposes

The collection was founded by Rachel Shuttleworth and the trust is led by the Shuttleworth family who owned and lived in the hall for over 400 years. Rachel was a remarkable woman who devoted her life to actively improving social welfare for people in the community on her doorstep.

The collection is one of the most diverse in the UK and known to specialists worldwide.

*Christina showed various pictures of the collection and gave the backstories of these.*

Rachels and our long-term vision is to create a craft house centred on the textile collection in a centre of excellence and learning.

Crafts provide creative outlets and improve health and wellbeing.

We offer activities and community outreach. This is a joint initiative with Calico homes. Many courses are free to local people. Including individuals with specific needs. Groups, especially women, older people and those who may be isolated can come together and build new friendships, develop skills and learn through one and other in safe creative environment.

We are open to public and the collection provides inspiration to artist, creatives and fashion designers.

We are proud to be able to support the community members and look forward to doing so in years to come.

On behalf of Gawthorpe textiles collection and the many people we connect with, we thank PCCU for their support this year.

Gifts were presented to Emma and Christina as thanks for attending and speaking at our AGM.

## **Election of Officers**

Five board members are up for re-election this term.

Nominations are as follows;

### **Board of Directors**

Hugh Simpson            Director            Seeking re-election

*Proposed by Zita Rossall, Seconded by Carol Stinton*

Jim Burrows            Director            Seeking re-election

*Proposed: John Hartley, Seconded: Christopher Flemming*

Mario Arnone           Director            Seeking re-election

*Proposed: Julie Taylor, Seconded: James Metcalfe*

Mark Hirst             Director            Seeking re-election

*Proposed: Julie Taylor, Seconded: Julie Redfern*

Margaret Hilary       Director            Seeking re-election

*Proposed: David Taylor, Seconded: Marian Barrett*

Under Rule 103, as all of the above officers seeking re-election/election were proposed and seconded in accordance with the rules and as the number of candidates does not exceed the number of vacancies, all Directors are now re-elected/elected.

A show of hands in the room and online poll took place, there was a majority in the room and online

## **Key Note Addresses**

### **Councillor Anwar – Leader of Burnley Council**

I am often reminded who I am and where I came from, this reminds me of the day that I became leader of Burnley council. My daughter recently had a lesson at school where she had to tell them what her parents do, she stated Mummy was a teacher and Daddy sits at home all day!

Being a person of Faith, this reminds us to walk on earth with humility. I always have people reminding me of who I am and where I came from.

The reason we are here is to serve our Communities. I'd like to congratulate PCCU, not only for 40 years, but for the services you have provided to our communities.

It's not just the savings and loans, it's the wider work of education and values, helping others look out for one another and supporting those in need. It is sad that in 2022 we have to support other people with food banks etc. The work you do is invaluable in supporting our communities.

When I talk about the Credit Union principles and values on which they were founded I also look at why we do what we do, I also chair Building bridges, founded on the back of disturbances in the town 20 years ago. The reason I got involved was because the things I saw and heard and the way the media represented the town that I grew up in weren't what I was comfortable with, recognised or believed in.

Building Bridges Burnley brings people together to learn about one another and support each other through the mechanism of faith and interfaith activities. As part of my journey one of the roles I took up was working at Blessed Trinity Catholic College, every morning we would walk into school and say a prayer, I'm not a catholic but took part and listened to that prayer, I decided I needed to find this feeling that I get from listening to others pray, it made me a better Muslim, it made me go to Mosque. As a result I became a better person, a person of Faith through learning and being in a Roman Catholic environment. This tells us we can learn from each other, through sharing and be open and transparent about our faith.

Through this work I was able to meet Peter Pike, who became a great friend and confidant especially when I joined the labour party, he was someone I could always turned to. Peter could have gone off and enjoyed the rest of his retirement after being an MP but he carried on with organisations like yours and with Building Bridges, This was a measure of the man and showed commitment to his local community and his faith.

It is an honour and a privilege to be able to support some of the same charities that he supported.

I'd like to finish by paying tribute to Peter Pike and thanking you for all that you do in your organisation.

A gift was given to Councillor Anwar and also to Mark Heaton from KM Accountants as thanks for attending and speaking at our AGM

### **Any other Business**

There were no questions from the floor or online.

We had questions sent in from members, most of which have been answered throughout the meeting as part of the general reports.

One query that remained is: There has been quite an increase in the cost of conferences this year.

Gerard Spain: During the pandemic conferences haven't happened but we have a large expense coming up later in the year for the World Council of Credit Unions conference that will be hosted in Glasgow, which will be a great honour. Delegates will travel from all over the world to attend. We are trying to get as many people as we can in attendance, because we weren't able to spend these funds last year this was kept as a provision towards the costs this year.

There was also a cost of £81k spent on fixtures and fittings, this was spent on fitting out the Colne office. This was just a shell and needed computers furniture, bathroom kitchen etc.

### **Close of Business**

The meeting was concluded with an online raffle supporting local businesses in the area.

Final thanks were given to David and Tia from PCCU, our IT Company and to Jake from ABCUL dealing with the online section of the AGM.

Tonight's collection for the food will go to the British Red Cross Ukrainian Emergency Fund. Please be generous in your donations.

The meeting was closed at 8.30pm.