

Minutes of the AGM of Manchester Credit Union held on 26th February 2019.

The Annual Report and Financial Statements for the year ended 30th September 2018 were distributed at the meeting, which was attended by 27 members.

Apologies were received from Paul Jones, Paul Brierley, Rachel Rosewell.

1. The meeting was opened by the Chair of the MCU Board, Peter Mitchell, who welcomed the members attending and outlined the agenda for the meeting.
2. The minutes of the AGM held on 15th March 2018, for the year ending 30th September 2017, were accepted as a correct record. In relation to paragraph 5 of the minutes, Christine Moore reported that the annual membership fee had been abolished as from the beginning of the 2018/2019 year.
3. **Annual Report.** The chair of the credit union, Peter Mitchell, introduced the Annual Report. He referred in particular to the continuing growth of the credit union's savings and loans, at a rate which was exceptional within the credit union sector, and to the achievement of a surplus significantly larger than that achieved the previous year. Over the year there had been a 27.92% growth in membership, a 22.99% growth in savings and a 53.1% growth in loans. He emphasised the need to continue to increase savings in order to meet the demand for loans and referred to the introduction of the Goldsaver account which would enable savers to earn a reasonable rate of interest whilst at the same time supporting the provision of loans to those who needed them. He confirmed that the credit union had moved into new and better city centre premises during the course of the year. He also mentioned the Greater Manchester Consortium of Credit Unions, which continued to be a useful and active grouping. Christine Moore also confirmed that the credit union hoped to introduce a guaranteed interest rate account over the coming year, which would allow savers to know what interest rate they were earning on their savings without waiting for the annual dividend to be decided. In answer to a question Christine confirmed that the dividend rate for junior savers had historically been the same as that for adult savers, and there was no proposal to change that.
4. **Finance Report.** The treasurer of the credit union, Barry James, gave the finance report, summarising the position set out in the Financial Statements for the year ended September 2018. These showed total net assets of the credit union at £8.454 million. A greater proportion of this, compared to previous years, was out on loan to members – a total of £7.7 million which was a significant increase compared to the preceding year. The income and expense account showed income of £1.6 million from loan interest and expenses of £1.2 million (including defaults on loans) leaving an overall surplus of £400,000. Comparisons with the years from 2013/14 onwards showed that this was the first year in which the credit union had made a significant surplus which was not reliant on grant funding. The credit union was thus in a healthy state, and the challenge over the coming period was to manage the continuing growth. Barry thanked the staff for their hard work and the members for

their loyalty to the credit union. A resolution to pay a dividend of 1% was proposed and seconded and was carried unanimously.

In reply to a question from the floor about the grant income, Barry explained that this was a one-off grant of £100,000 from Lloyds Bank to support growth. Further questions related to the delinquency rate. Christine Moore said that loans available ranged from £100 to £15,000 in excess of savings and that overall around 4.7% of loans were written off. The default rate tended to go up and down somewhat depending on a range of factors, but overall has remained broadly stable - there was no direct correlation between the growth in the loan book and any increase in the default rate. At the moment the default rate is slowly coming down.

5. **Appointment of board members.** (Derek Bodey took the chair for this item.) Peter Mitchell, Barry James and Jamie Lee were all up for reelection to the board and were all reelected unanimously.

6. **Any Other Business.** In response to a question, Christine explained which other area offices the credit union operated from and also explained that increasingly members used email, telephone and the website for their business with the credit union. She referred to the new members' website and confirmed that an app was in the process of being rolled out – this will hopefully take the pressure off the phone service. There being no further business, the meeting was then closed.