

STOCKPORT CREDIT UNION

ANNUAL REPORT & AGM AGENDA 19th MARCH 2025

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Stockport Credit Union 36th Annual General Meeting

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1. AGENDA

1. Welcome & Introductions – Chair of the Board of Directors (Melanie Foster)
2. Apologies
3. Ascertainment of Quorum
4. Minutes of the AGM held 22nd March 2024
 - i. Resolution 1: Approval of Minutes of 2024 AGM
 - ii. Matters arising from Minutes of 2024 AGM
5. Report from the Chair of the Board
6. Report from the Treasurer (Andrew Foster)
7. Auditor's Report and accounts from the Treasurer
 - i. Resolution 2: Adoption of the Audited Accounts and Report from Auditors for the year ended 30th September 2024
8. Recommendation for application of surplus (Treasurer)
 - i. Ratification by Members
9. Report from the Chair of the Audit & Risk Committee (John Chrimes)
10. Report from the Chief Executive Officer (John Haslam)
11. Appointment of External Auditors
 - i. Ratification by Members
12. Election of Officers
 - i. Resolution 3: Results of the Election of Board Directors
13. Meeting Closes

2. WELCOME AND REPORT FROM THE CHAIR

In last year's Annual Report I talked about us having had a year of transformation and change. As I reflect on the year ending 30 September 2024, then it has been a year of consolidation and growth, something which brings both pride and optimism, a testament to our collective strength and unwavering commitment to our members. The journey has been marked by a variety of milestones, and it is our pleasure to share these achievements with you in this report.

The numbers speak for themselves and are laid out in the Treasurer's report below, however the key things that stand out for me are the expansion in the loan book of 12% taking us over the £2 million mark, the reduction in interest rates for the 4th consecutive year and your continued trust in us with the rise in savings at a time when other credit unions are seeing reductions.

Compliance remains high on our agenda and we welcomed two new members to the Board, John Chrimes and Maria Gasiorowska, they bring with them a wealth of experience that further strengthens our Audit & Risk Committee (ARC). John Chrimes took over from John Thompson as Chair of ARC, we thank John T for all of the hard work and are happy to say that he continues on the Board and is now using his experience in online marketing to work with John Haslam on our Marketing Strategy. I believe that all of the above puts us in the strongest position we have been in since I started with SCU 5 years ago.

My thanks as always goes to our hardworking staff team and to our volunteers both on the Board and elsewhere in the credit union, we couldn't do it without them, their dedication and commitment to making financial services accessible and affordable to our members is at the forefront of everything that we do.

Thank you for your continued support and trust in Stockport Credit Union. Together, we are building a brighter future for our community.

Melanie Foster, Chair of the Board

The attendance at Board meetings of serving Directors for the 2023/24 financial year was as follows:

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Andrew Foster	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓
Melanie Foster	✓	✓	A	✓	✓	✓	✓	✓	✓	A	✓	A
James Gracey	A	✓	✓	✓	✓	✓	A	A	✓	✓	A	A
Rob Grant	✓	✓	A	✓	A	✓	✓	✓	✓	✓	✓	A
Stephen Johnson	✓	✓	Resigned December 2023									
Clare Owen	✓	✓	✓	✓	Resigned January 2024							
Elaine Preece	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
John Thompson	✓	✓	✓	A	✓	✓	✓	✓	✓	A	✓	✓
John Chrimes	Joined June 2024								✓	✓	A	✓
Maria Gasiorowska	Joined June 2024								✓	✓	✓	✓

✓ = Attended

A = Apologies

3. REPORT OF THE TREASURER

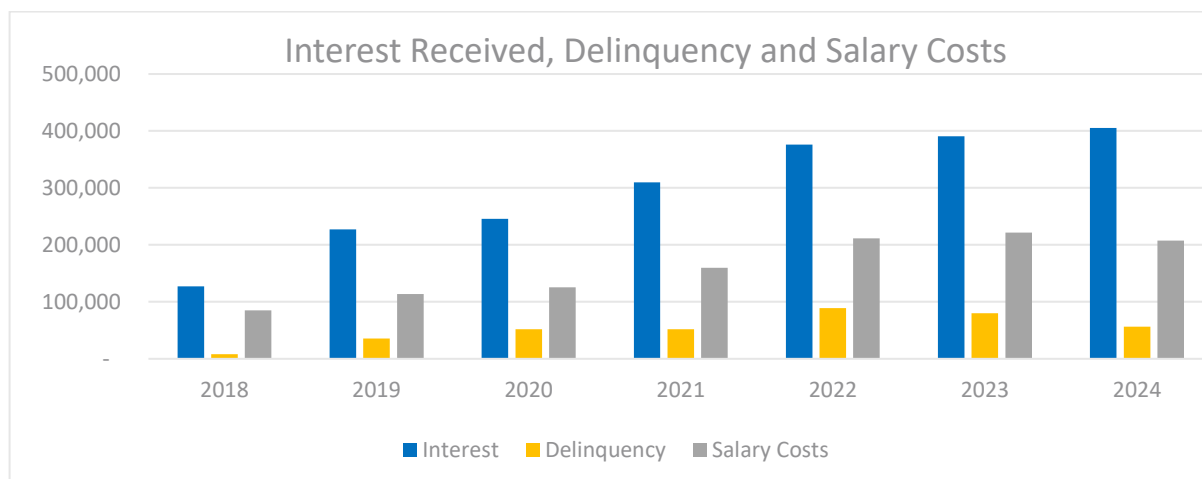
The year ending 30 September 2024 has seen consolidated growth for Stockport Credit Union, with improved underlying profitability and re-investment of grant income enabling us to support more of our community and reduce interest rates.

Income and Expenditure Account

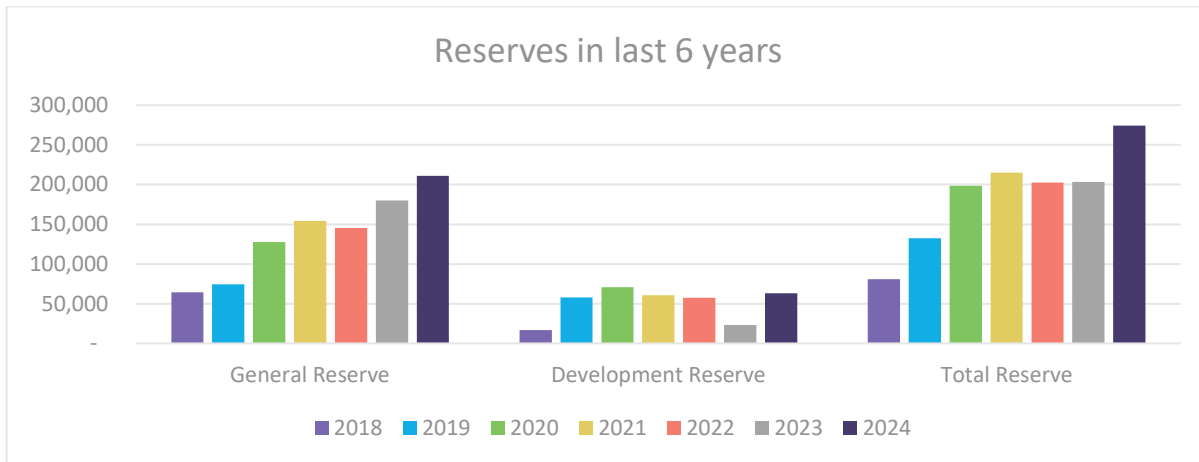
Interest received from loans has increased from £390,529 to £405,098 as our loan book has grown by 12% to just over the £2m mark, with new loans increasing by 9% to £1.6m. The credit union has also utilised its deposits well by taking advantage of the higher interest rates available, resulting in bank interest earned increasing by over £10,000 to £28,644

Despite bank base rate maintaining a generational high during the year, Stockport Credit Union has managed to reduce the average interest rate for its members for the fourth year running. In addition, our average loan lengths have increased as we support our members with affordable payment plans. This growth in loans and loan book value has been enabled by an excellent service support led by Tracey. Special plaudits go to the team, especially Helen, as we continued to support our members if they are experiencing difficulties. This has led to a reduced delinquency cost of £56,218 compared to last year's £80,307.

We have seen expenditure rises on Auditors' cost with the internal audit report and computer software with all our systems now secure and cloud based. However, we have seen a reduction in staff costs and marketing costs from 2023.

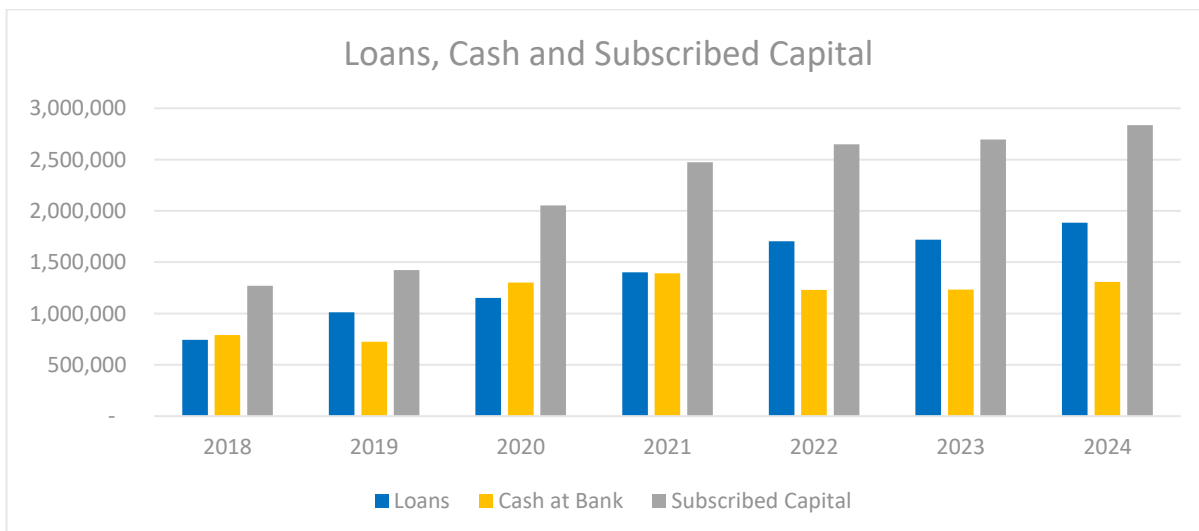


The most significant figure however is the receipt of two grants in the year: one for £2,000 and one for £50,000. These were specific grants to support the credit union and its members and we were awarded them to cover marketing, compliance and administration costs. This has given us a surplus of £70,599 for the year of which we have transferred £39,607 to our Development Fund.



Balance Sheet

The members continue to support their credit union as savings continue to rise, leaving us with a strong cash position to underpin our growing loan book.



Moving Forward

As we can see from the graphs above Stockport Credit Union continues to strengthen its position. The performance and grant income from 2024 mean that we can now look at new projects to further support our community and its more vulnerable members, such as the ones John our CEO will mention, whilst continuing to offer fantastic support to all our members.

This has been achieved by our remarkable team of employees and volunteers, with special mentions to John for his leadership over the year and our Directors in Compliance, the two Johns and Maria, who have helped us navigate the minefield of compliance for a small credit union to ensure Stockport Credit Union is in its strongest position during the four years I have been involved.

The Board are pleased to report the credit union's auditors, KM Accountants have issued an unqualified Audit Report on the credit union's Financial Statements for the year ended 30 September 2024.

Andrew Foster, Treasurer

4. REPORT OF THE CHAIR OF THE AUDIT & RISK COMMITTEE

All companies face a range of different types of risks that they must firstly identify, assess in terms of their importance, and then develop plans to minimise the risk that they occur. At SCU we are no different. In the Financial Services sector we operate in a highly regulated environment where we are accountable to our regulators; the Prudential Regulation Authority and the Financial Conduct Authority. These regulators set rules and principles that firms must follow to ensure that customers receive good outcomes and that the safety and soundness of Financial Services firms are promoted.

SCU's Audit and Risk Committee is responsible for monitoring our compliance with these regulatory requirements and the effectiveness of our systems and controls to manage our risks.

In 2024 our primary goal was to embed stability from an audit and risk perspective. This we have achieved through a range of initiatives. Our risk management framework has been improved, now focusing on those material risks faced by Credit Unions like SCU. We operate a very simple business model for our customers, and the focus of the Audit and Risk Committee must be on protecting the excellent service we offer, ensuring that our customers receive good outcomes that meet their needs.

We have also brought in two new Non-Executive Directors as Board members and specifically to head up the Audit and Risk Committee. Maria Gasiorowska and myself have extensive experience in regulatory compliance within the Financial Services sector, joining SCU's Board in June 2024.

Furthermore in 2024 we carried out an audit across our business processes to highlight potential areas for improvement. We engaged with Validera, a company specialising in conducting external audits to ensure we received expert and independent feedback. The results were positive, with no material risks identified. However, like all companies, there are things we can do better, and we are now working hard to make the improvements highlighted by Validera. This work will be completed by the end of 2025.

We have also established a rigorous plan for conducting our own internal assessments through 2025. This will be initially focused on SCU's internal controls for managing risk and assessing ongoing compliance with our key regulatory obligations.

As such the focus through 2025 will be to build on the good progress we have made through 2024; looking to improve on how we effectively manage our risks, maintain compliance with our regulatory obligations, and ultimately to continue to provide good outcomes for our customers.

The Audit and Risk Committee will continue to provide oversight, direction and expertise to the Chief Executive Officer and his team in relation to effective risk management and regulatory compliance. And we will continue to seek out additional opportunities to strengthen our Committee membership throughout the year.

Finally, I would like to thank the Lay Members and my fellow Non-Executive Directors for their effort, commitment and enthusiasm over the past twelve months in continuing to build an effective and proportionate environment of risk management and compliance at SCU.

John Chrimes, Chair of the Audit & Risk Committee

5. REPORT OF THE CEO

I am delighted to be able to provide an update on our activities for the 2023/24 financial year. That was my first full year as your CEO, and as you have read elsewhere in this report, it was a successful one. Everyone at Stockport Credit Union works incredibly hard, and we're so happy when this work means we can report positively back to you, our members.

A heartfelt thank you to our incredible staff and directors

I'd like to begin by expressing my sincere gratitude to our exceptional staff. Their unwavering dedication to our mission is the foundation of everything we've accomplished. Since my arrival, I've seen their professionalism, compassion, and steadfast commitment to addressing your financial needs. Even in the face of seemingly permanent economic challenges, their continuous support keeps our members feeling connected and valued.

I'm also fortunate to work alongside a strong board of directors who provide the perfect balance of support and thoughtful challenge. Their guidance helps us stay focused on what matters most: serving you, our members. It is worth remembering that every one of our directors is a volunteer, who holds the role because they believe it is the right thing to do, even as the commitment required to be a credit union director increases as the sector grows. Thank you.

I wrote last year that I believed there were three simple reasons why Stockport Credit Union exists, and so I want to focus my report on those areas.

To enable our members to benefit from a savings habit

We know that saving is hard – I purposefully call it a “habit”, as it requires practice! We speak to many people who want and know they need to save, but nevertheless find it difficult to do so. UK savings statistics for 2024 show that 34% of adults had either no savings or less than £1,000, and 65% of people believe they wouldn't be able to last three months without borrowing money.

I think it is incredible then that at the end of the 2023/24 financial year, the average savings held by a Stockport Credit Union member was **£650**. This is an increase of almost 10%, and shows that we are increasing the financial resilience of the communities we serve.

The availability of affordable credit when it's needed

I am always very honest about the need for a credit union to responsibly grow its loan book to stay sustainable, and in 2023/24 we did this by approving **3,134 loans applications for a total of £1.6million**, an increase of 9% on the year before. The statistic I'm most proud of though, as counter-intuitive as it may seem, is that our average interest rate has dropped for a 4th consecutive year. We're helping more people, and saving them from much higher interest rates elsewhere.

Using our members' money only for their benefit

A credit union should never forget that nearly every penny we hold belongs to our members, and so every pound we spend should be to their benefit. Stockport Credit Union does this in several ways, and some are more obvious than others:

- Your shares provide the funds we lend out to those people who need a loan
- We provide free insurance on your savings and loans, so when you pass your loved ones may benefit
- Every Stockport Credit Union member can use Spectrum well-being service for free

This year too, for the first time since 2022, we will be proposing to pay a dividend to members along with a loan rebate. More details of this will be announced during this year's meeting, but we can only do these things because we've had a successful year, and we were only successful because of the trust you place in us.

Reflecting on the past year, I still believe that credit unions are straightforward and accessible, though we often don't give ourselves enough credit. Our Chair still reminds me that credit unions are one of Britain's best-kept secrets, and I remain committed to changing this within our communities. By confidently highlighting the positive impact we have on our members, I am excited to continue leading our credit union to new heights with your ongoing support

Thank you,

John Haslam, CEO



Annual General Meeting
19th March 2025



6. APPENDICES

APPENDIX 1 – Resolutions & Ratifications

1. Do you approve the Minutes of the 2024 AGM as a true record? (show of hands, simple majority required)
2. Do you approve the Auditor's Report and adoption of the Financial Statements for the year ended 30th September 2024? (show of hands, simple majority required)
3. Recommendation for application of surplus (show of hands, simple majority required)
4. Appointment of external auditors (show of hands, simple majority required)
5. Do you approve the appointment of John Chrimes to the Board of Directors? (show of hands, simple majority required)
6. Do you approve the re-election of Maria Gasiorowska to the Board of Directors? (show of hands, simple majority required)

APPENDIX 2 – Biographies of Board Directors

Biographies of candidates for election and current serving Board Directors are detailed below:

Serving Board Members co-opted in 2023/24

John Chrimes

John is a regulatory consultant, advisor and change delivery lead, with over 20 years' experience of delivering complex, high-profile programmes across different sectors, including retail banking, insurance, asset management, debt management and retail.

He brings a strong breadth of programme experience primarily in areas including regulatory change, risk management and organisational re-structuring.

A leader with high levels of personal integrity, both dynamic and considered in nature, comfortable engaging and influencing stakeholders at all levels of seniority. Skilled at organising and coaching teams to deliver tangible results, with a reputation for 'getting things done'.

John is a 'Customer Champion' – passionate about ensuring good outcomes for all customers, regardless of their social-economic or demographic backgrounds, their personal circumstances, or their levels of financial capability.

Maria Gasiorowska

I'm an ambitious and driven professional with legal education background and extensive experience within areas of risk, compliance, and AML within the consumer credit and mortgage industry. I'm pragmatic and have an inquisitive and analytical mind allowing me to effectively problem solve, protecting business' reputation and building great working relationships. I have a great technical knowledge and experience in governance, framework development and management, regulatory change implementation and risk management

APPENDIX 3 – Minutes of the 35th Annual General Meeting

STOCKPORT CREDIT UNION

MINUTES OF THE THIRTY FIFTH ANNUAL GENERAL MEETING held on the 22nd of MARCH 2024. VENUE - STOCKPORT MASONIC HALL

Appendix: All reports and accompanying documentation were available for all attendees to access.

Attendees:

M	Melanie Foster	Board Director	Chair / Nom
JG	James Gracey	Board Director	Vice Chair /Nom
AF	Andrew Foster	Board Director	Treasurer
EP	Elaine Preece	Board Director	Secretary / Nom /Community Engagement
JT	John Thomson	Board Director	ARC
RG	Rob Grant	Board Director	Nom
JH	John Haslam	CEO	

AGENDA

1. Welcome & Introductions: Melanie thanked everyone for coming and introduced all the Board members.

2. Apologies for Absence: Sheila Townsend, Helen Wilman, Pheobe Spence, Ian Roberts.

3. Ascertainment of Quorum – confirmed.

4. Minutes of the AGM held on 13 March 2023.-

Resolution 1.

i. *Do you approve the minutes of the 2023 AGM as a true record?*

Proposed by JG. Seconded by JT. Show of hands- majority achieved.

ii. *Matters Arising from the minutes of 2023 AGM.* There were no matters arising.

5. Report from the Chair of the Board -As per attachment. Melanie thanked personnel and outlined the measures that had futureproofed SCU latterly:

Joanne Griffiths – Previous Chair of Board

Sheila Murtagh- Interim CEO

John Thompson- Regulatory Governance

Brett Cordell - Compliance

Stephen Johnson- Cyber Security- Existing Infrastructure moved to the Cloud

Staff

6. Report from the Treasurer, Andrew Foster(slides) – Andrew compared the performance over last four years.

Key points

- Loan and bank interest increased.
- Drop in impairment- thanked Helen (Credit Control Officer).
- Expenditure up -cyber security and compliance person.
- Thanked Tracey for managing the upgrades.
- Despite increased interest rate in market, SCU moved members onto lower interest loan.
- Operational deficit just over £18K.
- The areas for growth in the common bond outlined.
- Capital ratio maps out reserves and assets -well above PRA guidelines.
- Liquidity ratio @ 50% - PRA guideline 10%.
- Directors not proposing an adult dividend this year, but 3% dividend on junior accounts.
- Thanked Paul (finance personnel).

Questions from the floor:

Q Asked about CEO, staff costs, and grant income since end of September 2023

A Andrew- Brett, (compliance employee) not on staff now.

A John gave *Fair for All Finance* grant information. Government scheme is the main source of income for credit unions. Work with FfAF ongoing.

Andrew- February 2023/24, same surplus of £10K.

Q How do SCUs arrears compare with other CUs.

A Andrew- SCU in middle. Figures coming down. Looking to improve arrears particularly post 6 months.

Q about loan interest.

A Andrew Saving rewarded- explained saver loan terms. We are not allowed to charge more than 42.6 %

Q No dividend this year. Why only half the money lent out?

A Andrew. The cost-of-living crisis affected loan amounts.

A John-SCU ahead of where we should be re Loans to Assets ratio. (most important ratio).

Working on our new common bond. Our target for loans year on year is 10% absolute minimum. The average ABCUL growth is 4-5% One third of CUs saw their loan book go back.

7. Auditor's Report and Accounts from Treasurer

Resolution 2 Do you approve the Auditor's Report and Adoption of Financial Statements for the year ending September 2023?

Proposed by MF. Seconded by EP. Show of hands. Majority achieved.

8. Recommendation for application of surplus. - Treasurer.

Proposed by RG. Seconded by JH. Ratified by members.

9. Report from the Chair of the Audit and Risk Committee -John Thompson

Presented as per attachment – Key elements from report: -

- Consumer Duty Plan.
- Committee Arrangements.
- Looking to the future.

JT also outlined how SCU is compliant with PRA rules on *Depositor Protection*. John thanked the staff and spoke about SCU's highly professional Board. Many credit unions had closed mainly due to poor governance.

Q Will there be a face-to-face AGM next year? **JH** took this.

A The pros and cons of face-to-face, virtual or hybrids were discussed. A vote of those present confirmed preference for a virtual AGM. **JH** happy to take feedback from our members any time on this subject.

Q Will the collection points be reopening? **JH** had a detailed interaction with the questioner on this subject. He concluded that we are very happy to speak to anyone who wishes to be a volunteer with SCU.

9. Appointment of External Auditors

Proposed JH. Seconded RG. Show of hands. Majority achieved.

10. Report from the Chief Executive Officer- John Haslam

John gave a commentary (slides) of his proposal for the three rulebook changes. Rules 3,7 and 98
Rule 3. Proposal to add a new object.

Rule 7. Proposal to allow membership to be extended to the aforementioned employers.

Rule 98. Proposal to extend nominations for election of Officers of the Credit union to outside our common bond.

Questions from the floor:

Why need for rule changes mainly Rule 7?

JH New payroll partner in Macclesfield had many tenants living out of common bond. Would only consider local tenants. If they move away, they are still members. We have not yet spoken to them, but they will be part of our marketing strategy.

JH to get back to questioner re alleged spelling error.

Q Why change Rule 98? - **JH** gave the example of difficulties of a recent director search.

Resolution 3 Adoption of proposed rulebook changes.

Proposed by MF. Seconded by EP. Show of hands – Unanimous.

Resolution 4 Election of Board of Directors

Andrew Foster

Proposed by MF. Seconded by Louise Isherwood -Show of hands. Majority achieved.

James Gracey

Proposed by AF. Seconded by MF. Show of hands. Majority achieved.

Elaine Preece

Proposed by JH. Seconded by AF. Show of hands. Majority achieved.

Meeting closed 4.30