



**Scottish Police**  
Credit Union Limited

*Annual Report*

**ANNUAL  
MEETING**

**33rd Annual General Meeting  
Tuesday 7th December 2021**

# AGENDA



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# FOREWARD 2021

## By the Chair

It gives me great pleasure to introduce to you the Scottish Police Credit Union report for 2020/21. It has been another very demanding year for the Credit Union, against the backdrop of COVID-19, economic uncertainty and other challenges, many of which will still be prominent in 2022.

While we have enjoyed a very successful year, as the accounts will show, we recognise COVID-19 has impacted financially on all of us. We seek to ensure our members are always well supported and the staff have been hugely grateful for the understanding and support received back from members during this difficult time. COVID-19 transmission remains with us, and in the interests of member safety, we again took the decision to hold our AGM virtually. I would also encourage you to participate in the AGM of YOUR credit union.

The outlook going forward remains challenging, but I am confident the Scottish Police Credit Union is well placed to continue its growth and development. All our staff and volunteers recognise that our membership is vital to our success and must be at the heart of everything we do. I will ensure this remains the focus and commend this annual report to you.

**Austin Dorrian**  
**Chair**

# CHIEF EXECUTIVE'S REPORT



Fellow members of the Scottish Police Credit Union. It gives me great pleasure to present to you my report for the financial year 2020/2021.

It does seem somewhat surreal that this time last year we were holding our first virtual AGM with a hope that it was a one off and we would be back to normality by this time. Who would have thought that we would still be under significant restrictions in our daily lives and once again holding our annual general meeting virtually.

Once again we have experienced a very interesting and challenging financial year. No sooner had we held our AGM and we were asked by NHS Credit Union to support them following the departure of their own CEO. This led to me taking up a secondment to NHS Credit Union for six months and Lynsey McWhinnie taking over the reins here supported by Klaire Klos and Ian Caldwell. I am immensely proud of my team for stepping up and continuing to run the credit union as efficiently as ever. I am sure you will agree when you hear the financial report from our Treasurer Allan Macleod and our Auditor Steven Cunningham.

Last year I reported that we had closed our offices to members at the start of the pandemic in February 2020 and I'm afraid that this still remains the case. We have however continued to provide the highest standard of service to members virtually despite some of the challenges this brings. My whole team has shown fantastic resilience in coping with working remotely. Our previous and continued investment in technology has allowed us to do so without any dip in the quality of the response to our members.

Turning to last year's performance. The financial year in October 2020 started off positively as did November and December. However, following the Scottish Government's announcement of the restrictions introduced for Christmas and beyond, we experienced a decline in loan demand. As restrictions began to ease in March we saw demand return.



I am delighted to report another good trading year and an overall increase in our loan book despite the challenges of the past year. Last year we loaned £10,891,586 which was up 10.8% on the £9,827,610 we loaned the year before. Our overall loan balance grew to £25,697,132 which is an increase of 6.2% on the previous year. Again this demonstrates the continued faith you have in us to deliver a financial service, which is fair, competitive and ethical. Thank you for supporting us to continue to strive to 'Beat the Banks'. Since our inception in 1989 we have now loaned over £192 million to you.

Our savings total grew last year to £36,669,464. This is an increase of 10.9% on the previous year. You will see from our Treasurer Allan Macleod's report that thanks to our continued prudent approach to our savings policy, the Board of Directors are proposing another 'Beat the Banks' dividend on your shares of 1.5% which provides an outstanding return to all our members.

We continued to work hard to improve your user experience with us. Our business development and marketing team have kept you up to date with what has been happening as well as keeping your interest with a number of competitions and again I am very grateful for your engagement with these initiatives.

We are always grateful for the feedback we receive from you through these channels particularly the many messages of support we received during lockdown. It allows us to continue to remain relevant with you. We will continue to keep you up to date with everything that is going on with your credit union. It is always gratifying to hear feedback from our members on how we have performed when they use our services. Some of the members we have helped through the difficult period of lockdown. Knowing that we have made a difference to a members life is particularly pleasing.



We have continued to streamline our internal processes to make our loans procedure more efficient. Our customer service and finance team have worked extremely hard to ensure that when you apply for a loan, a decision is made as quickly as possible on it and I am delighted to report that thanks to their efforts 98% of loans approved continue to be paid out within 24 hours. Yet another example of how we 'Beat the Banks'. We have made further enhancements to the system allowing you to amend payments, change circumstances and a range of other information negating the need for us to send you forms for you to sign and return to us. Watch this space for further enhancements we are working on.

I am grateful to members of my team for their continued support in working hard to bring success to your credit union and in particular, the flexibility and resilience they showed during the challenges of the last year. None of this would be possible without them.

I would like to record my appreciation for the support the Board of Directors have given me throughout the past year. We could not exist without the support of the many volunteers who give selflessly of their time to govern the credit union.

It would be remiss of me not to mention the support we receive from a number of departments such as the Finance Departments within Police Scotland. Without their help we would find it difficult to provide the service we do.

In closing, I would like to reassure every member of the credit union that I will continue to work hard to deliver the highest possible service to your credit union.

**George Nedley**  
Chief Executive



# TREASURER'S REPORT FOR 2021/2022 AND CONSIDERATION OF THE ACCOUNTS

It gives me pleasure to present to you my report for the financial year 2020/21. I would like to begin this report by once again thanking Steven Cunningham, our External Auditor who has kindly agreed to refer to the Balance Sheet and Revenue Accounts which are presented to you in the Annual Report.

Reflecting on the last 12 months we have yet again faced a unique year with further restrictions on our lives and our ability to enjoy the normal freedoms we expect. Many of us thought we would be at a stage where we no longer discussed these restrictions and had hoped that they would be a distant memory for us. Unfortunately that has not been the case. We are still discussing the impact of a global pandemic which has brought significant financial implications for the global economy.

As I alluded to last year, we have been forced to make some difficult decisions since the global Covid-19 pandemic took hold. Everyone at the Scottish Police Credit Union is grateful for the support we have received from you our members as we have worked our way through the many challenges this year has again brought.

Against this backdrop I am pleased to be able to confirm that your credit union continues to deliver a strong financial performance. Active membership numbers continue to increase, member deposits are up and so is our total loans. The Accounts reflect this performance with a strengthening balance sheet and strong income statement.

As we face the potential of further significant restrictions on our daily lives due to Covid-19, we will continue to put your interests at the forefront of everything we do at the Scottish Police Credit Union in order to deliver the member-centred approach you deserve.



**It is through the support of an increasing number of members that the success of the SPCU will continue to be secured. On behalf of the Board of Directors I would like therefore to acknowledge and thank all members for your continued support.**

**Allan Macleod  
Treasurer**



# REPORT OF THE INDEPENDENT AUDITOR

Mr. Steven Cunningham will present the independent Auditor's Report. Please refer to the accompanying report "Annual Report and Financial Statements – Year ended 30/9/21.

Steven Cunningham,  
Alexander Sloan, Chartered Accountants,  
Glasgow

## TREASURER'S DECLARATION OF DIVIDEND

Thanks to strong member demand for our loan products against a backdrop of economic uncertainty the Credit Union has produced another strong financial performance which supports both the strengthening of SPCU'S balance sheet and offering a very competitive dividend in these challenging times.

Reflecting this position the Board of Directors is pleased to recommend for members approval a 1.5% dividend on share 1 & corporate share accounts.

It should be noted that applicable rules and regulations restrict the payment of the dividend to those who were members during all or part of the relevant financial year ending 30th September 2021 and who are still members when the dividend is declared at the A.G.M. I would also confirm that the dividend is paid gross, with any income tax liability being the responsibility of individual members

Allan Macleod  
Treasurer

# AUDIT & RISK COMMITTEE



It is with great pleasure that we submit the report of the Audit & Risk Committee for the financial year 2020/21.

This year has been challenging and we have all had to adapt to new ways of working and changes to the financial markets caused by the COVID-19 pandemic. Managing our audit and risk responsibilities has been important in responding to these challenges. Our CEO, Staff, and Board members have risen to meet these tests and have delivered an effective and sustainable organisation for our members.

Kevin Pollock has successfully led the Audit & Risk Committee as the Risk Chair and his expertise in Risk Management has been a crucial asset for the organisation during this challenging period. We continued to review the SPCU's risk register and associated risk treatment plans, increasing the frequency of this oversight as the pandemic unfolded.

Our risk methodology and approach was also reviewed during this period by our internal auditors resulting in positive feedback being received. Some best practice was highlighted and some small changes were made to our documentation so that we overtly show our approach and its alignment with industry standards.

I am also happy to report our first full year with our new internal auditors Beever & Struthers has also been successful. The move to a new internal auditor was carried out to enhance our qualitative approach. This has seen the delivery of reports not only on Risk Management, but also on Business Plan Stress Testing, Corporate Planning, and Financial Compliance. We are also currently awaiting the outcome of our recent GDPR review.

The new developed and enhanced approach to our internal audit has meant that we have now been audited with significant additional scrutiny. It is reassuring to find that no 'High' importance recommendations were highlighted in any of the audits.



Across all the reports there were only 5 'Medium' and 10 'Low' level recommendations made by our internal auditors with each of these being addressed by our organisation.

Our thanks go to Beever & Struthers, our CEO, staff, and board members for their dedication and support over the last year.

In summary the committee is pleased to report to the members that all the tests and checks completed by the committee and Internal Auditors were in order.

**Graeme Gallie**  
**Audit Chair**



# **DIRECTORS REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER**

The Directors present their annual report and financial statements for the year ended 30 September 2021.

### **Principal activity**

The principal activity of the credit union continued to be that defined in the Credit Union Act 1979.

The credit union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### **Results and dividends**

The results for the year are set out on page 7 of the audited accounts (See 'Downloads' on our website for full accounts).

### **Directors**

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Austin Dorrian  
Duncan Sloan  
Allan Macleod  
Chris Mooney  
Robert Kennedy  
Ricky Mason  
Craig Rankine  
William Newlands  
Alison Kennedy  
Kevin Pollock  
George Nedley  
Graeme Gallie  
Lynne Hutchinson



### **Compliance statement**

Under the Prudential Regulation Authority rulebook the Board of Directors must report to the members at the Annual General Meeting on certain areas of compliance within the credit union. The credit union is therefore pleased to report that during the year the credit union has been in compliance with:

Depositor Protection Rules 11, 12, 14 and the requirements of rule 15 that relate to rule 11; and

PRA Credit Union Rule 2.10 (fidelity bond insurance requirements); and:

The requirements of compliance under the PRA “additional activities”.

### **Principal risks and uncertainties**

The main financial risks of the credit union are set out in the notes to the financial statements.

### **Statement of Directors responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Legislation requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the credit union and of the surplus or deficit of the credit union for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;



- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the credit union's transactions and disclose with reasonable accuracy at any time the financial position of the credit union and enable them to ensure that the financial statements comply with the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014. Directors are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the credit union's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the credit union's auditor is aware of that information.

#### Auditor

A resolution for the re-appointment of Alexander Sloan as auditors of the credit union is to be proposed at the forthcoming Annual General Meeting.

By order of the board

**Robert Kennedy**  
Secretary

# STANDING ORDERS FOR ANNUAL GENERAL MEETING



## 1. Quorum

15 Members in attendance shall constitute a quorum.

## 2. Agenda

The meeting shall follow the order of the Agenda unless two thirds of those present agree otherwise.

## 3. Motions

Motions must be seconded and forwarded to the Secretary in writing no less than 14 clear days prior to the AGM. Any motion received after this time will be ruled incompetent, unless accepted as an emergency motion by at least two thirds of the meeting.

## 4. Debating a Motion

The mover of any motion shall be allowed a maximum of 5 minutes to speak to the motion. The seconder of a motion shall be allowed 3 minutes to speak in support of it. Contributions from the floor shall be limited to 2 minutes per speaker.

All debates shall cease when the Chair decides that sufficient debate has taken place. No person shall speak without the permission of the Chair.

Any counter motions/ amendments shall be disposed of prior to the vote on the original motion. Any speaker must be recognised by the Chair before addressing the meeting.

Once a matter has been debated, no member shall re-introduce the item until at least three meetings have been held.

## 5. Elections

At each AGM, the following elections shall take place;

(1) One third of the Board of Directors



## **6. Conduct of Members at AGMs**

**Any person in breach of these standing orders shall be warned that any further misconduct will result in them being removed from the meeting.**

## **7. Suspension of Standing Orders**

**Standing Orders can only be suspended if a matter of urgency arises and only if a majority of two thirds of those present agree.**



## *APPENDIX 'A'*

### **Minutes of the Thirty Second Annual General Meeting held virtually via Microsoft Teams on Tuesday 8th December 2020 at 6.00pm**

#### **1. Chair's Welcome and Roll Call**

The Chair ascertained that a quorum was present. A quorum of at least fifteen members is required to hold an AGM.

The Chair opened the meeting by welcoming all present to the Scottish Police Credit Union's first ever virtual Annual General Meeting and invited them to take an active part in the proceedings.

He asked attendees to ensure microphones were muted during the meeting unless speaking and to use the Raise Hand icon located at the top of the screen to indicate if they wished to speak and wait until invited to do so, also to remember to remove the raised hand after speaking by clicking on the hand icon again.

The Chair advised that where a proposer and seconder is requested attendees wishing to do so should indicate by using the Raise Hand icon, at which time he would select 2 attendees with their hand raised.

He then advised all in attendance that some items on the agenda would require all attendees present to vote using the polling app within Teams. The Chair would advise members when this was required and members would be asked to click on the appropriate links. Upon reaching a majority the Chair will advise the meeting that the vote had passed and that attendees could view the results in the Chat box.

#### **2. Adoption of Standing Orders**

Allan Macleod proposed that Standing Orders were adopted. This was seconded by Craig Rankine and they were adopted for the duration of the meeting.



### **3. Minutes of Previous Meeting**

The Chair informed the meeting that the minutes of the 31st Annual General Meeting held on 10th December 2019 had been circulated. He highlighted an error in them at section 10.1 Election of Directors. The minute stated that Ricky Mason had been proposed by Ian Caldwell and seconded by Ricky Mason. George Nedley in fact seconded him. With this alteration Ian Caldwell proposed their adoption, seconded by George Nedley, and they were adopted as a true record of that meeting.

### **4. Chief Executive's Report**

The Chief Executive referred the meeting to his report and his report was accepted by the meeting.

### **5. Treasurer's Report and Consideration of Accounts**

The Treasurer spoke to his previously circulated report and his report was accepted by the meeting.

### **6. Report of the Auditor**

Steven Cunningham of Alexander Sloan, Chartered Accountants, presented his report on behalf of the Credit Union's auditors. Steven Cunningham pronounced a clean audit report and offered his thanks and that of his team for the assistance provided by Credit Union staff during the audit. The report was accepted by the meeting.

### **7. Declaration of Dividend**

On behalf of the Board of Directors, the Treasurer proposed a 1.2% dividend on 'share 1' balances and Corporate Account balances.

He advised that it should be noted that applicable rules and regulations restrict the payment of the dividend to those who were members during all or part of the relevant financial year ending 30th September 2020 and who are still members when the dividend is declared at the AGM. Members should note that those present may propose a lower dividend but cannot propose an increase to that already proposed. The Treasurer also confirmed that the dividend is paid gross, with any income tax liability being the responsibility of individual members.



The Treasurer called on the meeting to endorse this proposal by clicking on the link being circulated. The Chair asked members to indicate their approval or otherwise for the proposal by using the link being circulated.

The meeting endorsed the proposal.

#### **8. Audit & Risk Committee Report**

Graeme Gallie presented the previously circulated report, which was accepted by the meeting.

Kevin Pollock, Chair of the Audit & Risk Committee reported that from a business continuity perspective, the SPCU was well prepared to deal with the business disruption due to the current coronavirus pandemic and followed the Scottish Government changes to guidance and regulations. A critical review of business continuity processes is ongoing.

#### **9. Appointment of Auditors**

It was proposed that Chartered Accountants, Alexander Sloan, be re-appointed Auditors for the financial year 2020/2021.

The Chair asked members to indicate their approval or otherwise for the proposal by using the link being circulated.

The meeting endorsed the proposal and Chartered Accountants, Alexander Sloan, were appointed Auditors for the financial year 2020/2021.

#### **10. Election of Directors**

The Chair declared that as he was standing for re-election to the Board of Directors, he was handing over control of the meeting to the Vice Chair Alison Kennedy.

The Vice Chair advised the meeting that the following two directors had completed their 3 year term and were standing for re-election:

- Austin Dorrian
- Christopher Mooney



The Vice Chair advised the meeting that the following two nominees had been co-opted to the Board during 2020 and were now required to stand for election:

- Graeme Gallie
- Lynne Hutchinson

As Chair of the Nominations Committee, the Vice Chair confirmed that all nominees had been ratified by the Nominations Committee.

The Vice Chair then advised the meeting that the rules of the Credit Union required all nominees to be present at the AGM unless they could not attend due to extenuating circumstances. She advised the meeting that Lynne Hutchinson had informed the Chair she was unable to attend and as per Rule 4.6 (a) she called on the meeting to agree to allow the nomination to go forward by using the link being circulated.

The meeting approved to allow the nomination to go ahead.

As there were no other nominations received, the Vice Chair called on the meeting to endorse the proposal to dispense with the election process as per Rule 4.6 and declare all nominees duly elected. She asked all present to indicate their approval or otherwise of this proposal by using the link being circulated.

Vote on dispensing with election process was approved and the Vice Chair declared all nominees duly elected.

#### Elections to the Board of Directors

<b>Nominee</b>	<b>Decision</b>
Austin Dorrian	Re-elected
Christopher Mooney	Re-elected
Graeme Gallie	Elected
Lynne Hutchinson	Elected



## **Board Numbers**

The Chair resumed control of the meeting.

The Chair advised the meeting that the credit union's rules required the annual general meeting to determine the number of Board members to serve the credit union. The Chair proposed that the number to serve on the Board of Directors should be 15. In the absence of any counter proposal this was accepted. In the absence of any counter proposal the members approved this proposal.

### **11. Any Other Competent Business**

The Chair advised those in attendance that Ewen Ellen had stood down this year. The Chair highlighted Ewen's contribution to the credit union advising that he has served since 2003 originally as a Director and latterly on the Supervisory Committee. On behalf of everyone past and present at the Scottish Police Credit Union, the Chair thanked Ewen for his many years of service as a volunteer of the credit union and wished him all the best for the future. A small token of appreciation was presented via email.

There were no further items intimated.

### **12. Close of Meeting**

The Chair thanked everyone for attending.

**Austin Dorrian**  
**Chair**

**Robert Kennedy**  
**Secretary**



*Close of meeting.*