



**Scottish Police**  
Credit Union Limited

**2021/  
2022**



# **ANNUAL REPORT**

**34TH ANNUAL GENERAL MEETING  
6th December 2022**

---

**0141 771 1314**  
**[info@scottishpolicecu.co.uk](mailto:info@scottishpolicecu.co.uk)**

# AGENDA



- 1 Chairperson's Welcome and Roll Call
- 2 Adoption of Standing Orders
- 3 Minutes of 33rd Annual General Meeting  
(see Appendix 'A')
- 4 Chief Executive's Report
- 5 Treasurer's Report and Consideration of the Accounts
- 6 Report of the Auditor
- 7 Motions
  - 7.1 Minimum Shares
  - 7.2 Nominations Committee
- 8 Treasurer's Declaration of Dividend
- 9 Audit & Risk Committee Report
- 10 Appointment of Auditors
- 11 Election of Directors
- 12 Close of Meeting

# FOREWORD 2022

## AUSTIN DORRIAN

### CHAIR



It gives me great pleasure to introduce to you the Scottish Police Credit Union report for 2021/22. It has been another very demanding year for the Credit Union, against the backdrop of the recovery from the COVID-19 pandemic, the global energy crisis and Russia's invasion of Ukraine and its subsequent impact on our economic climate. Many of these challenges will still be prominent in 2023.

While we have enjoyed another successful year, as the accounts will show, we recognise the residual financial impact these issues have left on us all and how the socio-economic climate has drastically changed within the past months. 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. We are very fortunate to be able to return to in-person meetings and are grateful to our hosts, Fuse Youth Café Glasgow, for allowing the use of their facilities this year. I would also encourage you to participate in the AGM of YOUR credit union.

The outlook going forward remains a challenging one, 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.

# CHIEF EXECUTIVE'S REPORT

## GEORGE NEDLEY

### CHIEF EXECUTIVE OFFICER



Fellow members of the Scottish Police Credit Union. It gives me great pleasure to present to you my report for the financial year 2021/2022.

It seems such a short time ago we went into lockdown but in real terms it is almost 3 years since I wrote to you advising that our offices were closing and that we were moving to a fully remote operation. Thankfully, we were able to return to our offices this year and have recently opened up to members calling at our offices again albeit by appointment only.

Once again, we have experienced a steady financial performance despite the global challenges and ones closer to home with the introduction of the CARE pension arrangements for Police Scotland. We understand only too well the difficult decisions a number of our members have had to make in cutting their careers short to avoid the punitive measures in the new arrangements towards their pension lump sums. We were not exempt from the impact of the exodus from Police Scotland with a number of members clearing their loans early, particularly pre-retirement loans. This had the impact of our overall loan balance dropping for the first time in a long number of years. On the positive side, the amount of loans we granted in any one year was just short of our highest ever level. This ensured that our financial performance remained as good as it has been over a long number of years. I am sure you will agree when you hear the financial report from our Treasurer Allan Macleod and our Auditor Steven Cunningham.

Last year whilst we started working within our offices, we had to move to remote working over the festive period in line with Government requirements. We returned to our offices in January and have now established effective hybrid working arrangements to ensure that we have both operation resilience and the high standards of service you are accustomed to. Once again, I want to put on record my gratitude to my whole team for showing fantastic resilience in coping with the constant upheaval and adapting to the everchanging environment.

Again, our previous and continued investment in technology has allowed us to maintain a standard of service without any dip in the quality of the response to our members.

I am delighted to report another good trading year, despite an overall decrease in our loan book for the reasons I have outlined above. Last year we loaned £10,956,014 which was up 0.59% on the £10,891,636 we loaned the year before. Our overall loan balance dropped to £24,861,299 which is a decrease of 3.25% on the previous year. Again, this demonstrates the continued faith you have in us to deliver loans which are 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 £202 million to you.





Our savings total grew last year to £36,951,402. This is an increase of 6.77% 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 1.9% which provides an outstanding return to all our members. In your AGM pack, we have outlined how the dividend is calculated and the fact that it is applied retrospectively on our performance.

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 you give to us through these channels particularly the many messages of support we receive. 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 this difficult financial period. Knowing that we have made a difference to a member's life is what drives us on.

We have continued to streamline our internal processes and structures and last year I was delighted to have a Deputy CEO appointed in the shape of our Customer Services and Finance Manager, Lynsey McWhinnie. Lynsey brings a wealth of experience, both internally and from her wider experience in community banking. Lynsey's appointment led to an internal restructure of our teams. This work is now complete, and I am delighted with the outcome and very grateful to the team for their engagement and patience during this exercise. Our team continue to work extremely hard to ensure that when you apply for a loan, a decision is made as quickly as possible. Whilst due to the current financial climate we sometimes have had to ask for more information from you, I am delighted to report that thanks to the team's efforts 97% of loans approved continue to be paid out within 24 hours. Yet another example of how we 'Beat the Banks'.

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.

# TREASURER'S REPORT FOR 2021/22 AND CONSIDERATION OF THE ACCOUNTS

**ALLAN MACLEOD**

**TREASURER**



It gives me pleasure to present to you my report for the financial year 2021/22. 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 a new set of challenges. The financial aftermath of COVID-19, the global energy crisis and Russia's invasion of Ukraine has all impacted adversely on our daily lives. Our role as your credit union has become even more important in these difficult financial times. We have continued to run as efficient an organisation as possible to ensure that your hard-earned savings yield as much as possible. Many of us thought we would be at a stage where we no longer discussed the impact of COVID-19 and had hoped that it 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 well as the present difficulties caused by the cost of living crisis and the war in Ukraine.

The last year has brought fresh challenges for us, particularly the CARE pension scheme and its impact on our overall loan book. We have continued to provide affordable loans to our members and indeed only recently committed to maintaining our interest rates for borrowers at their current levels despite every other lender raising theirs. 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 although our total loans are down due to the CARE pension scheme introduction, the level of lending still remains high. The Accounts reflect this performance with a strengthening balance sheet and strong income statement.

As we face the uncertain economic climate, 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.

## INDEPENDENT AUDITOR'S REPORT

**STEVEN CUNNINGHAM**

**ALEXANDER SLOAN CHARTERED ACCOUNTANTS,  
GLASGOW**



Mr Steven Cunningham will present the independent Auditor's Report. Please refer to the accompanying report "*Annual Report and Financial Statements – Year ended 30/09/22*".

## MOTIONS

### **7.1 Minimum and Maximum Shares**

Motion to add additional information for further clarity on the minimum shareholding requirement.

### **7.2 Nominations Committee**

Motion to amend the number of directors required for the Nominations Committee.

## TREASURER'S DECLARATION OF DIVIDEND

**ALLAN MACLEOD**

**TREASURER**

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 1.9% dividend on main share accounts and 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 2022 and who are still members when the dividend is declared at the AGM. I would also confirm that the dividend is paid gross, with any income tax liability being the responsibility of individual members.



# AUDIT AND RISK COMMITTEE

**GRAEME GALLIE**

## AUDIT AND RISK CHAIR



It is with great pleasure that we submit the report of the Audit & Risk Committee for the financial year 2021/22. This year has been challenging and we have continued to adapt to new ways of working and changes to the financial markets caused by the current financial crisis and war in Ukraine. 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 continued to successfully lead the Audit and Risk Committee as the Risk Chair and his expertise in Risk Management has been a crucial asset for the organisation during the challenging periods we have faced. We continued to review the SPCU's risk register and associated risk treatment plans, increasing the frequency of this oversight as we grow as an organisation.

Our risk methodology and approach is constantly reviewed by our Audit and Risk Committee and periodically by our internal auditors resulting in any required changes being made timeously.

I am also happy to report that another full year with our internal auditors, Beever & Struthers has been successful. This has seen the delivery of reports on Data Protection, Human Resources, but also on Business Plan Stress Testing and Corporate Planning.

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 8 'Medium' and 9 '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.

Two of our committee members, Kevin Pollock and Ricky Mason, have indicated their intention to step down as directors of the Scottish Police Credit Union and their involvement in the Audit and Risk Committee. I want to put on record my gratitude to both of them for their service to the Scottish Police Credit Union and particularly to the Audit and Risk Committee over a long number of years and wish them all the best for the future.

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.



# **DIRECTOR'S REPORT FOR YEAR ENDED 30TH SEPTEMBER 2022 ROBERT KENNEDY SECRETARY**



The Directors present their annual report and financial statements for the year ended 30 September 2022.

## **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 6 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  
L Garbutt  
T Collie  
A Wood

*(Resigned 7th December 2021)*

*(Resigned 22nd December 2021)*

*(Appointed 7th December 2021)*

*(Appointed 7th December 2021)*

*(Appointed 7th December 2021)*



### **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-THIRD ANNUAL GENERAL MEETING HELD VIRTUALLY VIA MICROSOFT TEAMS TUESDAY 7TH DECEMBER 2021 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 33rd and second 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**

Duncan Sloan proposed that Standing Orders were adopted. This was seconded by Ricky Mason 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 32nd Annual General Meeting held on 8th December 2020 had been circulated. Alison Kennedy proposed their adoption, seconded by Duncan Sloan, 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.





A member raised the question of when the suspension of lump sum deposits would be lifted. The Chief Executive explained that the decision to suspend lump sums had not been taken lightly and had been taken to ensure the stability of the whole of the SPCU and balance every members' needs. The policy is being reviewed continually and when the time is right, lump sum deposits will once again be permitted.

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

The Assistant Treasurer spoke to the previously circulated report and the 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.

A member enquired if the £260,000 grant received was for one year only. The Chief Executive explained that the Scottish Government had invited applications for grants for projects and the SPCU applied along with two other credit unions. The grant is only for one year and will assist in developing our IT structure.

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

On behalf of the Board of Directors, the Assistant Treasurer proposed a 1.5% 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 2021 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 Assistant Treasurer also confirmed that the dividend is paid gross, with any income tax liability being the responsibility of individual members.

The Assistant Treasurer called on the meeting to endorse this proposal by voting 'now'. 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.

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

It was proposed that Chartered Accountants, Alexander Sloan, be re-appointed Auditors for the financial year 2021/2022.

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 2021/2022.

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

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

Robert Kennedy  
Allan Macleod  
Duncan Sloan

Two of the Directors who were standing for election were unable to attend due to extenuating circumstances. Our rules require directors standing for election to be present at the AGM unless there are extenuating circumstances and the AGM vote in favour of waiving this regulation. The Chair asked members if they were prepared to allow their election to proceed despite them not being present, and to indicate their approval or otherwise by clicking on the link being circulated.

The meeting endorsed the proposal to waive the regulation.

The Chair advised the meeting that Craig Rankine is standing down as a Director. He thanked Craig for his contribution on the Board and wished him all the best.

The Chair advised the meeting that the following two nominees had been approved by the Nominations Committee for appointment to the Board and were standing for election:

Theresa Collie  
Lyndsay Garbutt



As there were no other nominations received, the 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. He asked all present to indicate their approval or otherwise of this proposal by using the link being circulated.

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

### **ELECTION TO THE BOARD OF DIRECTORS**

<b>NOMINEE</b>	<b>DECISION</b>
Robert Kennedy	Re-elected
Allan Macleod	Re-elected
Duncan Sloan	Re-elected
Theresa Collie	Elected
Lyndsay Garbutt	Elected

#### **Board Numbers**

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 Assistant Secretary proposed that the number to serve on the Board of Directors should be 15.

The Chair asked all present to indicate their approval or otherwise of this proposal by using the link being circulated. The meeting endorsed this proposal.

The Chair ended by welcoming the new Directors to the Board.

#### **11. Close of Meeting**

The Chair thanked everyone for attending.

**AUSTIN DORRIAN**  
**CHAIR**

**CHRIS MOONEY**  
**ASSISTANT SECRETARY**