



Scottish Police
Credit Union Limited

Serving The Police Family



ANNUAL 2022/ REPORT 2023

35TH ANNUAL GENERAL MEETING

5th December 2023

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AGENDA



- 1 Chairperson's Welcome and Roll Call
- 2 Adoption of Standing Orders
- 3 Minutes of 34th 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
- 8 Treasurer's Declaration of Dividend
- 9 Audit & Risk Committee Report
- 10 Appointment of Auditors
- 11 Election of Directors
- 12 Close of Meeting

FOREWORD 2023

ROBERT KENNEDY

CHAIR



I have the utmost pleasure in introducing you to the Scottish Police Credit Union report for 2022/23. It has been another very challenging year, not only for the Credit Union, but all our members, against the on-going global energy crisis, the current global conflicts and their subsequent impact on our economic climate and the rising daily costs due to the cost-of-living.

While we have enjoyed a successful year, as the accounts will show, we recognise the wider financial impact these issues have left on us all and how the climate has drastically changed within the past year. We remain committed to supporting our members during difficult times and the staff have been immensely grateful for the understanding and support received from everyone during this time.

It is an honour to have the opportunity to lead the Board of Directors as the newly appointed Chair and I am confident that we will continue to uphold the highest standards that our members deserve. I am looking forward to the growth and further development of the Credit Union and will ensure that our focus always remains on the financial wellbeing of our members. I would like to place on record, our appreciation as a Board to our former Chair Austin Dorrian and I want to thank him for the many years he served as our Chair.

We are very fortunate to return to Fuse Youth Café Glasgow and are grateful to our hosts for allowing the use of their facilities this year. I would also encourage you to participate in the AGM of YOUR credit union.

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 2022/23.

Once again, we have experienced a steady financial performance despite the global challenges and ones closer to home.

Last year I reported that we had been adversely affected by the significant rise in retirals from Police Scotland due to the implications of the CARE Pension scheme. While we understand this remains an issue for the Force to deal with, thankfully the impact on the credit union has not been as severe as last year.

This year saw the highest ever amount of loans we granted in any one year. We granted £11,780,492 in loans last year. This is an increase of 7.5% on the previous financial year. We are extremely grateful for the continued support from our members in continuing to use our services. Our financial performance remains good as you will shortly hear the financial report from our Treasurer Allan Macleod and our Auditor Steven Cunningham.

I am delighted to report another good trading year. Our overall loan balance increased from £24,861,299 to £26,778,138 which is an increase of 7.71% 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 £213 million to you. To help any future borrowers through this difficult financial period, we have reduced our loan rates for loans up to £1,000.

Our savings total at the end of last year was £38,933,035. This is a slight decrease of £218,366 (0.56%) on the previous year. This is a strong indication of how members are relying on their savings to help them through these difficult times. 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 2.2% 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.

I think it is worth mentioning at this point that credit unions are different from banks in the way they can generate returns on savings. As a member owned organisation, we provide a fair and equitable service to all our members. We have consistently kept our borrowing rates as low as possible and not increased them to take advantage of difficult times such as the financial crisis of 2008 and the current one. The only source of profit credit unions have is from their loan portfolio, and the limited range of investments they can use to place any surplus funds in. Other than the requirement to maintain statutory reserves, all other profit is returned to members. This year alone, if the members approve the dividend of 2.2% at the AGM, almost £875,000 is being returned to members.



We continue to work hard to improve your user experience with us. Our 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.

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 2022/23 AND CONSIDERATION OF THE ACCOUNTS

ALLAN MACLEOD

TREASURER



I am delighted to provide you with this update for the financial year 2022/23. 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 twelve months we have yet again faced a unique year with a new set of challenges. The financial pressures of the past year have heightened the reliance upon the Credit Union in such times as when we continue to face a global energy crisis and the increase on cost-of-living which has impacted our daily lives. As your Credit Union, it is important that we remain accessible and sustain a well-run and efficient organisation to ensure that your hard-earned savings yield as much as possible.

We have continued to provide affordable loans to our members and indeed only recently committed to reducing our interest rates on loans under £1,000 for borrowers despite every other lender raising theirs throughout the year. 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 positively, our total loans have increased by £1.9 million. The Accounts reflect this performance with a strengthening balance sheet and strong income statement.

As we face the lingering 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 find the report *"Annual Report and Financial Statements – Year ended 30/09/23"* on 'Downloads' section on our website or scan the QR code using your mobile phone or tablet.



MOTIONS

There are no motions submitted.

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 2.2% 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 2023 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 my pleasure to submit the report of the Audit & Risk Committee for the financial year 2022/23. 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 global conflicts. 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.

I am delighted to have welcomed two new Audit and Risk Committee members, Angela Wood as our Director of Risk, and Gary O'Neill as our Director of Compliance. With their knowledge and expertise, we have 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 has been reviewed and amended to show clearer understanding of each risk. We have also reviewed all risk descriptors to ensure they are comprehensible and more accurately reflect the risk. This is regularly reviewed by our Audit and Risk Committee and periodically by our internal auditors resulting in any required changes being made timeously.

I am happy to report that another full year with our internal auditors, Beever & Struthers has been successful. This has seen the delivery of reports on Bank Reconciliation, Health and Safety, but also on Contract Management, IT Health Check and Management Information.

The new developed and enhanced approach to our internal audit has meant that we continue to be audited with significant additional scrutiny. Across all the reports there were 2 'High', 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.

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 2023

PAUL ROONEY
SECRETARY



The Directors present their annual report and financial statements for the year ended 30 September 2023.

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:

Robert Kennedy	
Duncan Sloan	<i>(Resigned 6th December 2022)</i>
Allan Macleod	
Chris Mooney	
Austin Dorrian	
Ricky Mason	<i>(Resigned 6th December 2022)</i>
William Newlands	<i>(Resigned 24th July 2023)</i>
Alison Kennedy	
Kevin Pollock	<i>(Resigned 6th December 2022)</i>
George Nedley	
Graeme Gallie	
Lyndsay Garbutt	
Theresa Collie	
Angela Wood	
Garry O'Neill	<i>(Appointed 6th December 2022)</i>
Paul Rooney	<i>(Appointed 6th December 2022)</i>



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

Paul Rooney

Paul Rooney
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-FOURTH ANNUAL GENERAL MEETING

TUESDAY 6TH DECEMBER 2022 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 34th Annual General Meeting and invited them to take an active part in the proceedings.

2. Adoption of Standing Orders

Duncan Sloan proposed that Standing Orders were adopted. This was seconded by Tom Rowatt 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 33rd Annual General Meeting held on 7th December 2021 had been circulated. Allan Macleod proposed their adoption, seconded by Chris Mooney, 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 which was accepted by the meeting.

5. Treasurer's Report and Consideration of Accounts

The Assistant Treasurer spoke to the previously circulated report which 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. 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. Two competent motions had been received:



7.1 Minimum 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.

The Chair invited the CEO to present the motions as above and sought approval from members.

The Chair then called on the membership to approve the motions. The motions were carried.

8. Declaration of Dividend

On behalf of the Board of Directors, the Assistant Treasurer proposed a 1.9% 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 2022 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 meeting endorsed the proposal.

9. Audit & Risk Committee Report

The Chair presented the previously circulated report, which was accepted by the meeting.

10. Appointment of Auditors

It was proposed that Chartered Accountants, Alexander Sloan, be re-appointed Auditors for the financial year 2022/2023.

The meeting endorsed the proposal and Chartered Accountants, Alexander Sloan, were appointed Auditors for the financial year 2022/2023.

11. Election of Directors

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



- > Alison Kennedy
- > Wullie Newlands

The Chair advised the meeting that Duncan Sloan, Kevin Pollock and Ricky Mason were standing down as Directors. He thanked them for their contribution on the Board and wished them 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:

- > Paul Rooney
- > Gary O'Neill

One of the Directors, Gary O'Neill who was standing for election was 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 his election to proceed despite him not being present.

The meeting endorsed the proposal to waive the regulation.

Angela Wood is currently a serving Director having been co-opted during the year and is now standing for election:

- > Angela Wood

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.

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

ELECTION TO THE BOARD OF DIRECTORS

NOMINEE

Alison Kennedy
Wullie Newlands
Angela Wood
Paul Rooney
Gary O'Neill

DECISION

Re-elected
Re-elected
Elected
Elected
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 ended by welcoming the new Directors to the Board.

12. Close of Meeting

The Chair formally thanked Duncan Sloan and Ricky Mason for their service on the Board of Directors and a small token of appreciation was presented.

The Chair thanked everyone for attending.

AUSTIN DORRIAN
CHAIR

ROBERT KENNEDY
SECRETARY

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