EASTERN SAVINGS & LOANS CREDIT UNION
MINUTES OF THE TWENTIETH AGM
Wednesday, 18 September 2024, 6.30pm – online *Zoom* meeting

Present: 19 Members were in attendance, Grahm Evans as Chair

In attendance: 2 others in attendance

Apologies: No formal apologies received.

1. **Welcome by the Chair**

2. **Verification of Quorum** - achieved

3. **Minutes of Previous Meeting** held on 18 September 2024, available on the ESL website, were approved as a fair record by the meeting.
   Carried; 17 for, 2 abstentions.

4. **Report of the Board of Directors**
   We have again helped more borrowers than in the previous year and our focus on small loans, along with an effective lending strategy has enabled us to increase income from lending. The Board continues to consider how we can help more people both saving and borrowing.

   To this extent, the Board approved substantial capital investment in a new website, which went live in March 2025. Early monitoring shows this investment is starting to have a positive impact.

   The Board continued to meet monthly to review progress and provide strategic guidance to the credit union. We have discharged our responsibility to keep proper accounting records, maintain a satisfactory system of controls, safeguard the credit union's assets and take steps for the prevention and detection of fraud and other irregularities. The Board reviewed the expectations of the Prudential Regulation Authority (PRA) for high Standards of Governance in Credit Unions and is pleased to report we had robust approach to all aspects to which they had drawn our attention.

   We refreshed our vision for the credit union and confirmed this is:

   "To provide financial services to members in the Eastern region, improving their resilience and wellbeing. To grow our membership as the credit union of choice of more people in the community, with a focus on individuals at risk of using high cost or illegal lenders".

   The Board completed the move from the Supervisory Committee to the Audit Committee in accordance with the recent rule change. The three members of the Supervisory Committee, Sally Chicken, Nika Watts and Glen Chisolm were co-opted to the Board of Directors and appointed to the Audit Committee.

   Two directors left during the year, and we thank Robert Finch and Michael Kitching for their contributions.

   I am delighted to report that Eastern Savings and Loans Credit Union is an Accredited Living Wage employer.

   We thank our staff, volunteer directors and all our members for helping us to remain a sustainable and successful credit union.

   There were no questions from members.

5. **Report of the Treasurer and consideration of Accounts**
   Ruth Wailes presented the draft accounts for the year ending 31 March 2025 and noted that the comparison period (2024) is for 18 months as we extended our year-end last year. Accordingly, this report compares two-thirds of 2024's reported values against 2025's results, in order to draw meaningful conclusions about our financial progress.

   The reported 18 month profit in 2024 was just under £109,000, which translates to £72,650 for a 12 month period, compared to 2025's result of just under £26,000. Whilst this looks like a marked decline, it is a result of several carefully considered decisions by the Board, which have strengthened our position for the long-term.

Our core business grew during the year. Interest from members' loans increased over £31,000 compared to 2024 (15% increase). The net loan book (loans due from members, less provision for slow payments) increased by over £68,000. We issued £1,023,000 in loans in 2025, compared to £950,000 in 2024 (up 7.7%). We had over 1,000 new members during the year, but a similar number also left during that period, giving a net drop I membership of 10. We are working on ways to reduce the number of leavers in future years.

Other income (note 7) dropped from around £62,000 to £36,500. £25,000 of this drop was due to the ending of the service level agreement we had with Suffolk County Council to support vulnerable adults with financial services. Whilst the ending of this agreement has had an impact on our income, one consequence has been staff gaining time for other tasks, as the members of the scheme made frequent contact with the office team.

We have also seen a reduction in grant income from other sources. The Board has had a long-term goal to reduce our reliance on grants.

Most expenses are in line across the last two sets of accounts with the exception of heat and lighting due to electricity and gas price increases and an increase in computer costs. We switched to new banking platform software in January 2024. There are additional, ongoing software fees of around £11,000 per year, compared to our previous system, but we have seen the benefit of the changeover with transaction processing being more streamlined and quicker loan decision-making. We are also able to extract a wide range of reports from our data, so staff and the Board are better informed for making decisions.

During the year we had a new website which cost £26,520 (which appears as a fixed asset addition in the Balance Sheet, note 11). The old website was technologically outdated, slow to load and causing difficulties with search engines, which meant we were dropping down the rankings on Google or other sites. The new site, alongside the new back-office system implemented last year, keeps our branding consistent. The much improved "Members' Area" allows members to check balances, make transfers/payments themselves and get updates on the progress of loan applications. This frees up staff time to deal with complex queries.

We have also increased the salaries of our team members. This process started in 2022 with above-inflation rises being implemented each year and pay increases this year. We have now received accreditation as a "Living Wage Employer" which was a long term goal of the Board, to show our appreciation of all the team members and recognition of the importance of our staff in our business.

All these changes have strengthened the Credit Union, and will enable us to serve the population of the East of England with a professional service over the coming years.

Ruth thanked the office team and in particular Mark, the Finance Officer for all his help, advice and input.

The Treasurer proposed the acceptance of the Accounts and Report, which were approved by the meeting.
Carried; 14 for, 2 against, 2 abstentions.

6. **Report of the Auditor**
The Treasurer presented the Auditor's Report and was pleased to note that the Auditor had issued an unqualified audit with no concerns raised.
Carried; unanimously

7. **Appointment of Auditor for the coming year**
We have used *Lindley Adams* for a number of years and it is considered good practice to change auditor from time to time. However, there is only a small pool of auditors with suitable experience and *Lindley Adams* is cost effective and convenient for us. RW proposed that, as there is a limited pool of auditors with specialist credit union knowledge, we should continue to use *Lindley Adams* again this year. This was seconded by GE.
Carried; unanimously

8. **Report of the Audit Committee**
Sally Chicken, Chair of the Audit Committee, reported that the Audit Committee became a sub-committee of the Board of Directors following membership approval at last year's AGM to change the credit union's rules and the subsequent approval by the regulator. All three members of the Supervisory Committee transferred to be Board Directors at that time namely, Sally Chicken, Glen Chisolm and Nika Watt.

The Audit Committee is responsible for ensuring the credit union meets the required financial and regulatory expectations, reviewing and establishing policies and procedures sufficient to safeguard member assets.
At the first meeting following the AGM, the Audit Committee is elected by the Board and works to prescribed terms of reference previously agreed by the Board as part of its regular review of policies and procedures.
The committee discusses and reviews a wide array of policies and procedures and found no areas of concern.

The credit union continues to make improvements, and looks to comply or exceed regulatory requirements in areas which apply to larger credit unions. This means that when we become larger, we will not need to change our procedures and will give confidence to the regulator that we are ready to be a “large” credit union.

New improvements continue to be made to our back-office system, helping to increase the quality of reporting to the committee from the management and the internal auditor.

The Internal Audit function is discharged by David Norman who undertakes regular randomised checks of activity as set out by the Audit Committee each year, reviewing transactional compliance with legislation, regulation, policies and procedures. David attends meetings of the Audit Committee so the checks can be discussed.
No issues of concern were highlighted by David as part of his checks. Additional checks have been added throughout the year as improvements have been added to the back-office IT system. The improvements continue to allow a larger number of items to be checked without adding to the workload or time.

The Committee was pleased to report the office team gave and continue to provide every possible co-operation in answering questions from the Audit Committee and Sally thanked all members of the committee for their contributions this year.

9. Report of the Chief Executive

Chris Mole was pleased to report that workflow and processes have been improved to ensure better service to members. Applications for membership and loans are now completed in hours rather than days. Feedback from members shows increasing satisfaction.

We have almost entirely removed paper from the workplace but still provide an alternative to digital access for those who prefer it. We use the latest tools, such as open banking to assess the affordability of any loan for a member but we take a human approach to underwriting and use assisted not automated decision-making.
Our communication with members is designed to give people the information they need at their fingertips and use of text and email messaging has been enhanced with major investment in our new website.

We continue to work with partners, and we delivered: Solar / Green loans with Broadland District Council; Business start-up bursaries in Norfolk and Suffolk with MENTA; Anti-Poverty credit union awareness and financial wellbeing with Suffolk County Council. These partnerships support our communities and generate additional income for ESLCU.

We are fortunate to have strong skills in the team, including digital marketing and accountancy skills, that would be envied in other credit unions. These have enabled the team to respond to recent challenges.

Subsequent to the year end, the credit union confirmed it intends to take on the assets and liabilities of Holdfast Credit Union in September 2025. The HCU membership has approved a resolution at two Special General Meetings and the ESLCU Board of Directors agreed by resolution to accept the transfer. This is currently subject to final regulatory approval. The Board has undertaken due diligence and sees a merger with HCU working in the interests of both our members and those of Holdfast.

The team and members were deeply saddened by the death of Sylvia Ellis during the year. She made difference to many of our members' lives through her compassion and understanding. She will be remembered for her brilliant sense of humour and kindness to everyone who worked with her over the years.
Chris thanked the team at Austin Street and the Board of Directors for their individual and collective contributions to the performance of the business in 2024/2025.

10. Election of Directors

Three members are standing for election to the Board; namely Nika Watt, Ruth Wailes, Sally Chicken.
Since fewer nominations were received than there are places on the Board, no votes were required in terms of Rule 103 and the appointments of Nika, Ruth and Sally were agreed;

Carried; unanimously.

11. **Proposal to pay a Dividend on Adult Accounts and intimation of Interest on Junior Accounts**
Ruth Wailes proposed a dividend of 0.7% which will cost around £8,800 for adult members.
Carried unanimously.

The Board was also pleased to advise that it had approved payment of 1.5% interest on Junior Savings accounts, at a cost of approx. £2,500.

12. **Any Other Business:**
None received in advance.
JT thanked everyone at ESL for their work and commitment.
GE thanked all staff once again and all members for attending.

13. **Proposal of Honorarium to the Treasurer**
GE proposed an honorarium for the Treasurer of £650 as a small token of appreciation for the huge amount of work which Ruth undertakes in her role. This was seconded by JT.
Carried; 18 for, 1 abstention (Ruth Wailes)
Ruth Wailes declined to accept but noted that this should not set a precedent for future treasurers.
Graham Evans thanked Ruth for her decision.

There being no other business, the meeting closed at 7.10pm.