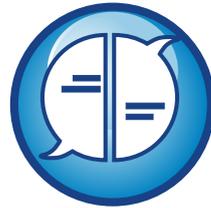


AGM 2022/23 Brochure



1st CLASS



C R E D I T U N I O N



Board of Directors Update

Dear Members,

As ever it has been a privilege to serve you over the past year as Chair of 1st Class Credit Union. The Board of Directors and I have worked very hard with the operational team to continue to transform and professionalise the organisation. In terms of reflections on the past year I would like to focus on 3 important aspects: People, Premises and Performance.

We now have a structure in place that allows for not only better service to our members but also a constructive and modern workplace that offers the opportunity for individuals to grow, learn and develop in their roles. Colleague retention over the past year is 90%. We have no issues with absenteeism and no one on long term sick leave. We have 4 colleagues currently working on some form of educational development from Diploma level to Degree level, we have one apprenticeship, and we have one colleague due to complete the CU Futures programme with ABCUL our Trade Association. Our people want to serve you, are keen to learn and develop and have showed through our telephony and complaint statistics that high standards of Member Services are at the heart of what they do every day.

We realised some 3 or 4 years ago that our old premises in Bell St would have a limited timespan if we were to grow. The ground floor needed extensive remodelling and we would never have got back any investment in this. So, in late Summer of 2023 we were finally able to relocate to a much more professional and affordable work space – crucially it is accessible to all of our members including wheelchair users. I would like to take the opportunity to thank all of our staff team, especially the CEO and SMT for completing much of the move themselves to save money for our Members. We also extend an invite to members to our new office, please do feel free to visit.

In terms of performance, we have achieved a number of things: We have embedded all of the regulatory requirements in terms of Consumer Duty which you will hear more about in detail from our Consumer Duty Champion. We have grown our membership and importantly finally recruited our 10000th member -something we have been aiming to do for 7 years – we also received a Gold Award from Feefo from the feedback from our own members and we won Lender of the Year at the Inspire Awards. Our



Bruce Devenport

Chairman
1st Class Credit Union

financial ratios are strong in relation to capital, liquidity, loan to share and we have been super vigilant on ensuring we continue to top up provisions for bad debts. A crucial performance indicator is that we have increased our Loan Book by 7% this means we have not only been able to lend to more members but that our share balances are working hard for us. We also took the very difficult decision to remove Loan Protection/Life Savings Cover – over the past 10 years we have spent more than £1M on insurance cover and when we did a deep dive into this we could see this was not providing a return for the majority of our members and since our review we have actually raised a complaint to the Financial Ombudsman about the sale of this particular product and are awaiting an outcome from them. We are also looking at other potential products and pathways for our members and will update our membership as soon as possible with news on this.

As we go forward our theme for the year is Best Year Yet, we will be looking to widen our product portfolio and potentially increase our Common Bond. We will be aiming for a Platinum award from Feefo for Customer Service Standards and we want to grow our membership by 2000 this year. Our main goal as ever will be to deliver a dividend to our members. May I take this opportunity to remind anyone experiencing any kind of difficulties to talk to us – we have a number of solutions and our dedicated member services page is there to help. We understand how tough the cost of living crisis has been and have felt this as a business too. We will be actively helping the Government to combat and eliminate the toxic illegal money lender trade. We will also continue to support positive and valuable community projects up and down the Country from a Social impact perspective including our partnership with Fans Supporting Foodbanks and Say Women Glasgow.

On behalf of the Board of Directors and the Operational Team, may I wish all of our Members a happy, peaceful and prosperous New Year.

Bruce Devenport – Chair 1st Class

Deputy Chair Update

I am a Royal Mail employee and have been a Director with 1st Class Credit Union for 7 years now. I am delighted to be promoted to the role of Deputy Chair of the Credit Union Board of Directors and look forward to working with my colleagues and members as we go forward. My main focus is and always will be to keep our members best interests at the heart of all that we do.

Over the past year much of my Director work has been focused on the Risk and Succession Sub Committees and am proud to have made a



Tommy Higgins

Deputy Chair
1st Class Credit Union

difference especially in supporting the CEO to make transformational change to professionalise the organisation.

I look forward to serving our members as Deputy Chair and wish all of our members a happy and peaceful new year.

CEO Update

Dear Members,

We understand how challenging 2023 has been – the rising cost of food, fuel and overall cost of living has been tough. We have felt this as a business and like most other Credit Unions have seen a drop in our Share balances as our members have tapped into savings to enhance their income. My team and I are here for members who might be facing difficulties and would encourage anyone worried about payments to get in touch so that we can help. In most cases we will have a solution.

Against the climate of the cost of living crisis, we have worked very hard to produce strong results. Our regulatory requirements on Capital and Liquidity are still well above expectations and not only have we grown our membership but we have increased our loan book by 7% - which helps us to ensure that our money is working hard for us. It also means we have been able to help more people.

As we go forward, our team are focused on Best Year Yet which is not only about growing our organisation and delivering excellent service



Gayle Adnyana

CEO
1st Class Credit Union

but also focusing on small changes that we can make individually (drinking more water, walking more, taking the stairs) and perhaps its something you can join us in.

I am extremely proud of the team and the way they strive to give their best every day, we were all actively involved in our premises move, creating a new bright and fresh space to work. We were all delighted to win Lender of the Year at the Prestige Awards and will continue to do our best for you in the months to come.

On behalf of the whole team at 1st Class, I hope 2024 is a good year for you and your loved ones. If we can be of any service to you at any time please do get in touch. My direct email is GayleAdnyana@1stclasscu.co.uk

Best Wishes,
Gayle

Sub Committee Updates

Risk, Succession and Governance

I have served with 1st Class Credit Union for more than 5 years. I am delighted to take on the role of Chair of the Succession/Nominations and Governance Committee and the interim Chair of the Risk Committee. I was actively involved in the old PCS Credit Union and am a very active volunteer and ambassador with the Credit Union. In the coming year I would like to support the operational team in developing additional products and services that might be of use to our members, so that we can not only recruit new members but retain them for many years to come.



Robert Hall

Chair of Succession and Governance, Interim Chair of Risk Committee.
1st Class Credit Union

In my role as Chair of the Succession Committee I will do my utmost to bring further diversity to our Board of Directors – the recruitment of another female Director is a priority for us in 2024. We want our Board to represent our whole membership. I look forward to meeting many of our members and future members at our recruitment events and wish all a very prosperous New Year.

Finance

I have been a part of 1st Class Credit Union since its formation in 1992. I am employed by Royal Mail and serve in the Navy Reserves. I was very proud to march in the King's procession at the recent Coronation.

I am the Chair of the Finance Committee and this year our focus has been to navigate the cost of living crisis. We know how tough it has been for our members, especially for those of you involved in Industrial Action and that's why we are delighted to be able to offer a dividend this year.

A main focus for us over the next 12 months will be to grow the organisation which should enable us to offer a dividend again next year.



James Coventry

Chair of the Finance Committee/Treasurer
1st Class Credit Union

We have also worked very hard on the standard of our loan processing and have grown our loan book by 7% which means we allowed more members to borrow from us. For anyone struggling please know that we have a dedicated member support page on our website and would encourage you to visit it.

Membership

I have been a director of 1st Class Credit Union for 5 years having been on the Board of the Public and Commercial Services Union Credit Union since 2012. I have been a Civil Servant for 45 years and work for the Ministry of Justice in Glasgow.

I am currently chair of a local charity "Getting Better Together Shotts" a community based health initiative which promotes the education, health, and wellbeing of North Lanarkshire residents. Access to financial services is a basic requirement for health and wellbeing and I truly believe that Credit Unions provide an ethical and affordable alternative to High St. banks and other financial institutions.

I am proud to lead the Membership Committee. Over the past year our focus at the Membership Committee meetings has been mainly focused on 3 areas:

- Embedding Consumer Duty
- Growing our Organisation
- Ensuring we are offering value for money.



Peter Kelly

Chair Membership Committee
1st Class Credit Union

Consumer Duty actions are there to make sure we always keep the Member at the heart of what we do and the expectations around Consumer Duty will not end – they are now a permanent fixture in the way that we work to ensure we always strive to take the very best care of our members.

I was delighted as the Chair of the Membership Committee to see us finally exceed 10000 members this year and we will use that as a springboard to grow. I am also delighted to say that we have no plans to bring in fees for withdrawals or failed payments or direct debits as other credit unions have.

Head of Function Updates

Deputy CEO Update

2024 will be our best year yet that I have no doubt.

In the coming year after reaching agreement with the CWU for a new 1st Class credit Union / CWU partnership we will focus on delivering a number of items. These include pay roll partnerships with BT & FS , a joint social impact strategy to engage, assist CWU/1ST Class members and a partnership on media advertising with emphasis on recruitment with support in all aspects from the CWU.

We have already begun targeting and will continue to target NHS England Trusts as part of the ongoing recruitment strategy to embellish the growth of the 1st Class Credit Union to maintain its relevance in the wider credit union community.

Member Services

The year 2022-23 was a great year for the member services department of the credit union. We achieved more workplace visits than ever before, recruited to our team successfully, embedded a new telephony system, and reached our long-term goal of 10,000 active members. The year our business development team introduced the credit union to more civil servants than in previous years by attending 5 Civil Service Live events across the UK. At these events we recruited 120 members,

Lending

The last financial year was a successful year, we increased the loan book by 7% and received just under £1.2 Million in loan interest. Another positive was we received the Best Loan Agency of the Year award. This award was based on our members' responses to the service they received during the loan process. New processes were put in place to enhance our members' experience, and it was great to see through members' comments the impact this has truly had.

The last financial year has been a challenging year for almost all our members, with workplace strikes affecting some, along with the impact of the cost-of-living crisis. As an organisation every decision has been made with keeping the best



Paul Edwards

Deputy CEO
1st Class Credit Union

This will allow the credit union to continue to provide excellent service and assistance to all its members with sustainability and continuity for the years ahead.

Further growth opportunities have been strategised through our marketing partnership with ZYNC Digital. We aim to recruit from our common bond areas of untapped membership to further grow your credit union, and provide a thriving, competitive and sustainable credit union for all of its members.

THIS WILL BE THE BEST YEAR YET!



Luke McGilvray

Head of Member Services
1st Class Credit Union

shared our credit union story, and met some amazing people.

Thank you to each member for their contribution last year. We hope to speak to many of you again in the coming year.



Stacey Mitchinson

Head of lending
1st Class Credit Union

interests of our members at the heart of it. This is the reason why we have introduced a Credit Builder loan product to help members rebuild their credit file and borrow from a responsible lender.

Following on from another successful year we aim to provide all our members with affordable lending and continue to be our members' number one choice.

Compliance

I have spent the past 12 months transforming our compliance and risk framework. As part of this with the help of the team, I have created a robust credit control function. This helps our Credit Union in two ways: Firstly, having stronger procedures in place for debt recovery creates a fairer Credit Union for all and promotes the spirit of mutuality (and our recent work has resulted in a 100% increase in debt recovery year on year).

Secondly, it allows us to truly support our vulnerable members. I understand how important it is for our members to know that we are here to help with any concerns, and we understand that life can be difficult at times especially with the current cost of living crisis.



Sophie McMahon

Compliance Manager
1st Class Credit Union

One of my proudest personal achievements this year has been to develop better pathways for all our members, this included leading our Consumer Duty Plan and liaising with our Consumer Duty Champion.

I know that Risk and Compliance might not be appealing subjects to most people, but I thrive in delivering frameworks that mitigate and reduce our risks which in turn promotes stability and sustainability for the Credit Union.

Finance

Our newly formed Finance Team has had a great year. We built and monitored an annual budget, maintained strong PRA ratios & transitioned from paper to electronic direct debits which resulted in more flexibility around date ranges for you, our members. Our payment support team supported several hundred members in a year that has been challenging, with the option of emergency withdrawals, pauses on payments or even just someone to talk to.



Aimee Hastings

Finance Manager
1st Class Credit Union

Thank you for your continued membership with 1st Class Credit Union. May we all have the best year yet!



2022 – 2023 Highlights

New Office Move

We are extremely proud to announce that our new home in the Aspire Business Centre on, Rutherglen Main Street, Glasgow is now officially open. Following 18 months of growth the time had come to move on from our previous home at 105 Bell Street in Glasgow's city centre. Our new office offers much more than our previous residence, it comes with double the square footage, room to grow, 3 meeting rooms, a lunch area, a breakout area, and free parking. All while still being able to offer our members the opportunity to visit us in person, thank you to those who have come by already.



Consumer Duty

As a Board we are committed to treating our members well and keeping them at the heart of all that we do. Over the coming year we will develop further options for those members that are blind or deaf/hard of hearing to ensure their experiences are improved. We will also commit to keeping fees for things like failed direct debits and withdrawals at no cost to our membership. We also commit to supporting Consumer Duty fully as we go forward, it has no end date for our organisation.

Lending Award

1st Class Credit Union were awarded Loan Agency of the Year by Prestige Award in June for the customer care shown during our loan assessment process and our focus on a positive member experience.



Celebrating

10K
MEMBERS

10,000 Members

1st Class Credit Union was established in 1992 in Glasgow, originally set up to serve Royal Mail Group employees in the area. We've grown from humble beginnings to recently celebrating our 10,000th member joining us this year. For the first time in the last decade, we have seen our membership surpass 10,000 after being very close to our goal of 10,000 for the last 8 months. A massive thank you to all our members, who save, borrow, and help each other in our credit union family.



No. of Members

10,008



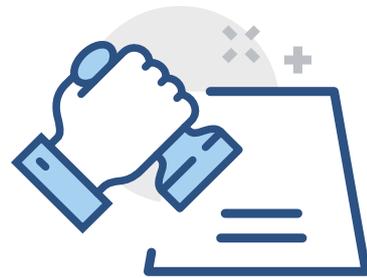
Member Growth

922



Total Borrowers

3874



Loans Processed

£8.6m



Discounts Paid

391



Feefo Rating

4.6



Year Road Map

OCTOBER 2022

Staff and Directors visited Belfast for a member event, board meeting and training day.

NOVEMBER 2022

We had the honour of hosting **62** credit union delegates from Kenya.

DECEMBER 2022

414 Christmas Loans Paid to Members totalling **£416,000**.

JANUARY 2023

All staff vulnerable member training completed with Citizens.

FEBRUARY 2023

Hybrid AGM held.
Discount Club Launched.

MARCH 2023

Member Survey Released
• **89%** of members rated service excellent or good.

APRIL 2023

Opened a 1* Class CU Hub within CWU Manchester Amalgamated Branch.

MAY 2023

PCS Conference Attended.

JUNE 2023

Highest Lending Paid - **£871,829**
Highest Onboarding - **110 Members**
Long Term Employee, Janice Pattie, Retires
10,000 Member Milestone

JULY 2023

Civil Service Live London Attended
• **60 Members** Joined

AUGUST 2023

Moved offices to Rutherglen from the City Centre.

SEPTEMBER 2023

Opening night event held in our new office to celebrate.



Social Impact Report

Fans Supporting Foodbanks and Say Woman

We at 1st Class Credit Union are proud to support community projects throughout the UK, including our support of Fans Supporting Foodbanks and the Right to Food campaign.

Our mission is supporting the most vulnerable in our communities which is a 24/7 undertaking.

In April 2023 Luke and Gurmeet were delighted to meet some of the pantry volunteers at Lodge Lane in Toxteth, Liverpool.

Both Luke and Gurmeet then called to Lodge Lane Credit Union to meet the staff of one of Liverpool's oldest Credit Unions followed by lunch at Homebaked community bakery.

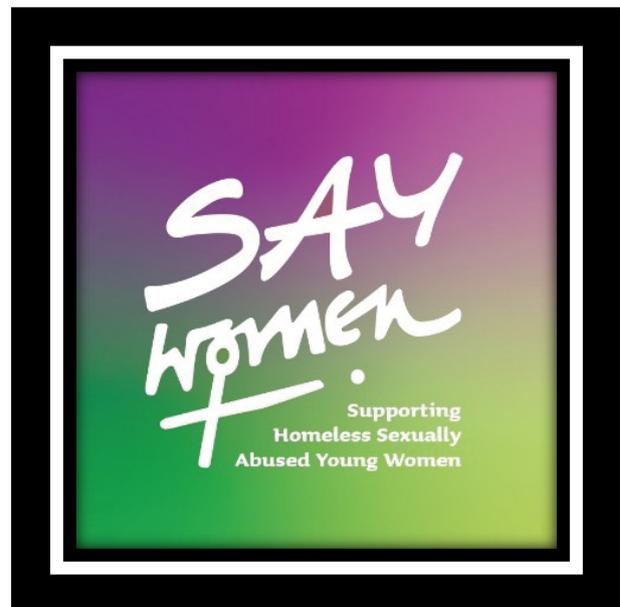
Facing Homebaked bakery is Anfield football stadium, with our FSF food collection point outside.



Our Board of Directors along with Jim McNichol and our friends at CWU Greater Manchester Amal kindly donated towards Fans Supporting Foodbanks 'Warhol/Pop Art' T-Shirts. Each T-Shirt which is ethically manufactured, costs £20.00 and all proceeds will go to Fans Supporting Foodbanks, Fans Supporting Foodbanks Scotland and MCFC Foodbank Support.

During the year our CEO, Gayle Adnyana, along with female members of the team visited Say Woman, a charity that offers safe semi-supported accommodation and emotional support for young women aged 16 to 25. This charity aids survivors of sexual abuse, rape, or sexual assault and who are homeless, or threatened with homelessness.

Since this visit Say Woman have presented to our whole staff team, Board of Directors and we have hosted their information on our support page. We have also donated to support the woman the charity supports.



Members Feedback

4.6/5

★★★★★
Independent Service
Rating based on 598
verified reviews.



feefo

“

FABULOUS SERVICE

'For someone with a poor credit history, I was dealt with swiftly and courteously and everything from application to receiving my loan payout was smoothly done. I would highly recommend this company. Treating those of us with poor credit history as people instead of statistics.'



”

“

PERFECTION

'Very fast at processing and delivering loan amount to chosen bank. Customer services very helpful and professional.'



”

“

I ALSO SAVE FOR CHRISTMAS WITH FIRST CLASS WHICH AVOIDS FURTHER DEBT

'1st Class Credit Union, are the best solution if you need to consolidate your debt. Great service, great rates and someone to talk to if you need to.'



”

“

1ST CLASS CREDIT UNION ALWAYS LIVE UP TO ITS NAME. FIRST CLASS SERVICES.

'Excellent!'



”



Independent Auditor's Report

TO THE MEMBERS OF 1ST CLASS CREDIT UNION LIMITED

Opinion

We have audited the financial statements of 1st Class Credit Union Limited (the 'Credit Union') for the year ended 30 September 2023 which comprise the revenue account, the balance sheet, the statement of changes in reserves and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Credit Union's affairs as at 30 September 2023 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)

and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Credit Union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Revenue Account

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023	2022
		£	£
Loan interest receivable and similar income	3	1,275,150	1,182,236
Interest payable	4	-	(167,794)
Net interest income		1,275,150	1,014,442
Interest payable	5	54,823	41,804
Interest payable		(21,713)	(9,661)
Net fees and commissions receivable		33,110	32,143
Other income	6	194,251	293,887
Administrative expenses	7	(1,083,897)	(1,090,772)
Depreciation and amortisation	16	(2,285)	(11,047)
Other operating expenses	8	(159,185)	(153,529)
Impairment losses on loans to members	15	(325,041)	(213,067)
Total expenditure		(1,376,157)	(1,174,528)
Surplus/(Deficit) before taxation		(67,897)	(127,943)
Taxation	11	(42,063)	(13,453)
Surplus/(Deficit) for the financial year		(109,960)	(141,396)
Other comprehensive income		-	-
Total comprehensive income		(109,960)	(141,396)

The revenue account has been prepared on the basis that all operations are continuing operations.

Balance Sheet

AS AT 30 SEPTEMBER 2023

	Notes	2023 £	2022 £
Assets			
Cash, cash equivalents and liquid deposits			
Loans and advances to banks	12	1,350,167	4,819,463
Loans and advances to members	13	12,985,896	12,190,134
Tangible fixed assets	16	5,647	199,868
Other long term investments	17	5,750,000	5,250,000
Prepayments and accrued income		78,745	58,864
Total assets		20,170,455	22,518,159
Liabilities			
Subscribed capital - repayable on demand	18	17,912,592	20,187,426
Other payables	19	181,142	144,052
		18,093,734	20,331,478
Retained earnings			
Distribution Reserve		142,434	24,343
Revenue Reserve		-	391,068
Credit Union Foundation Reserve		-	100,000
Income and expenditure reserve		1,934,287	1,671,681
		2,076,721	2,186,681
Total liabilities		20,170,455	22,518,159

The financial statements were approved by the board of directors and authorised for issue on 26 February 2024 and are signed on its behalf by:

J. Coventry
Director

B. Davenport
Director

P. Shelby
Director



1st Class Credit Union are proud members of The Association of British Credit Unions Limited (ABCUL). All of our team utilise the learning academy that ABCUL offers, which helps to educate, train and develop our colleagues.



1st Class Credit Union Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and The Prudential Regulation Authority (FRN No. 213700). Mutual Societies Register 72CUS.

