

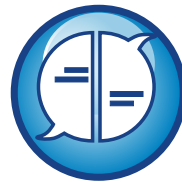


AGM 2021/22 Brochure





1st CLASS



C R E D I T U N I O N



A letter from our Chair

Dear Members, Colleagues, and fellow Directors,

It has once again been a privilege to serve as your Chair in the past year. Whilst it has been a challenging year, we have seen lots of positives to which I will come onto.

When I look back and reflect on the year may I once again thank our former CEO Andy Wright for his service to the Credit Union. As you know Andy formally retired in March of 2022 and we thank him again for all of his efforts in founding the organisation.

If I could describe the year 2022, I would describe it as being a year of change. We started the year 2022 with our formal bi-annual interview from the PRA, our regulator, which went very well, we received positive feedback and have since built on our relationship with them continuing a very positive conversation.

We have brought some much-needed change to our infrastructure, beginning with our staff team. We developed the organisational chart to give them much needed pathways to develop and have really embedded training and learning as a key part of everyone's role – this in turn will make it a better experience for our members.

We have also changed our IT system this year, having found some key risks with the framework of the old IT system and whilst it is never easy to cope with unexpected change, we progressed with this quickly and effortlessly whilst maintaining a near 100% service to our members. We all thank you for your patience during that transition. By changing provider, we have now eliminated key risks that could have been harmful to our organisation left untreated.

One area that we have improved this year has been around our Corporate Governance, including the induction of a new Vice Chair – Paul Edwards and Deputy Chair Jim McNicholls. As promised to you last year, we have inducted 2 new female directors to our Board to improve our equality and diversity of opinion and I take this opportunity to formally welcome Shahida Raza and Brenda Morgan to our Board. Our secretary position changed this year and I thank Paul Selby for his ongoing service to the role.



Bruce Devenport

Chairman
1st Class Credit Union

We have changed the way we work in other different ways and our new CEO Gayle will talk about that in her address.

As Chair, as a father, as a former Postal Worker and trade union official my colleagues and I are very aware of how difficult the year has been in terms of the cost-of-living crisis. I would appeal to all of our members to reach out if you need help and we promise to do all we can in a fair and ethical way. Our staff team have been through special training this year to serve those that might be especially vulnerable.

As a result of the cost-of-living crisis and the period of striking involving so many of our CWU members we rightly put off any celebrations that would commemorate our 30th Birthday, but we hope to do something in late Spring to signpost this brilliant achievement. We thank all of you that helped get us to 30!!

One of the highlights for the year for me has been seeing how we have started to help our wider community via Fans Supporting Foodbanks and at a very special World Forum event in Glasgow to support Say Women Glasgow. We have also through the World Forum and via our trade body ABCUL continued to meet and learn from other Credit Unions, including a renewed friendship and partnership with Georgia's Own in Atlanta.

May I take this opportunity lastly to thank our members for their continued support and involvement with our organisation. Thank you especially to the ambassadors that have helped us grow our loan book this year and grow our membership by over 10%. On behalf of the Board, we would like to thank the staff team and our new CEO Gayle for their immense hard work in the past 12 months.

Again, please do get in touch if we can help you. Wishing you and your families a great 2023.

CEO Letter

Dear Members,

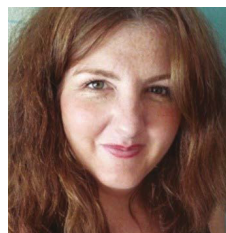
The past financial year has gone by so fast and there is much to share with you. Firstly, may I say thank you to all of our members for your continued support during 2022, it is much appreciated. I have spoken with many of you personally and the team and I are proud to serve you every day.

The team and I are very much aware of how difficult the last few months have been with the Cost-of-Living Crisis kicking in, utilities soaring alongside the cost of food and fuel. We have lots of ways to help at this time, please just get in touch at reception@1stclasscu.co.uk at any time, even if it's to find out how we might be able to save you a few pounds per month or help you start saving again, even in a small way. We are focusing on debt consolidation at this time, or you can start saving for Christmas 2023. Just get in touch, we will offer you a non-judgemental, supportive, and fair service.

We finished the year with a surplus of just over £110,000 and would have hoped this to be more however we have faced some challenges with IT that we were not expecting. In this regard we thank you sincerely for your patience as we transitioned to the new IT system "Progress". As you know, all of our data was migrated safely and securely and whilst we are not able to offer faster payments at the moment, we hope this will develop in the next few months.

We have also completed a huge amount of transformational change within our organisation, including:

- A new Risk Management framework including a Consumer Duty Plan/Focus
- Corrective Action Register to help us continually improve
- A dedicated Members Support Programme for our vulnerable members
- Growth in our loan book of 4%
- An organisational framework for colleagues allowing them to have a development pathway
- Growth in membership of 10%
- A review of our whole Credit Control system.
- Roll out of our Ambassador Programme



**Gayle
Adnyana**

CEO
1st Class Credit Union

As promised, we have begun some of our Social Impact work within our communities. This has included work with Say Women Glasgow and Fans Supporting Foodbanks, and we hope to do so much more of this in the next year.

We have renewed our friendship and partnership with Georgia's Own Credit Union – a forever friend and strong ally for 1st Class. We also hosted delegates from across the world at the World Forum for Credit Unions in July and then again hosted delegates from Credit Unions in Kenya and Malawi later in the year. One of our key values is to Co-Operate with others and we will continue to support and learn from Credit Unions across the UK/World through our membership of our trade body ABCUL.

May I turn to our members and specifically those members who became 1st Class CU Ambassadors this year. People like Neil McLaughlin, Abdur Rashid and Jim McKechnie – thank you for the difference you have made! Your support is hugely appreciated. If you would like to find out more about how you can also become an ambassador – please get in touch at the email address above.

Lastly to the team, who have developed so much, who strive each day to make things better for our members and who work very hard to make 1st Class a great place to work – thank you. To our Board of Directors who make it possible for me to do my job as CEO, I appreciate everything that you do alongside your day jobs and thank you sincerely for your support in the most challenging of times during 2022.

Wishing all of our members and their loved ones a happy, safe, and peaceful 2023.

Board of Directors

Meet the directors of your credit union by reading their short bio.



Bruce Devenport | Director / Chairperson

May I take this opportunity to introduce myself my name is Bruce Devenport, and I am the current chair of 1st Class Credit Union.

I was until a couple of years ago employed within Royal Mail and having worked in that environment believe I have seen enough to know what our members require to meet their needs.



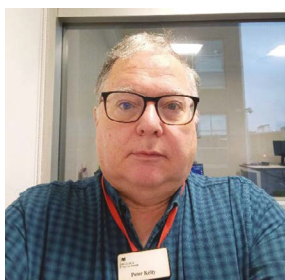
Paul Edwards | Director / Vice Chair

I have worked in Royal Mail for over 35 years', and I have been active in the financial services dealing with pensions for over 22 years. Within the financial services markets I have gained vast experience and financial knowledge and achieved independent recognition through IMS for numerous roles I have performed over the last 20 years. I was approached around five years ago to apply to become a Board Member of 1st Class Credit Union. I have worked on the board for over 4 years now and have actively engaged in all aspects of the board and have taken part in ABCUL Joint working parties on behalf of 1st Class Credit Union and ABCUL. It has been a difficult period but also an immensely rewarding experience working with the staff and the new CEO since we have surfaced from the Pandemic. May I also take this opportunity to thank Gayle (CEO) and all the staff for their hard work and dedication that they have shown since I have been a member of the board. I look forward to progressing in this new role and working with a fantastic team.



Jim McNicholls | Director / Deputy Chair

Now I have taken the new position of Deputy Chair of the Board at 1st Class Credit Union I am hoping that I can assist in delivering on the objectives we laid out at the Annual General Meeting. My aim is to have a diverse board building a strong and stable Credit Union with a larger membership in all areas of the UK within the PCS and CWU trade unions.



Peter Kelly | Director

I work for the Ministry of Justice three days a week. I am also a Labour and Co-operative Party Councillor on North Lanarkshire Council. I have been a trade union member for over 40 years and was a director of the PCS Credit Union prior to the merger with 1st Class.



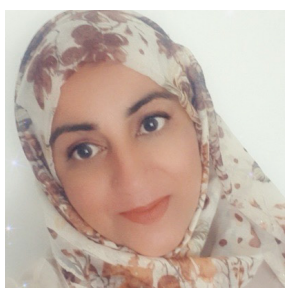
Tommy Higgins | Director

I have been a director of 1st Class Credit Union since 2015 and a member since 2008. Within my workplace of Warrington Mail Centre I have been elected into positions such as Branch Political Officer, Processing Chairman and Assistant Branch Secretary among many others. I help the members of 1st Class within my branch with all things credit union and help promote the credit union to new members.



James Coventry | Director and Treasurer

I have been a serving member of the board since we started in the Glasgow Mail Centre almost thirty years ago, and during this time I have seen us grow from strength to strength. I am the current treasurer so I am fully aware of the situations we face to ensure that you, the member receive the best service you can from this Credit Union. If anyone wants information with regards to the benefit of being a member then do not hesitate to contact me via the Distribution Office on the stage area in the Glasgow Mail Centre.



Shahida Raza | Director

My name is Shahida Raza, I live in the Midlands and work for Health and Safety Executive as a Regulatory Compliance officer and an Ethnic Minority Network chair. My role is nationwide, but I mainly work at home. I have worked for HSE over 20 years. I am originally from Cardiff in Wales where I was born and lived my entire life. I am a Group Scout Leader where I set up a scout group in the deprived area of where I live. I am a fencing coach with British Fencing, I love kayaking along the safer routes of the Birmingham canals. Most exciting thing that has happened to me this year was to attend the Queens Garden party after being luckily nominated by my Chief Executive for the diversity work I have done during COVID.

I have been a member of Credit Union (CU) for over 15 years, and I have really benefited from saving with CU. As a customer I have seen first-hand the benefits and the service provided, I am really looking forward to the Director role especially as things are changing it's a real exciting time to be part of the CU change journey.



Rob Hall | Supervisory Committee

My involvement in Credit Unions has been as a Non-Executive Director from 2009 to 2016 including 5 years as Chair of the Supervisory Committee of that credit union. I operated as the General Manager from 2016 to 2018 for PCS Credit Union and helped in the transfer of that credit union to 1st Class during the summer of 2018. Really enjoy being involved with members and the staff of 1st Class Credit Union, and helping provide a service to the members. I have been Treasurer of the ABCUL Scottish Forum for the last 6 years and am part of their Executive Committee.



Paul Selby | Director

I joined the Board of 1st Class CU following the merger with PCS Credit Union, where I had been a Board member for three years. Now retired from the Civil Service after 35 years in the Department of Social Security as a benefit claims adjudicator and HMRC, delivering training and support to employers on PAYE administration, and to the self-employed on National Insurance issues. Throughout that time, I represented members of PCS and its predecessor unions in various capacities, including Branch Secretary, Branch Chair, and conference delegate. I am currently a member of the Southeast Regional Committee of ARMs, the PCS Associate and Retired Members network.

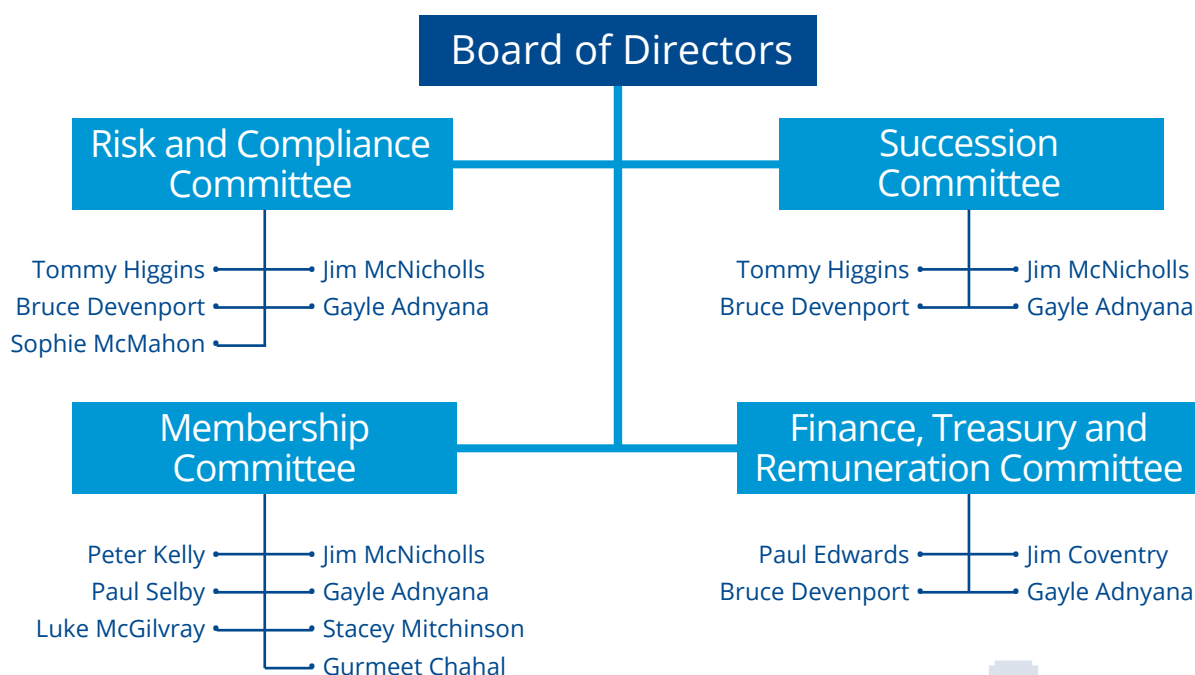


Brenda Morgan | Director

Hi, my name is Brenda I have been a member of the credit union since 2017. I work in the public sector with over 15 years of managerial experience working within the operational delivery directorate. Working for the Department of Work & Pensions I have had various roles with a great knowledge in Working Age Benefits and Working Health Sector. I am in addition a union rep for PCS as well as a branch health and safety representative. I am currently chairperson on the board of the departments social committee which involves organising and arranging events as well as organising raffles and fundraising.

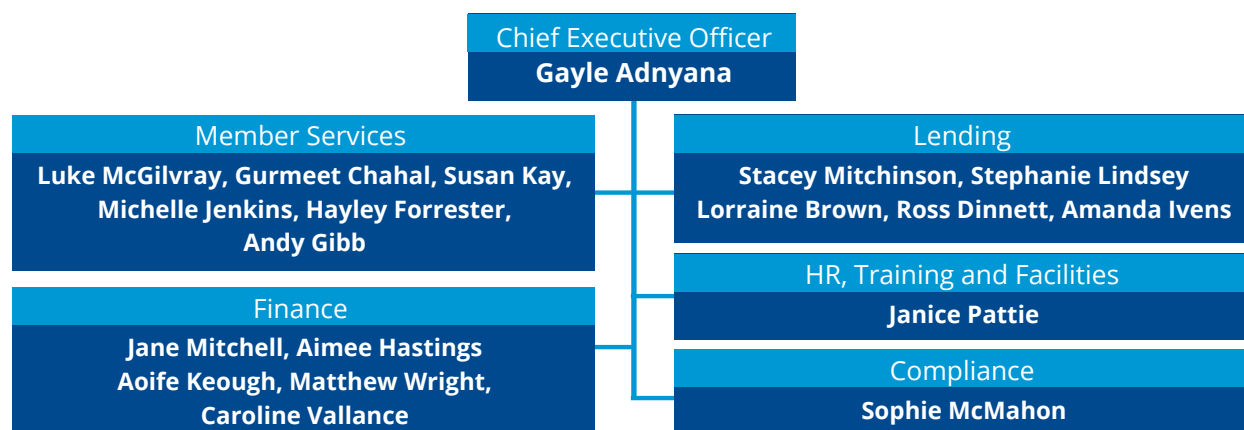
I am delighted to be elected to the board as it shows great diversity and inclusion of women. I will embrace this responsibility and look forward to maintaining the high ethical standards met by 1st Class Credit Union. I am keen to invest a significant amount of time in this role and willing to undertake the required training needed. I recognise that members are the biggest strength of a credit Union as it is set up by the people for the people.

Committee Responsibilities



Meet the Staff

Learn more about our amazing and dedicated staff team by reading about them below. They have all provided their name, their role, a fact about themselves and why they love working for the credit union.



Gayle Adnyana

It is a privilege to be your CEO. I live in Lanarkshire with my partner and our 6 children and 2 dogs in a very busy household. I am passionate about people and love learning about others life stories and journeys and have a special affinity with those coping with bereavement or loss.

Luke McGilvray

I have been part of the 1st Class family for almost 8 years, and I am now proud to be Head of Member Services. The team and I strive to provide our members with a service they are proud of. Alongside my role with 1st Class I hold a voluntary position as Chairperson of The Young Professionals Network, a network driving the develop of young people employed by credit unions. I love this role and the impact we have made already.

Hayley Forrester

I am part of the Member Services Team; it is my role to ensure that I am meeting the members needs and queries while providing them with great customer service. I joined 1st Class Credit Union around half a year ago as an apprentice, which I completed within 5 months with the help from my team! And I am now a full-time member of staff. I'm excited to continue my growth with the credit union (as the youngest in the office I've got a lot of growing to do) I look forward to seeing what I can bring to the future of the Credit Union.

Susan Kay

I have worked for the credit union for 5 years as part of the member services team. I love speaking to our members on the phone, sometimes I even tell them my life story. Helping our members each day is the reason I love working for the credit union.

Michelle Jenkins

I'm currently the Receptionist and a Member Services Officer for the Credit Union. I've been part of the 1st Class Credit Union family for almost 3 years. I previously worked for HMRC for over 15 years. I love working for 1st Class Credit Union as I believe our members are at the forefront of everything we do and it is really rewarding to know that you have genuinely helped someone, especially when they need that help the most.

Gurmeet Chahal

I am the Business Development Officer at 1st Class. I've been in the business for 5 years, came as an apprentice into my very 1st job! From filling documents to recruiting ambassadors. Just thinking of what our next charity challenge is going to be... I'm one of few that loves a Bounty!.

Staceyann Mitchinson

My name is Stacey Mitchinson and I have worked for 1st Class Credit Union for 11 years and I currently hold the role of Head of Lending. The most important part of my job is to make sure we are offering ethical and affordable lending to all our members. Myself and the lending team are continuously learning and developing within our roles, and we strive to grow and provide the great products and services that will benefit our members. Through our partnership with Georgia's Own Credit Union, I was sponsored to attend the University of Georgia and in June 2022 I was the first UK student to graduate their Credit Union Management School. I have since used this qualification to support the future development of 1st Class Credit Union and be our members number one choice.

Lorraine Brown

My name is Lorraine and I joined 1st class credit union in February 2022 as a loan officer. I previously worked for a bank completing loan applications. My journey so far with the credit union has been a positive one. I have learned so much thanks to all the lovely members and my fellow colleagues. The difference working for a credit union in comparison to a bank is night and day. I really feel the sense of community and helping our members. The loan application journey is more personal, and I really feel like I am helping our members. I live in the surrounding area of Glasgow and enjoy both working in the office and working from home (so does my dog). I hope to remain with 1st Class and develop my career over the next few years and see where my career journey progresses to.

Ross Dinnett

Hi my name is Ross, and I am a Loans Officer within the Lending Team at 1st Class Credit Union. I have worked here for just over 6 months and spent the previous 5 years working within the Credit Union Movement. I enjoy working for 1st Class Credit Union as I share the values of the co-operative movement - supporting our members through financial inclusion and education and providing ethical lending. I look forward to getting to know more of our members in the future and to supporting 1st Class in delivering an excellent service for our members.

Amanda Ivens

I have been working as a loans officer with 1st Class Credit Union since the end of May. Having previously worked in administrative and operational support roles, this is my first experience working for a credit union. I have had the opportunity to learn a lot about the roles credit unions play in providing affordable and ethical lending and appreciate how 1st Class's approach to lending involves looking at the individual members' needs and circumstances, rather than applying a one-size-fits all attitude.

Stephanie Lindsay

I have worked for the credit union as a loan officer for 18 years. I'm also a registered staff nurse. I enjoy working for the credit union because the staff are passionate about their roles and always put the members first.

Jane Mitchell

I am currently the Finance Supervisor for 1st Class Credit Union. I joined the Credit Union in 2010 so have worked here for nearly 13 years. I am a busy mum to a teenage girl. I love working for the credit union because I have fantastic colleagues who work together to make a difference to our members lives every day.



Aoife Keogh

My role in the credit control team is to ensure loan repayments are being met, while also being here for our members who might be going through a difficult time. We want to make sure our members know we are here to help and more importantly we want to help. Whether that be setting up a payment plan or clearing a loan with their shares. Everyone goes through a hard time at some point in their lives, and we know this can cause financial strain, our members should know that we want to help in any way that we can.

Aimee Hastings

I am a Finance Analyst at 1st Class Credit Union and have worked here for 7 1/2 years. I have a large family; I am one of five children and 1 of 34 grandchildren. I love working for 1st Class Credit Union as I get major satisfaction when helping our members.

Matthew Wright

I am a current Finance Assistant within the office for 1st Class, I've been doing it for 3 years. I also study maths at university. I enjoy working at the credit union because of the friendly atmosphere and environment created by everyone who works there.

Janice Pattie

I have had many roles within my time at the credit union, my current role is Head of HR, Training and Facilities and this is my 30th year with 1st Class CU. I am a mother and a proud nana. I have loved working for the credit union and can see the difference to members with all the services that we now offer, and hearing all the positive feedback that we get from our members.

Sophie McMahon

I am currently the Compliance Manager for 1st Class Credit Union. I've worked for the Credit Union for more than half my lifetime. I was partial to a wee dance event but now spend most of my time raving in the kitchen with my two children. I love working for the Credit Union because we are a not-for-profit financial organisation that really cares for our members.

Caroline Vallance

I am in the credit control department at 1st Class. My main previous work history was 22 years for a private communications company who sold, installed, and maintained telephone systems and complete IT solutions for local and national companies including NHS and NHS trusts. I have also worked in Finance and working through all roles to eventually becoming Accountants Assistant. I live with my brother-in-law, two kittens and a dog: Toffee, Milo, and Stella. I have had major highs of good money, hard work, long hours, big family holidays and celebrations to organising 5 close family funerals. I feel this all allows me to be in the right place at the right time for my new and hopefully final career path within 1st Class Credit Union and helping and understanding members situations of highs and lows.

Andy Gibb

I am a volunteer at 1st Class. I have been active in the Communication Workers Union (CWU) for 46 years. I have served on National Executive bodies of the CWU, holding the National Honorary Membership and a CWU Gold badge. I worked in BT for 38 years, moving through sixteen separate roles, the final one being ICT Change Analyst. Having finished my career with BT in 2012 and relocated to Loughborough (Leicestershire). I went on to obtain a Teaching Qualification at Loughborough College and was a Trade Union Studies Tutor (for the CWU) with Ruskin College (Oxford). In 1992 I participated in a hot air balloon flight over Belfast and then went onto to take part in a hot air balloon flight near Lake Geneva (Switzerland) in 2004.

30th Anniversary

1st Class Credit Union passed its 30-year anniversary back on the 12th of May 2022.



'1st Class Credit Union started in May 1992, which was for Royal Mail employees and family members. I was the first staff employee in October 1993. I started part-time doing various duties within the business. When I joined, we were based in a room in the Post Office building in George Square. I started with onboarding members, paying out withdrawals, processing loan applications and filling documents. It was all manual and paperwork and not digitally manned. We moved office to Guildhall in Queen Street with only myself being employed as a staff member, after a few years we moved premises again to Bath Street in which saw us grow quickly and we started to employ more staff. When we bought our first property in Bell Street, I went Full-Time with the credit union, and we now have 18 members of staff with 1 volunteer.

I have worked in the credit union more than half of my lifetime in which saw my daughter get married with 2 children. In my time here, I saw a few major IT changeovers, a new CEO with one 1 serving director who still remains from when I started is Jimmy Coventry in Glasgow Mail Centre. The merging with PCS Credit Union saw our common bond expand. I have seen the credit union change from Glasgow and District Postal Workers Credit Union to Scottish Postal Workers Credit Union and now to 1st Class Credit Union.

With the new CEO Gayle, I saw all the staff take ownership, responsibility of their new job roles and operational structure in which I saw great ambition

and drive in everyone to thrive on and become more confident within themselves.

After 30 years in employment. I have now announced my early retirement for finishing in June 2023. The Credit Union has given me a fantastic personal and professional work life especially my work colleagues, some of them which I have been best friends with over 10 years. I will deeply miss all the staff who mean more than just work colleagues to me who are a such a great bunch.

I would like to thank my previous and current CEO including all the Directors and wish 1st Class Credit Union continued success and growth for the future.

Janice Pattie Head of HR,
Training & Facilities



'Our credit union started as Glasgow Postal Workers Credit Union (membership from Royal Mail Glasgow pay office) by circa 18 workers within the Glasgow Royal Mail workforce coming together some 9 months prior to being registered (May 1992). During this 9 month or so period they set up the various committees that were required, took training on the operation and running of a credit union, and the legal requirements for them to operate this new concept. We were then examined by the regulator of credit unions, The Registrar of Friendly Societies (Scotland) and given approval to commence on the 12th of May 1992.

That first month saw over 400 members sign up and join this CU!

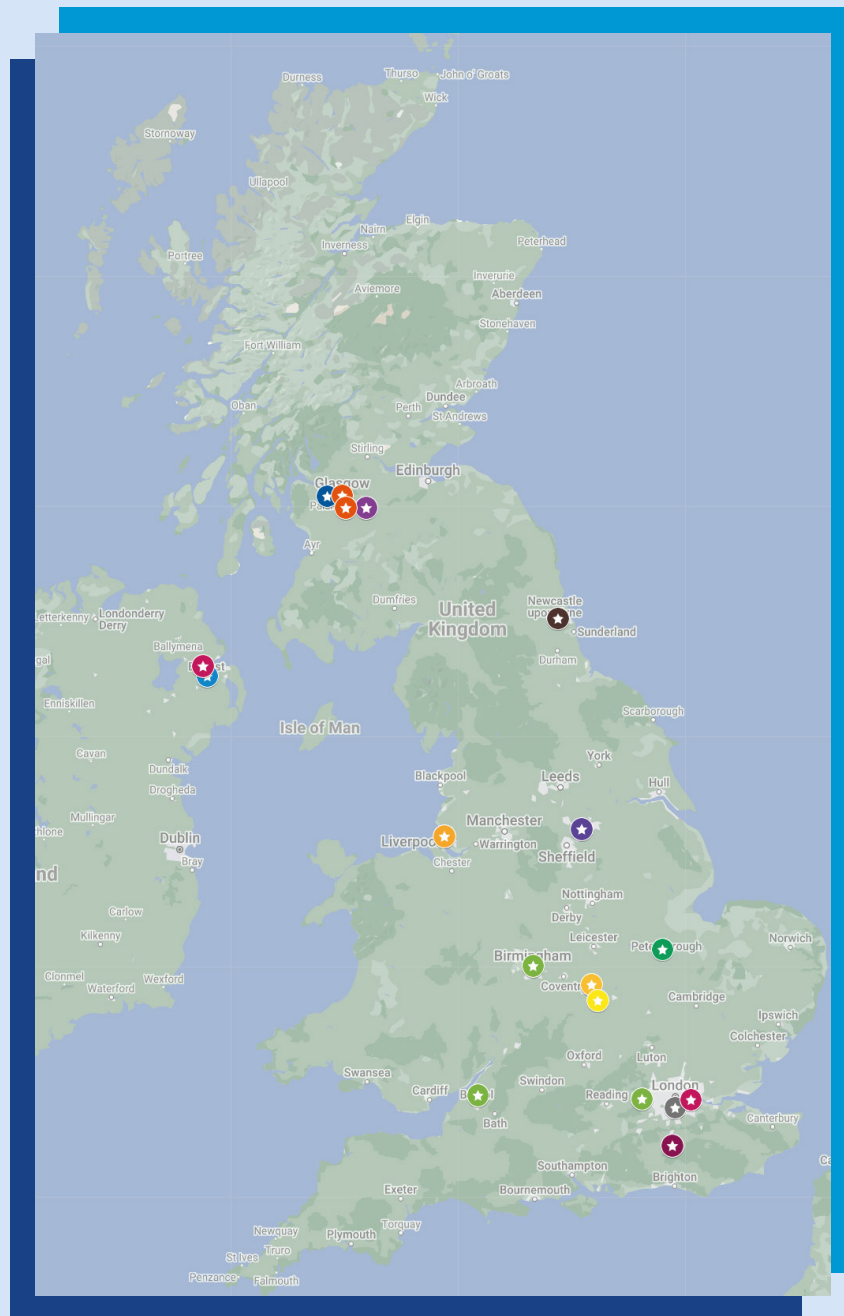
Over the past 30 odd years we have had many milestones, too many to list them all here but I have picked out some which I believe were fundamental to our growth and the strengthening of our credit union.

- Achieving Royal Mail payroll deduction from day one.
- Expanding the Glasgow common bond to cover all Scotland within 5 years of starting.
- Buying our own premises in the city centre, enabling us to grow outwith Royal Mail business office restraints.

- Credit Unions being regulated by the Financial Services Authority in 2002 then in 2013 changing to the Prudential Regulatory Authority + The Financial Conduct Authority. Both changes were hugely significant in giving us the Financial Services Compensation Scheme, Approved Persons Status, and the financial kudos within the financial sector that credit unions up to this point did not have.
- Using the changes to the law which allowed us to expand our common bond to, UK wide and adding all civil servants to that potential membership.
- Membership and collaboration with our trade body ABCUL.
- Working closely and building the partnership with our members Trade Unions Organisation and Representatives.
- Together with 8 other UK Cu's bringing about the credit union " Current Account". The first of its kind within UK banking.

Andy Wright Former CEO

Our Ambassadors



Gurmeet Virk

Heathrow Worldwide Distribution Centre

Mohammed Pathan

Northampton National Distribution Centre

Neil McLaughlin

Wishaw Scottish Distribution Centre

James McKecknie

Branch Secretary Glasgow & District Amal Branch

Brian Donaghy

CWU Rep Scotland

Terry Henderson

Peterborough Mail Centre

Paul Shanahan

Liverpool PCS

Lili Savage & Simon Carmichael

BT Belfast

Thomas MacCarrell

Newcastle Upon Tyne MC

Lesley Turnbull & Ross Seymour

Newcastle PCS

Louis Rathford

Chair of PCS Young Workers

Debbie Breen

South London PCS

Abdur Rasheed

Gatwick Mail Centre

Holly Allison

HMRC Glasgow

Steven Hiscox

Bristol Mail Centre

Lynn Coppendale

DWP Mexborough

David Roan

DVSA Northamptonshire

Kim Hendry

PCS

Community Engagement

I was asked if our centre the SDC in Wishaw did any fundraising events as Gayle had a conversation with St Andrew's First Aid (Wishaw/Motherwell) during the Ben Nevis team climb and said they were looking for some help in purchasing a new stretcher as the one they had was 30-year-old.

In conversation with Gayle, I found out that they serve the local community well with the events they attend and help at Motherwell FC on match-days all based on the local area so I said I would speak with my manager to get permission to do some fundraising for the stretcher to which they agreed it was a great idea.

Gayle then put me onto Moyra from the St Andrew's first aid team and she sorted me out with some fundraising forms, I received overwhelming support from the staff indoor with their kind donations and also from the transport section of our centre who were great in supporting and helping us out so between us we managed to raise £400 and also special

thanks to Jim and Robert who run our tuck shop within our centre who kindly donated another £400 to make it possible for us to help this great organisation get there new stretcher also the kindness from the 1st Class Credit Union in donating for the purchase of the covers needed for the stretcher I'm sure everyone at St Andrew's First Aid will be delighted as much as we are to be able to support them so once again I would like to thank everyone for their support in this.

Neil McLaughlin

Wishaw Scottish
Distribution Centre

We are writing to express our Thanks for the kind contribution towards our supply of beverages at work. We were very appreciative of the thoughtful sentiment by 1st Class Credit Union in Glasgow, especially with the heatwave in the summer.



Mohammed Pathan

Northampton National
Distribution Centre

Let's keep hydrated 💧💧
Mo Pathan, sponsored by 1st Class Credit Union, kindly organised some Robinsons squash drink for everyone to enjoy 🥳🥳
Distributed across NDC 😊
THANK YOU Mo for such a kind gesture 🙏🙏
#ThankYouThursday



The launch of 'Fans Supporting Foodbanks Scotland' on Saturday 16th July 2022 coincided with the generous donation of 500 tote bags from 1st Class Credit Union.

CEO of 1st Class Credit Union, Gayle Adnyana, had approached Paul Chadwick, CWU Warrington Mail Centre Branch Secretary, enquiring as to what support she and her team could offer to Fans Supporting Food Banks and subsequently agreed to supply the 500 reusable Tote bags.

It is greatly appreciated that organisations volunteer their support as the 1st Class Credit Union have in this case. Westminster MP for Liverpool West Derby, Ian Byrne, along with fellow Fans Supporting Food Banks co-founders, Dave Kelly, and Rob Daniels, were very pleased and grateful for the donation made as were the Scottish volunteers assembled for this important event, including The Killie Trust, Fans Supporting Foodbanks Dundee, Jags For Good and Andy Harris from Celts Supporting Foodbanks.

Robert Foster, a Labour councillor who co-founded the movement north of the border, said he had been "Absolutely blown away" by the response to the first call for donations; supporters had filled ten crates of donations for Riddrie Foodbank.

The founding of Fans Supporting Foodbanks Scotland as an anti-poverty movement, is designed to bring football fans of all club colours together. Supporters from five clubs are already involved: Dundee, Dundee United, Kilmarnock, Celtic and Partick Thistle. The ambition is to move towards collections outside every stadium in Scotland.

Fans Supporting Foodbanks is the joint initiative between Everton and Liverpool supporters and was set up in 2015 with a wheelie bin collection outside Goodison Park. It's co-founders, Ian Byrne MP, Dave Kelly, and Rob Daniels aimed to mobilise fans to donate food to communities bearing the brunt of Tory driven austerity. The slogan "Hunger doesn't wear club colours" was born and the organisation has spread throughout England and now Scotland too.

In Liverpool FSF have five mobile pantries in five locations, with a sixth in Birkenhead about to go live. The mobile refrigerated wagons are set up as a market style food pantry. For £3.50 the customers get up to ten items of food from the market stalls. They then receive a fresh meat product from a local butcher. Fresh fruit and vegetables are also bought from a local wholesaler. There are also free surplus products which are purchased from Fareshare. People generally leave with around £30 worth of shopping.

The Right To Food movement is being pushed by Fans Supporting Foodbanks through Ian Byrne MP. Its aim is to enshrine people's right to food into law.

CWU Warrington Mail Centre Branch, to which both 1st Class CU Board Members Paul Edwards and Thomas Higgins are branch officers, helped pass a motion of support for the Right To Food campaign at the 2021 CWU National Online Conference.

FSFS plans to set up collection points outside matches so fans can drop off donations ahead of the game which will then be distributed to local food banks.

Following on from another successful food bank collection at Ibrox, Rangers Vs Liverpool in a Champions League night under the lights. FSFS kindly made donations to local food banks in which one of them, us, 1st Class Credit Union attended. We attended People's Pantry in Cathcart Road in Glasgow to drop off donations before Dave headed back to Warrington.

**Paul
Chadwick**

CWU Branch Secretary
Warrington Mail Centre

Fans Supporting Foodbanks



MEMBERS SUPPORT

During the financial year our members faced the difficult challenge of navigating the Cost-of-Living Crisis. To help them during this time we introduced some new workflows and made some changes to support them as much as possible.

Support Team – The creation of a support team within the credit union allowed us to deal with member requests as quickly as possible in a centralised location. By creating an email address members can contact 24/7 we offered a new line of support for our membership. Should you require any support please contact us on paymentsupport@1stclasscu.co.uk

Policy Changes – The Cost-of-Living Crisis saw budgets stretched and disposable income diminish making it hard for everyone to make ends meet. We relaxed our rules on emergency withdrawals to give members a lifeline should they need it. During peak months we were approving almost £20,000 in emergency withdrawals for our members.

Training – During the year our staff undertook training on several subjects to help our service keep up with the challenges of the current financial climate. We delivered training on Vulnerable Customers, Financial Inclusion, Tackling the Cost-of-Living and more.

Member Credit Support

Following on with Member Support, with the industrial action and national strikes which is affecting majority of our membership, we feel it is important to understand our member's needs. Each week, our members lose a few days' worth of pay which of course has an impact on their household, bills, food, and much more. This is leaving our members in financial difficulty. We have provided our members with short term payment plans, amended credit agreements and temporary reduced payments. Since October 2022, we have supported hundreds of our members, with members paying in an average of £12.00 with the reduced payments in place, compared to the £82.00 they were paying with the agreed repayment and term. That is a reduction of £70 on average! We want to let you know, you are not alone, and we are here to help! We have a dedicated team to offer any support that we can to assist you through these tough times. We handle all circumstances on an individual basis and offer different and best solution(s).

Please click below to contact us via email at:

paymentsupport@1stclasscu.co.uk

or by phone on: 0141 552 8408





No. of Members

9902



Member Growth

1132



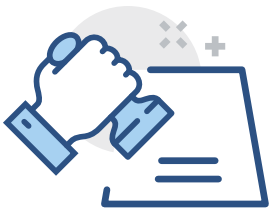
Total Borrowers

3960



Loan Book Value

£13.1m



Loans Processed

£7.7m



Total Savings

£20.3m



Assets

£22.9m



Ambassadors

15



Gold Trusted Service Award



Feefo's recognised symbol of quality for your
dedication to delivering extraordinary
experiences for customers - 2023

Awarded to

A handwritten signature in black ink, appearing to read "Tony Wheble".

Congratulations on your award.
Tony Wheble, Chief Executive Officer.

2023

MEMBERS FEEDBACK

“ ‘Very helpful & a fast response. They look after their customers.’ ”

“ ‘A friendly, reliable, hassle free and courteous service, plus great rates of interest.’ ”

“ ‘Good low interest rates and very easy to deal with!’ ”

“ ‘Top Class. Staff are always extremely helpful and friendly; they really can't do enough for you. Easy to save and withdraw money without fuss.’ ”

“ ‘Quick efficient and effortless!’ ”

“ ‘Very helpful on the phone Very patient helped me a lot.’ ”

“ ‘Staff are always there to help you.’ ”

“ ‘Saved my financial life and mental health.’ ”

“ ‘1st class service as expected. The loans processed quickly, and staff have been in touch from start to end.’ ”

“ ‘They (the staff) always went the extra mile.’ ”

“ ‘Very good service, easy to use app, always professional and helpful when contacting you.’ ”

“ ‘Loan was approved instantly, hassle and stress-free. Money was paid in by end of day.’ ”

“ ‘Great to work with and always there to help.’ ”

“ ‘So simple to use and navigate Fast response and superb communication.’ ”

“ ‘Yes I would recommend them and their staffs and services are excellent.’ ”

4.6/5

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

feefo

Gold
Trusted
Service
Award
★★★★★
2022 feefo



105 Bell Street
Glasgow, G4 0TQ
Tel: 0141 552 8408
Email: reception@1stclasscu.co.uk
Web: 1stclasscu.co.uk



HELPING MEMBERS MANAGE MULTIPLE DEBTS

Get your finances back on track with our simple Debt Consolidation Loan.
Apply for anything between £1500-£20,000 and we will take care of the rest.

Apply for a Debt Consolidation
Loan now by scanning this
QR Code.



You can only apply for a Debt Consolidation Loan if you
are already an existing member of 1st Class Credit Union.



To Apply for membership,
please scan this
QR Code.

USEFUL CONTACTS

Below is a list of helpful phone numbers and web address; from help with dealing with stress or suicidal thoughts, to groups that can help and support you through problems in your life which may be contributing factors to mental illness.

1ST CLASS CREDIT UNION:

Phone: 0141 552 8408
www.1stclasscu.co.uk

SAMH:

Phone: 0141 530 1000
samh.org.uk

SAMARITANS:

Phone: 116 123 (UK & Ireland)
samaritans.org

CALM:

Phone: 0800 58 58 58
thecalmzone.net

BREATHING SPACE:

Phone: 0800 83 85 87
breathingspace.scot

BROTHERS IN ARMS:

brothersinarmsscotland.co.uk

ALCOHOLICS ANONYMOUS:

Phone: 0800 9177 650
help@aamail.org
alcoholics-anonymous.org.uk

SCOTTISH WOMEN'S AID:

Phone: 0800 027 1234
helpline@sdaafmh.org.uk

NARCOTICS ANONYMOUS:

Phone: 0300 999 1212
ukna.org

COCAINE ANONYMOUS:

Phone: 0141 959 6363
cascotland.org.uk

GAMBLING ANONYMOUS:

Phone: 0300 999 1212
gamblersanonymous.org.uk

GAMBLE AWARE:

Phone: 0808 8020 133

NHS24:

Phone: 111
nhs24.scot

LIVING RENT:

livingrent.org

CITIZENS ADVICE:

Phone: 0800 028 1456
citizensadvice.org.uk

RAPE CRISIS SCOTLAND:

Phone: 08088 01 03 02

CARERS TRUST SCOTLAND:

Phone: 0300 772 7701
carersuk.org/scotland

PAPYRUS:

Phone: 0800 068 41 41
papyrus-uk.org

SANE:

Phone: 0300 304 7000
sane.org.uk

GIVE US A SHOUT:

Phone: 85258 (TEXT ONLY)
giveusashout.org

TIME TO TACKLE:

Twitter: @timetotackle
info@timetotackle.co.uk

DISABILITY RIGHTS UK:

disabilityrightsuk.org

YOUNG MINDS:

Phone: 0808 802 5544
youngminds.org.uk

NHS CHOICES:

nhs.uk

BE MINDFUL:

bemindful.co.uk

SURVIVORS OF BEREAVEMENT BY SUICIDE:

Phone: 0300 111 5065
uksobs.org

CRUSE BEREAVEMENT CARE SCOTLAND:

Phone: 0845 600 2227
crusescotland.org.uk

Directors' Report and
Financial Statements for the Year Ended 30 September 2022
for
1ST CLASS CREDIT UNION LIMITED

Contents of the Financial Statements
for the Year Ended 30 September 2022

	Page
Credit Union Information	1
Directors' Report	2
Report of the Independent Auditors	4
Revenue Account	7
Balance Sheet	8
Statement of Changes in Reserves	9
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12
Detailed Revenue Account	20



Credit Union Information
for the Year Ended 30 September 2022

DIRECTORS:

J Coventry
G Green
B Devenport
J McNicholls
T Higgins
P Edwards
P Kelly
P Selby
R Hall
B Morgan
S Raza

SECRETARY:

P Selby

REGISTERED OFFICE:

105 Bell Street
Glasgow
G4 0TQ

REGISTERED NUMBER:

213700

AUDITORS:

Sharles Audit Limited
Statutory Auditor
29 Brandon Street
Hamilton
ML3 6DA

Directors' Report
for the Year Ended 30 September 2022

The directors present their report with the financial statements of the Credit Union for the year ended 30 September 2022.

PRINCIPAL ACTIVITY

The principal activity of the credit union in the year under review was that of a credit union.

REVIEW OF BUSINESS

The directors are satisfied with the results for the year under review. Some financial KPI's are set out in the table below to show the performance of the Credit Union over the trading year.

	Year to 30 September 2022	Year to 30 September 2021
Loan interest receivable	£1,111,431	£1,184,335
Surplus after taxation	£26,398	£432,678
Capital asset ratio	9.70%	11.1%
Liquidity	17%	33%

Reserves amount to £2,186,681 (2021 - £2,328,077). The directors are confident that the Credit Union has sufficient reserves to finance the anticipated levels of activity in the future.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

J Coventry
G Green
B Devenport
J McNicholls
T Higgins
P Edwards
P Kelly
P Selby
R Hall

Other changes in directors holding office are as follows:

S McLarty - resigned 21 September 2022
B Morgan - appointed 22 January 2022
S Raza - appointed 22 January 2022

Directors' Report
for the Year Ended 30 September 2022

COMPLIANCE STATEMENT

The Credit Union is required to maintain and test a single customer view (SCV) file for submission to the FSCS in the event that the Credit Union is wound up. The directors confirm that SCV records have been tested and comply with regulatory authority depositor protection rules.

The directors also confirm the following as required by Section 10.1 of the PRA Credit Union Rulebook:

- the Credit Union carried out lending activity within the PRA Credit union rulebook and we can confirm that we meet the requirements for carrying out this activity.
- the Credit Union had sufficient fidelity bond insurance throughout the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors and committee of management are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Credit Union at the end of the financial year, and of the income and expenditure of the Credit Union for that year.

In preparing these financial statements they are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; state whether accounting standards have been followed, and give details of any departures; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

They are also responsible for:

- ensuring that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and the Credit Union Act 1979; keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the credit union; and
- comply with the rules set out within the Prudential Regulation Authority Credit Union Rulebook; safeguarding the Credit Union's assets; and maintaining a satisfactory system of control over the accounting records and transactions;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the Credit Union's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the credit union's auditors are aware of that information.

AUDITORS

The auditors, Sharles Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

PR Selby

PRSelby (Feb 1, 2023 10:41 GMT)

P Selby - Secretary

Date: **Feb 1, 2023**

Report of the Independent Auditors 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 2022 which comprise the Revenue Account, Balance Sheet, Statement of Changes in Reserves and Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Credit Union Act 1979 and the Co-operative and Community Benefits Society 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 Auditors' 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 Boards' 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 Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information in the Directors' report, other than the financial statements and our Report of the Auditors thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefits Society Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of controls over transactions has not been maintained; or
- the credit union has not kept proper accounting records; or
- the rules set out within the Prudential Regulatory Authority Credit Union Rulebook have not been complied with; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of
1st Class Credit Union Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Credit Union or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The aims of our audit are to identify and assess the risks of material misstatement of the financial statements as a result of fraud or error, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement as a result of fraud or error and to respond appropriately to those risks. As a result of the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures include the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Credit Union and the sector in which it operates. We determined that the following laws and regulations were most significant: the Co-operative and Community Benefits Society Act 2014 and the Prudential Regulatory Authority Credit Union Rulebook
- We obtained an understanding of how the Credit Union complies with those legal and regulatory frameworks by making inquiries of management. We undertook a review of legal fees for any evidence of non-compliance.
- We assessed the susceptibility of the Credit Union's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:
 - identifying and documenting the controls management has in place to prevent and detect fraud and error;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted for large or unusual amounts;
 - assessing the extent of compliance with relevant laws and regulations; and
 - sample testing of transactions and balances.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
1st Class Credit Union Limited

Use of our report

This report is made solely to the Credit Union's members, as a body, in accordance with Co-operative and Community Benefits Society Act 2014. Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Charles Audit Ltd

Charles Audit Ltd (Feb 8, 2023 11:44 GMT)

Charles Audit Limited
Statutory Auditor
29 Brandon Street
Hamilton
ML3 6DA

Date: **Feb 8, 2023**
.....



Revenue Account
for the Year Ended 30 September 2022

	Notes	2022 £	2021 £
LOAN INTEREST RECEIVABLE		1,111,431	1,184,335
Administrative expenses		<u>1,505,622</u>	<u>804,739</u>
		(394,191)	379,596
Other operating income		<u>337,487</u>	<u>37,756</u>
OPERATING (LOSS)/PROFIT	5	(56,704)	417,352
Interest receivable and similar income		<u>96,555</u>	<u>19,367</u>
PROFIT BEFORE TAXATION		39,851	436,719
Tax on profit	6	<u>13,453</u>	<u>4,041</u>
PROFIT FOR THE FINANCIAL YEAR		26,398	432,678
OTHER COMPREHENSIVE INCOME			
Dividends paid		<u>(167,794)</u>	<u>(122,531)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(167,794)</u>	<u>(122,531)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(141,396)</u>	<u>310,147</u>

1ST CLASS CREDIT UNION LIMITED (REGISTERED NUMBER: 213700)Balance Sheet
30 September 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	7	199,868	210,915
CURRENT ASSETS			
Members loans and other assets	8	12,248,828	12,077,169
Investments	9	5,250,000	1,974,250
Cash at bank	10	4,819,463	8,632,998
		22,318,291	22,684,417
CREDITORS			
Members shares and other liabilities	11	20,331,478	20,300,588
NET CURRENT ASSETS		1,986,813	2,383,829
TOTAL ASSETS LESS CURRENT LIABILITIES		2,186,681	2,594,744
ACCRUALS AND DEFERRED INCOME 13		-	266,667
NET ASSETS		2,186,681	2,328,077
RESERVES			
Revenue reserve	14	391,068	391,068
Distribution reserve	14	24,343	171,283
Credit Union Foundation Reserve	14	100,000	100,000
Retained earnings	14	1,671,270	1,665,726
		2,186,681	2,328,077

The financial statements were approved by the Board of Directors and authorised for issue on Feb 7, 2023 and were signed on its behalf by:

James Coventry
James Coventry (Feb 7, 2023 20:12 GMT)

J Coventry - Director

PR Selby
PR Selby (Feb 1, 2023 10:41 GMT)

P Selby - Director

Bruce Devenport
Bruce Devenport (Feb 4, 2023 12:38 GMT)

B Devenport - Director

Statement of Changes in Reserves
for the Year Ended 30 September 2022

	Retained earnings £	Sub Ordinated Loan £	Revenue reserve £
Balance at 1 October 2020	1,403,862	140,000	391,068
Changes in reserve			
Total comprehensive income	<u>261,864</u>	<u>(140,000)</u>	<u>-</u>
Balance at 30 September 2021	<u>1,665,726</u>	<u>-</u>	<u>391,068</u>
Changes in reserve			
Total comprehensive income	<u>5,544</u>	<u>-</u>	<u>-</u>
Balance at 30 September 2022	<u><u>1,671,270</u></u>	<u><u>-</u></u>	<u><u>391,068</u></u>

	Distribution reserve £	Credit Union Foundation Reserve £	Total Reserves £
Balance at 1 October 2020	123,000	100,000	2,157,930
Changes in reserve			
Total comprehensive income	<u>48,283</u>	<u>-</u>	<u>170,147</u>
Balance at 30 September 2021	<u>171,283</u>	<u>100,000</u>	<u>2,328,077</u>
Changes in reserve			
Total comprehensive income	<u>(146,940)</u>	<u>-</u>	<u>(141,396)</u>
Balance at 30 September 2022	<u><u>24,343</u></u>	<u><u>100,000</u></u>	<u><u>2,186,681</u></u>

Cash Flow Statement
for the Year Ended 30 September 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(3,733,194)	1,225,577
Tax paid		<u>(4,041)</u>	<u>(6,375)</u>
Net cash from operating activities		<u>(3,737,235)</u>	<u>1,219,202</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(6,428)
Interest received		<u>96,555</u>	<u>19,367</u>
Net cash from investing activities		<u>96,555</u>	<u>12,939</u>
Cash flows from financing activities			
Amount introduced by members		19,025,850	17,931,403
Amount withdrawn by members		(19,030,911)	(15,735,678)
Dividends paid		(167,794)	(122,531)
Subordinated loan & CU Foundation Grant		<u>-</u>	<u>(140,000)</u>
Net cash from financing activities		<u>(172,855)</u>	<u>1,933,194</u>
(Decrease)/increase in cash and cash equivalents		<u>(3,813,535)</u>	<u>3,165,335</u>
Cash and cash equivalents at beginning of year	2	<u>8,632,998</u>	<u>5,467,663</u>
Cash and cash equivalents at end of year	2	<u><u>4,819,463</u></u>	<u><u>8,632,998</u></u>

Notes to the Cash Flow Statement
for the Year Ended 30 September 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	39,851	436,719
Depreciation charges	11,047	11,047
Impairment losses	(20,091)	(114,949)
Current asset investment	(3,275,750)	1,900
Finance income	(96,555)	(19,367)
	(3,341,498)	315,350
(Increase)/decrease in members loans and other assets	(151,568)	635,320
(Decrease)/increase in members shares and other liabilities	(240,128)	274,907
Cash generated from operations	<u>(3,733,194)</u>	<u>1,225,577</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2022

	30.9.22	1.10.21
	£	£
Cash and cash equivalents	<u>4,819,463</u>	<u>8,632,998</u>

Year ended 30 September 2021

	30.9.21	1.10.20
	£	£
Cash and cash equivalents	<u>8,632,998</u>	<u>5,467,663</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.21	Cash flow	At 30.9.22
	£	£	£
Net cash			
Cash at bank	<u>8,632,998</u>	<u>(3,813,535)</u>	<u>4,819,463</u>
	<u>8,632,998</u>	<u>(3,813,535)</u>	<u>4,819,463</u>
Liquid resources			
Current asset investments	<u>1,974,250</u>	<u>3,275,750</u>	<u>5,250,000</u>
	<u>1,974,250</u>	<u>3,275,750</u>	<u>5,250,000</u>
Total	<u>10,607,248</u>	<u>(537,785)</u>	<u>10,069,463</u>

Notes to the Financial Statements
for the Year Ended 30 September 2022

1. STATUTORY INFORMATION

The Credit Union is registered under the Co-operative and Community Benefit Societies Act 2014 and operates as a Credit Union within the meaning of the Credit Union Act 1979. The Credit Union has registered with the Financial Conduct Authority and Prudential Regulatory Authority under the provisions of the Financial Services and Markets Act 2000.

The presentational currency of the financial statements is the Pound Sterling (£).

In accordance with the regulatory environment for credit unions, deposits from members can be made by subscription for redeemable shares, deferred shares and interest-bearing shares. At present the Credit Union has only redeemable shares.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Any departures from the standard are detailed in the accounting policies.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared, in accordance with the Co-operative and Community Benefit Societies Act 2014, Credit Unions Act 1979 and prepared on the historical cost basis.

Going concern

The financial statements are prepared on the going concern basis. The directors of the Credit Union believe this is appropriate despite a mismatch in the maturity analysis of subscribed capital and loans to members.

In the opinion of the directors this is due to a significant amount of subscribed capital not being redeemable at short notice unless loans with the same member have been repaid.

Income

Loan interest receivable and similar income: Interest on both loans to members and loans to banks (i.e. cash and cash equivalents held on deposit with other financial institutions) is recognised at fair value using the effective interest rate method, and is calculated and accrued on a daily basis.

Where the loan interest rate for members loans has been reduced to zero, the credit union does not account for any loan interest on these loans, as the credit union will not seek to recover this loan interest. This policy does not meet with the requirements of FRS102. However, as a result of this policy, there is no net effect on the surplus or deficit for the year nor net assets of the credit union as an equal and opposite impairment provision would be required should this loan interest be included.

Other operating income: fees, charges and other operating income either arise in connection with a specific transaction, or accrue evenly over the year. Income relating to individual transactions is recognised when the transaction is completed.



Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% & 10% straight line
Fixtures and fittings	- Straight line over 10 years
Computer equipment	- 25% on straight line

Tangible fixed assets are stated at cost, less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Land value within freehold property is not depreciated.

Freehold Property improvements and refurbishment cost is not depreciated until the work is completed.

At each balance sheet date, the directors of the credit union review the carrying amounts of its tangible fixed assets to determine whether there is any indication that any item has suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the asset, the credit union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Expenditure of £500 or more on individual tangible fixed assets is capitalised at cost. Expenditure on assets below this threshold is charged directly to the revenue account in the period it is incurred.

Grants

The accounting treatment of grants received are determined by the grant conditions and the reasons why the grant was applied for to determine whether they are treated as capital or revenue in nature.

Grants of a capital nature are reflected as deferred income in the balance sheet and released to the Revenue account over the estimated useful life of the assets to which they relate. Grants which are considered to be revenue are credited to the Revenue account in the period to which they relate.

The accounting treatment of grants with no conditions attached are reviewed by the directors to determine if the financial statements would be misleading, and therefore not provide a true and fair view, by releasing the grant received directly to Revenue and whether it would be more appropriate to treat the grant as capital in nature. Where this happens, the treatment of the grant does not meet the requirements of FRS102. The effect that this departure from FRS102 had in the current financial year was to increase the net surplus for the year by £266,667.

Taxation

The tax charge for the year reflects current tax payable. Current tax is the expected corporation tax payable for the year, using tax rates in force for the year. The Credit Union is not liable to corporation tax payable on its activities of making loans to members, and investing surplus funds, as these are not classified as a trade. However, corporation tax is payable on investment income.

As a result of the limited activities of the Credit Union, from which any surplus would be chargeable to corporation tax, it is unlikely that deferred tax will arise.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

3. ACCOUNTING POLICIES - continued

Impairment losses and provision

Impairment losses on loans to members are provided in accordance with the guidelines issued by the Prudential Regulation Authority. Any impairment losses are recognised in the revenue account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, because no loans are individually significant. In addition, if during the course of the year there is objective evidence that any individual loan is impaired, a specific loss will be recognised.

Impaired loans written off and recovered

In accordance with FRS102, the policy of the Credit Union and the requirements of the standard for impaired losses written off differ. The credit union writes off impaired loans when all methods of the recovery have been exhausted. Therefore, the impaired losses written off in the financial statements do not meet the requirements of FRS102. As a result of the above there is no net effect on the surplus or net assets of the Credit Union.

Current asset investments

Investments held as current assets are valued at fair value. Any gain or loss on revaluation is recognised in the Revenue account.

Financial Assets - Members loans

Loans to members are financial assets with fixed or determinable payments and are not quoted in an active market. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Loans are derecognised when the right to receive cash flow from the asset have expired, usually when all the amounts outstanding have been repaid by the member. The credit union does not transfer loans to third parties.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand along with bank and building society deposits. The credit union has access to these funds and they are readily convertible to cash.

Deferred Costs

Costs relating to software development are deferred until the development has been completed and the software is in use by the credit union.

Financial liabilities - Subscribed capital

Members shareholdings in the credit union are redeemable and therefore are classified as financial liabilities and described as subscribed capital. They are initially recognised as the amount of cash deposited and subsequently measured at amortised cost.

Employee benefits

Defined contribution plans: The amounts charged as expenditure for the defined contribution plan are the contributions payable by the credit union for the relevant period under review.

Other employee benefits: Other short and long term employee benefits, including holiday pay, are recognised as an expense over the period they are earned.



Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

3. ACCOUNTING POLICIES - continued

Reserves

Retained earnings are the accumulated surpluses to date that have not been declared as dividends returnable to members.

Use of estimates and judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Directors to exercise judgement in applying the credit union's existing accounting policies. The area requiring the highest degree of judgement or complexity and the area where significant assumptions required is impairment losses on loans to members. The directors regularly conduct impairment reviews by analysing arrears reports, credit control data and the reports from debt collecting companies.

Dividend

The dividend is formally proposed by the directors after the year end and is confirmed at the following AGM. As a result, it does not represent a liability at the balance sheet date.

Juvenile depositors

The amount received by the Credit Union for juvenile depositors are held in trust for those depositors.

4. SENIOR MANAGEMENT

The average number of employees during the year was 16 (2021 - 12).

Salaries of £168,196 were paid to senior management (for four positions) during the year (2021 - £140,614 for four positions).

Expenses totalling £26,332 were paid to the directors (2021 - £16,946).

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

4. **SENIOR MANAGEMENT**

The average number of employees during the year was 16 (2021 - 12).

Salaries of £168,196 were paid to senior management (for four positions) during the year (2021 - £140,614 for four positions).

Expenses totalling £26,332 were paid to the directors (2021 - £16,946).

5. **OPERATING (LOSS)/PROFIT**

The operating loss (2021 - operating profit) is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	11,047	11,047
Auditors' remuneration	<u>6,240</u>	<u>5,700</u>

6. **TAXATION**

Analysis of the tax charge

The tax payable for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	<u>13,453</u>	<u>4,041</u>
Tax payable	<u>13,453</u>	<u>4,041</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2022 Tax £	Net £
Dividends paid	<u>(167,794)</u>	<u>-</u>	<u>(167,794)</u>
	Gross £	2021 Tax £	Net £
Dividends paid	(122,531)	-	(122,531)
Subordinated loan	<u>(140,000)</u>	<u>-</u>	<u>(140,000)</u>
	<u>(262,531)</u>	<u>-</u>	<u>(262,531)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

7. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 October 2021				
and 30 September 2022	<u>233,209</u>	<u>73,516</u>	<u>78,359</u>	<u>385,084</u>
DEPRECIATION				
At 1 October 2021	36,739	63,892	73,538	174,169
Charge for year	<u>7,919</u>	<u>1,521</u>	<u>1,607</u>	<u>11,047</u>
At 30 September 2022	<u>44,658</u>	<u>65,413</u>	<u>75,145</u>	<u>185,216</u>
NET BOOK VALUE				
At 30 September 2022	<u>188,551</u>	<u>8,103</u>	<u>3,214</u>	<u>199,868</u>
At 30 September 2021	<u>196,470</u>	<u>9,624</u>	<u>4,821</u>	<u>210,915</u>

Included in cost of land and buildings is freehold land of £36,672 (2021 - £36,672) which is not depreciated.

8. MEMBERS LOANS AND OTHER ASSETS

	2022 £	2021 £
Unsecured members loans	13,134,224	12,870,369
General impairment provision	-	(72,790)
Specific impairment provision	(944,090)	(891,391)
Prepayments	<u>58,694</u>	<u>170,981</u>
	<u>12,248,828</u>	<u>12,077,169</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

8. **MEMBERS LOANS AND OTHER ASSETS - continued**

Loans to members

	2022	2021
	£	£
As at 30 September 2021	12,870,369	13,591,592
Advanced during the year	7,695,287	6,302,658
Interest on members loans	1,094,251	1,184,335
Repaid during the year	(8,264,979)	(7,989,105)
Impaired loans written off	<u>(260,704)</u>	<u>(219,111)</u>
As at 30 September 2022	<u><u>13,134,224</u></u>	<u><u>12,870,369</u></u>

Impaired losses on member's loans - Changes in the year

	General £	Specific £	Total £
As at 30 September 2021	72,790	891,391	964,181
(Decrease)/Increase in impairment losses	<u>(72,790)</u>	<u>52,699</u>	<u>(20,091)</u>
As at 30 September 2022	<u><u>-</u></u>	<u><u>944,090</u></u>	<u><u>944,090</u></u>

Credit risk disclosures

The credit union does not offer mortgages and as a result all loans to members are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding. Subject to the credit union's own maximum loan policy, the credit union's maximum loan limit is approximately £15,000. This complies with the credit union's internal policy and by the Prudential Regulation Authority.

9. **CURRENT ASSET INVESTMENTS**

	2022	2021
	£	£
Securities	<u><u>5,250,000</u></u>	<u><u>1,974,250</u></u>

10. **CASH AT BANK**

	2022	2021
	£	£
Cash and bank balances	<u><u>4,819,463</u></u>	<u><u>8,632,998</u></u>

11. **MEMBERS SHARES AND OTHER CREDITORS**

	2022	2021
	£	£
Corporation tax	13,453	4,041
Juvenile deposits	100,527	83,064
Members shares	20,187,426	20,192,487
Accrued expenses	<u>30,072</u>	<u>20,996</u>
	<u><u>20,331,478</u></u>	<u><u>20,300,588</u></u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

12. FINANCIAL INSTRUMENTS

Financial risk management

The credit union manages its subscribed capital and loans to members so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the credit union's activities are credit risk, liquidity risk and interest rate risk. The board reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss to the credit union. In order to manage this risk the board approves the credit union lending policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

Liquidity risk

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the credit union's liquidity policy is to smooth the mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected developments that may arise. Note 3 provides further details about the impact of the maturity mismatch on the going concern status of the credit union. Excluding short term other payables, as noted in the balance sheet, the credit union's financial liabilities, the subscribed capital, are repayable on demand.

Market risk

Market risk is generally comprised of interest rate risk, currency risk and other price risk. The credit union conducts all its transactions in sterling and does not deal in derivatives or commodity markets. Therefore, the credit union is not exposed to any form of currency risk or other price risk.

Interest rate risk

The credit union's main interest rate risk arises from the differences between the interest rate exposures on the receivables and payables that form an integral part of the credit union's operations. The credit union considers rates of interest receivable when deciding on the dividend rate payable on subscribed capital. The credit union does not use interest rate options to hedge its own positions. The interest rate risk is regularly monitored by the board with interest rates on members loans and interest receivable on bank deposits being regularly reviewed to ensure risk exposure is minimised.

Interest rate risk disclosures

The following table shows the average interest rates applicable to relevant financial assets and financial liabilities.

	2022		2021	
	Amount £	Average Int %	Amount £	Average Int %
Financial Assets				
Loans to members	<u>13,134,224</u>	<u>8.03</u>	<u>12,870,369</u>	<u>9.20</u>
Financial liabilities				
Subscribed capital				
Shares	<u>20,187,425</u>		<u>20,192,487</u>	
	<u><u>20,187,425</u></u>		<u><u>20,192,487</u></u>	

Fair value of financial instruments

The credit union does not hold any financial instruments at fair value.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

13. **ACCRUALS AND DEFERRED INCOME**

	2022 £	2021 £
Deferred grants	<u>-</u>	<u>266,667</u>

14. **RESERVES**

	Retained earnings £	Revenue reserve £	Distribution reserve £	Credit Union Foundation reserve £	Totals £
At 1 October 2021	1,665,726	391,068	171,283	100,000	2,328,077
Profit for the year	26,398				26,398
Application	(20,854)	-	20,854	-	-
Dividend paid	<u>-</u>	<u>-</u>	<u>(167,794)</u>	<u>-</u>	<u>(167,794)</u>
At 30 September 2022	<u>1,671,270</u>	<u>391,068</u>	<u>24,343</u>	<u>100,000</u>	<u>2,186,681</u>

15. **CONTINGENT LIABILITIES**

The credit union participates in the Financial Services Compensation Scheme (FSCS) and therefore has a contingent liability, which cannot be quantified, in respect of contributions to the FSCS, as required by the Financial Services and Markets Act 2000. The Financial Conduct Authority (FCA) had provided details of how the calculation of next year's contribution towards the FSCS will be calculated and provision where necessary has been included for this liability. However, this is subject to future changes in interest rates and levels of deposits held by deposit takers. Therefore, there is inherent uncertainty regarding the totality of the levy that the credit union will have to pay.

16. **RELATED PARTY DISCLOSURES**

During the year, 8 members (2021 - 12) of the Board, key management and their close family members had loans with the credit union. These loans were approved on the same basis as loans to other members of the credit union.

Detailed Revenue Account
for the Year Ended 30 September 2022

	2022		2021
	£	£	£
Loan interest receivable	1,111,431		1,184,335
Other income			
Sundry receipts	1,470		132
Annual membership fees	41,804		28,553
Grants	266,667		-
Impaired loans recovered	27,546		9,071
Investment income	70,805		21,267
Profit/Loss on current asset investment	25,750		(1,900)
	<u>434,042</u>		<u>57,123</u>
	1,545,473		1,241,458
Expenditure			
Rates and water	600		2,299
Insurance	114,551		101,560
Light and heat	14,246		6,980
Management expenses	34,348		6,556
Directors expenses	26,332		16,946
Wages	446,729		282,208
Social security	39,101		20,413
Pension & critical illness	18,488		20,658
Telephone	19,297		17,674
Printing, postage & stationery	18,335		26,465
Advertising	48,141		-
Office assist	6,938		1,748
Computer maintenance & software	338,005		78,549
Conference & training	12,710		3,754
Affiliation dues	10,827		9,552
Repairs and renewals	5,542		4,764
Sundry expenses	20,039		8,451
Regulatory fees	7,763		1,510
Professional fees	56,069		57,899
Auditors' remuneration	6,240		5,700
Impaired loans written off	260,704		219,111
Impaired loan provision	(20,091)		(114,949)
	<u>1,484,914</u>		<u>777,848</u>
	60,559		463,610
Finance costs			
Bank interest & charges	<u>9,661</u>		<u>15,844</u>
Carried forward	50,898		447,766

Detailed Revenue Account
for the Year Ended 30 September 2022

	2022		2021	
	£	£	£	£
Brought forward		50,898		447,766
Depreciation				
Freehold property	7,919		7,919	
Fixtures and fittings	1,521		1,521	
Computer equipment	1,607		1,607	
		11,047		11,047
NET PROFIT		39,851		436,719





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.



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CREDIT UNION

