

LEWISHAM PLUS CREDIT UNION – MINUTES OF ANNUAL GENERAL MEETING HELD ON MONDAY 17 MARCH 2025 AT 7.30 PM

1. WELCOME AND INTRODUCTIONS

- 1.1 Mark Plummer (President) opened the meeting and thanked everyone for attending, both in person at the Lewisham Council Civic Suite and online via Microsoft Teams. There were approximately 79 members present in person, with another 23 on Zoom, as well as a number of guests.

2. PRESENTATION BY AMANDA DE RYK OF LEWISHAM COUNCIL

- 2.1 Amanda De Ryk, the Cabinet Member for Finance, Resources and Performance of Lewisham Council gave a short speech. She gave apologies for Mayor Brenda Dacres who was unable to speak as she was at a meeting in Parliament.
- 2.2 Amanda said that Lewisham Council welcomes and enjoys its relationship with Lewisham Plus Credit Union (“**Lewisham Plus**”) and sees this as an important partnership. Many of its staff are Lewisham Plus members. There have been several schemes for Lewisham Plus to help residents of Lewisham including loans at 0 – 1% interest to enable people with rent arrears to keep their homes. The council underwrote the risks of the loans. This meant funds could be recycled many times, and this enabled many residents to cope with financial hardship.
- 2.3 Amanda is responsible for the council’s response to the cost of living crisis which followed the Ukraine invasion. People were suddenly facing poverty and losing their credit ratings, and thereby lost access to high street loans and could only access expensive “payday” and similar loans. People affected included those in important but low income professions, such as nurses. The council has decided to use its additional funding from central government in an innovative and sustainable way. It is underwriting consolidation loans of up to £10,000 issued by Lewisham Plus. Borrowers can use these to repay high interest credit card and similar loans and restore their credit rating.
- 2.4 The council aims to embed good financial habits in young people and is considering an initiative to encourage children to open credit union savings accounts. It would also like to start a scheme to enable young people who face high renting costs to borrow to finance the required deposit.

3. APPROVAL OF THE MINUTES OF THE 2024 ANNUAL GENERAL MEETING

- 3.1 Barney Hearnden (Secretary) referred the meeting to the minutes of the last AGM which had been published on the credit union website. The meeting resolved to approve the minutes with 61 votes in favour and none against, including those present in the room and those voting online.

4. REPORT FROM THE LEWISHAM PLUS BOARD OF DIRECTORS

- 4.1 Mark Plummer noted that the credit union now had some 15,000 members total assets of c.£18m and a loan book of c.£8m. 2024 had been a successful year, following on from the Crownsavers merger. Mark noted that the credit union had closed the branch at Cotmandene due to lack of footfall but had opened two alternative outreach points in Orpington and Bromley respectively. He noted that the credit union had continued to work on a number of initiatives with the councils and other local partners such as Community Advice Works, Deptford First, Bold Vision and Dinardos. Lewisham Plus was planning to publish a social impact report later in the year.

- 4.2 The member survey had received 1,800 responses which was an excellent response rate. 47% of respondents had said that being a credit union member had improved their mental health and 65% had said that it had improved their finances. 91% were satisfied or very satisfied with the credit union's services.
- 4.3 Mark noted that most new members joined as a result of referrals from existing members and asked everyone present to continue to introduce new members to the credit union. The board was planning to increase the focus on marketing and business development and would be interested in talking to anyone with those skills.
- 4.4 Mark finished by offering his thanks to staff, Supervisory Committee, board and volunteers, but also most importantly to members who made the credit union possible.

5. REPORT FROM THE TREASURER

- 5.1 Paul Treece (Treasurer) began by addressing some specific items mandated by Lewisham Plus's regulator, the PRA, noting that the credit union had met all of the relevant requirements during the financial year. Paul went on to give a brief overview of the finances of the credit union. He explained that the amount issued in lending during the past financial year had increased by £1.8m compared to the previous year, reflecting the addition of the Crownsavers business. The net amount outstanding on loans at the year end was £8.0m, an increase of £0.5m. This increase was lower because the Crownsavers loan balances had been included at previous year end. Arrears on lending and provisions for delinquency had increased but at a lower rate than the increase in lending. This was a good result which was attributable to the hard work of staff and the continued support from members.
- 5.2 The surplus for the year was £179k, but this was calculated after the dividend paid in respect of the previous financial year. That dividend was lower than the dividend being proposed in respect of the year just ended.
- 5.3 Paul explained that the bank reconciliation at the year end had resulted in a loss of c.£72k. This had not been expected, but the board had been aware that improved processes were required in respect of bank reconciliations, and changes had already been made during the course of the financial year. Nevertheless those changes did not flow through in time to prevent the loss. Paul explained the work that had been done to analyse the issue and noted that after extensive work by him and others, Lewisham Plus had been unable to identify any incorrect payments made to third parties or any material duplication of credits to members in respect of incoming funds. His conclusion was that this loss had built up gradually over the course of the year through a series of small items. The issue had resulted in a qualification to the audit with respect to this issue but not to anything else. Nevertheless, overall it had been a good year financially and Paul was confident that the issue had now been addressed. Paul then addressed a number of questions raised with respect to the reconciliation issue. He noted in particular that it was not directly attributable to the Crownsavers merger or to the prior audit of the Crownsavers financial results, but having two bank accounts as a result of the merger had made reconciliation more challenging.
- 5.4 In response to a question, Paul noted that Lewisham Plus now had 65 corporate accounts, with 55 of them being active. He and Mark acknowledged that more could be done to promote the credit union's offering and consideration would be given to using outlets such as Lewisham Live. Paul also explained how Lewisham Plus accounted for the carry forward of unused staff holiday. This required an accounting provision which did not result in a cash cost, but was carried forward and adjusted each year.

6. REPORT FROM AUDITORS

- 6.1 Kevin Booth of Alexander Sloan spoke briefly to describe the work of the auditors, explaining that their role was not to prepare the financial statements but to conduct an independent check. He noted that the auditors had qualified the accounts as they had been unable to get sufficient audit evidence to explain the bank reconciliation issue that Paul had mentioned. He confirmed that they, subject to that one issue, had been satisfied again this year that the accounts showed a true and fair view of the financial position of the credit union, and that the credit union had complied with applicable law and regulation. The meeting resolved to approve the accounts, with 72 votes in favour, one against and three abstentions.

7. DECLARATION OF DIVIDEND

- 7.1 Paul Treece explained that there were two elements to the dividend. The board had resolved to pay a dividend of 3.0% to junior savers, which was designed to provide them with an incentive to continue to save. The board was proposing a dividend of 1.0% for adult and corporate members.
- 7.2 Members were entitled to approve the adult member dividend or to resolve to approve a lower amount, but could not increase the amount beyond what the board was recommending.
- 7.3 Paul explained that the proposed dividend would be paid on [31 March 2025]. It would be paid gross (i.e. without any deduction of tax) but members would have to include the dividend on their tax return, if they are required to complete one.
- 7.4 On a vote, the meeting resolved to approve the dividend, with 76 votes in favour and none against, including those present in the room and those voting online.

8. APPOINTMENT OF AUDITORS

- 8.1 Paul Treece explained that the board was recommending the reappointment of Alexander Sloan for the financial year to 30 September 2025. On a vote, the meeting resolved to approve the reappointment of Alexander Sloan, with 74 votes in favour and none against, including those present in the room and those voting online.

9. REPORT FROM THE LEWISHAM PLUS SUPERVISORY COMMITTEE

- 9.1 Simon Loveitt (as Chair of the Supervisory Committee) gave a brief overview of the work of the Supervisory Committee. He emphasised the independence of the Committee from the board, and explained that the Committee met monthly with Stephen Grainge in attendance. Simon also introduced the new internal auditor, Philip Boafo, who had joined in January, and offered thanks to his predecessor, Mary Casey for her work for the credit union.
- 9.2 In response to a question on the increase in staff expenses, Simon and Paul explained that this represented the costs of the five Crownsavers staff who had joined at the beginning of September 2023, along with the increase in living wage. Simon confirmed that the Supervisory Committee was focused on assessing the board's response to the bank's reconciliation issue and was confident that this was being addressed. He noted that none of the members of the Supervisory Committee charges expenses to the credit union.

10. ELECTION OF OFFICERS

- 10.1 Barney Hearnden explained the process under Lewisham Plus's Rules for the appointment of board members and members of the Supervisory Committee, and introduced those who were standing for re-election. Details of the individual candidates were on the agenda. The meeting

resolved to appoint the candidates by a single vote in line with the Rules, and then approved those appointments with 67 votes in favour and none against, including those present in the room and those voting online.

11. CHANGE OF RULES

- 11.1 Barney Hearnden explained the proposal to amend the Rules of the credit union, as mentioned in the notice of meeting and on the credit union website. The changes approved at the 2024 AGM had been rejected by the FCA – the changes now proposed were substantially the same but in a form acceptable to the FCA. There were two main changes, first to give the credit union power to undertake certain additional business (comprising certain additional types of lending, such as car loans, and the distribution of insurance products), and second to increase the maximum number of directors to 13. The board had not yet resolved to utilise the extra powers to undertake additional business.
- 11.2 In response to a question, Barney and Paul noted that the change to the Rules was not required in order to offer credit cards, but that represented another example of a possible new product for the credit union. These matters were under evaluation by the credit union movement at a national level, and this work would then enable the Lewisham Plus board to consider whether to adopt any of these products. However, they would only be promoted if that was considered to be valuable to members, and we would seek to assess that through engaging with members in a number of different ways.
- 11.3 Barney explained that a two thirds majority was need to approve the rule changes. The meeting resolved to approve the rule changes with 64 votes in favour and none against, including those present in the room and those voting online.

12. ANY OTHER BUSINESS

- 12.1 Mark invited members to ask questions to the extent they had not already done so. In response to a question, Paul explained that individuals living outside London could only join the credit union if they were employed by one of the local employers within our common bond. If they had previously lived in London and joined at that time, they could continue their membership despite moving away. However, it was fundamental that an individual must meet the common bond at the point of joining.
- 12.2 Paul confirmed to the treasurer of an organisation with a corporate account that it was now possible to register up to four payees with the credit union, but noted that the account was not designed to be used as a current account for regular payments. Paul also confirmed that the credit union had never had sufficient funds or the requirement to own freehold property but this was permitted for credit unions and might be relevant at some future point. Another member noted that Bromley council was imminently closing the Bromley Welfare Fund and Paul and Mark confirmed that the credit union would be very willing to engage with the council to discuss whether the credit union could support individuals who would be affected by that closure.
- 12.3 The meeting ended at 9.10 pm and was followed by a buffet dinner for everyone at the meeting.