

CU Newsletter

Spring 2017

Top stories this issue:

| | |
|---|---|
| 25 th Anniversary | 1 |
| Engage Current Account..... | 1 |
| 25 Years of Lewisham Plus | 2 |
| AGM 3 rd March at Grove Centre 4 | |
| Annual Report 2016 | 4 |

25th Anniversary March 1992 to 2017

2017 is a special year for Lewisham Plus Credit Union, as it marks our 25th anniversary. That's twenty-five years working in and for the local community since we started in 1992.

We have created a special logo which we will be using for the year:



We hope to use the logo to raise our profile further - to encourage more people to join us, keeping funds in the local area and helping to reduce the stress of making ends meet in challenging financial times.

We are arranging special events for different parts of our community throughout the year, supported by the National Lottery's Big Lottery Fund. These will include promotions at Brockley Max and Lewisham's People's Day. Keep an eye on our website for further details.



Poster Competition

To start our celebratory events, supported by the Big Lottery Fund, we have launched a competition across junior schools in both boroughs to create a poster to mark our Anniversary year. The winner will be announced at our AGM on 3rd March at The Grove Centre.

Lewisham Plus Credit Union Ltd is a not-for-profit savings and low cost loans service for people living or working in the London Boroughs of Lewisham and Bromley and all of SE19

Financial Services Compensation Scheme Limit

The Bank of England has announced that individual deposits, including your credit union savings, are now protected to £85,000 under the FSCS, back to the 2015 limit. For full details see their website <http://www.fscs.org.uk/> or call 0800 678 1100.

Credit Union Member Services

Saving and Borrowing

Save up to £30,000, £3 joining fee for adults, £2 for young savers.

Personal Loans up to £10,000 from 0.75% to 2% pm (9.4% to 26.8% APR)

SAYB 3% pm/42.6% APR, save as you borrow – our most popular loan.

Corporate Accounts

Deposit account available for local associations, clubs and charities.

Engage Classic Account

Low cost prepaid Visa debit card, £2 per month, no load fees.*

Smartcash electronic pocket money for 8-16s. £10 one off, no monthly fee.*

Engage Current Account

£5.95 per month, Visa debit, direct debits, ATMs and rewards*

*See full Terms and Conditions for details.

Launch of Engage Current Account

In November 2016 Lewisham Plus became the first credit union in the country to launch the new Engage Current Account service.

This innovative new product provides online and mobile banking in place of the Credit Union Current Account, and is exclusively for credit union members. It took longer to get it into place than originally expected, but now over 800 members are using Engage **Smartcash**, Classic or Current Account services.



Try out "Envelopes"

Worried about managing your money? Want to take the stress and hassle out of paying your rent, mortgage, utilities, phone bills?

The Engage services come with a special feature that allows you to place money into virtual "envelopes", so you don't accidentally spend the cash you need to pay essential bills.

This is easy to use and to manage. We think it's a neat idea and should be especially helpful for anyone who is starting to receive Universal Credit and having to budget over a month instead of a couple of weeks.

For more information, please see our website or visit our branches.

25 Years

Lewisham Plus was founded as ACTS Credit Union Limited on 2nd March 1992. It was created by the initiative of local churches in the Association of Churches Together in Sydenham and Forest Hill. In his first report, the President Mr Arthur Coe, said “*ACTS is a C.U. of Churches Together, a Contribution by Us as members, for members, to show Care by Us and to help the Community by Us, to others.*”

In 1993 we granted 32 loans, for a total of £9,836. Savings rose four fold to £20,883. We reached 100 adult members and our first junior savers joined.

New collection points in St. Philip Neri and St. William of York were added to Friday evening at The Grove Centre.

In 1993 we bought our first computer, moving off all-paper accounts.

Liam Carlisle became the new President in 1996, and Arthur Coe sadly died in 1997 after a long illness.

1996 also saw the launch of the Deptford and New Cross Credit Union Limited.

In 1998 we granted 60 loans, for a total of £37,482. Savings rose to £93,328, and we grew to 245 adults and 41 juniors.

In 2000 we conducted a survey of 5,000 homes in Sydenham, Forest Hill and Penge, concluding that:

- 34% didn't have a bank account
- 60% found money management difficult and struggled with bills
- 38% had no savings.

Based on this, we extended the common bond in 2000, and again in 2002, so that anyone living or working in Lewisham could join us.

Promoting the credit union and working with partners, including Lewisham, Bromley, Broomleigh, Hyde and JSS Pinnacle, started to bring faster change and growth.

In 2003 we were awarded a grant for £209,000 for the regeneration of the derelict Barclays Bank in Sydenham, and for three staff roles.



ACTS Credit Union launch at The Grove Centre, on 8th May 1992. Left to right: Gail Birch, Elizabeth Ballaster, Barbara Coe, Liam Carlisle, Arthur Coe, Andy McKeown, Mayor of Lewisham Jim Dowd, Frank Whittle, Paul Treece, Lisa Treece, Tim Samuel and Alice Pollard.

1992

1993

1994

1995

1996

1997

1998

1999

2000

2001

2002

2003

In 2003 we granted 209 loans for a total of £165,123.

Member savings rose to £325,804. We reached 985 adults and 300 juniors.

John McCarthy became our third President, and James Gardner became our first Credit Union Manager. Lisa Treece was administrator, Paul Thompson developed business services, and Gina Carrington started a club at Catford Girls.

Our “Community Finance Shop” at 262 Kirkdale opened in June 2004 and was a great success.

Ingrid Brown joined as our loan officer, and we served 20 visitors/day.

In 2006 we changed our name and became

Lewisham Plus Credit Union – serving all of Lewisham and Penge. We joined the national Growth Fund project, working with DWP to extend services across the community.

We celebrated our 15th birthday in 2007 with a three course curry meal at our AGM, the last of a series of memorable AGM dinner dates.

In 2008 we granted 453 loans and 3,969 Flexi-loans or top-up loans. Member savings rose to £907,347 and we reached 3,495 adults and 1,054 juniors. This was also the year when we launched the Credit Union Current Account, providing low cost ethical banking services in the wake of the global financial crash. James Gardner retired and Jason Herbert became our next CU Manager.

In 2009 we expanded again, to include the whole of Bromley. Our popular “Save as you Borrow” loan was launched to encourage saving and to replace the Flexi-loan.



Opening of 262 Kirkdale SE26, our first high street branch, in June 2004, by Mayor of Lewisham Sir Steve Bullock and Lewisham West MP Mr Jim Dowd.

2008

2009

2007

2006

In 2010 the members agreed to the transfer of Deptford & New Cross Credit Union, bringing 1,500 a/cs into Lewisham Plus on 31 Dec 2010.

2011 saw the launch of the Bromley Plus branch in St Paul's Cray, with the support of Bromley Council, Affinity Sutton Group and others.

After managing the Bromley branch, Janet Greenwood became our new CU Manager in December 2011.

In 2012 we granted **3,952 loans**, for a total of £1.7m. Savings passed **£2.5m** and we reached **7,132 adults** and **1,573 junior** savers.

Jumping forward to 2016 the credit union granted **5,185 loans**, for a total of £2.9m. Savings topped **£4.8m**, with **10,095 adults** and **1,508 juniors**.

2017

2016

2015

2014

2013

2012

2011

2010

2009

2008

In 2013 we opened our new branch and office at The Green Man at the invitation of the Phoenix Community HA.

We started to offer local emergency loans for Lewisham, and homelessness prevention loans for both of our boroughs.

In 2013 the Archbishop of Canterbury publicly supported credit unions to "compete Wonga out of existence". We joined the national Credit Union Expansion Project, which enabled us to introduce an automated loan decision tool, speeding up lending.

We also opened an outreach point with Lewisham Homes, first in Eddystone Tower, then in The Albany, following the closure of the DNX branch.

We look forward to another 25 years serving you, our members – people helping for people for mutual benefit.



Ravi Ravindran, CEO, joined us in 2016, seen here at The Green Man in SE6/BR1



Liam Carlisle serving at Eddystone Tower, Pepys Estate SE8, with Lewisham Homes, before moving to The Albany in 2015.



Jan Greenwood with Stephanie Noyce, Financial Inclusion for the Affinity Sutton Group, opening Bromley Plus in 2011.



Joint boards of Lewisham Plus and Deptford & New Cross Credit Unions agreeing to merge in 2010.

Volunteering with Lewisham Plus

Lewisham Plus Credit Union has always depended on the contribution of a significant number of volunteers to help the organisation flourish and grow. We currently have members who volunteer to assist as cashiers in our branches, help with answering telephones, leafleting, scanning and record keeping, with welcoming and on school savings projects, and all our Board are volunteers too.

If you would like to volunteer with us, or find out more about the range of opportunities please e-mail Tim Pagan, HR, Training and Volunteers Director at volunteer@pluscu.co.uk

Branch Contacts & Hours

Sydenham 262 Kirkdale, SE26 4RS
Tel: **0208 778 4738**

The Green Man at 355 Bromley Road, Catford, SE6 2RP
Tel: **0208 461 4721**

Bromley Plus at 54 Cotmandene Cres. St.Paul's Cray, BR5 2RG
Tel: **0208 617 9416**

All open 9.30-1pm Mon-Fri.
Sydenham only 6.30-8pm Friday and 10am-noon Saturday.

Deptford at Unit 13 A-B, The Albany, SE8 4AG (Mon-Wed 10am-3pm)

Closed Bank Holidays and as per notices.

Online Joining & Loans

Apply to join the credit union and for loans from us using online forms.

Online Account & Transactions

View recent transactions online in our Members' area and approve money transfers (Web PIN required)

Dormant adult accounts under £10 balance - annual £2.50 fee.

24/7 Telephone Balances

Automated balances and transfers 24/7 on 0208 778 4738 (PIN required)

SMS Balance Enquiries

Text Balance to 07537 410334

The text will cost your standard network rate for an SMS. If you don't get a response email admin@pluscu.co.uk with your name, member number and mobile phone number.

PayPoint - ended by Co-op Bank

We will no longer be able to accept PayPoint deposits from March 2017.

Life Insurance

Members up to age 70 receive life insurance at no charge. Loans are also covered up to age 75.**
**All insurances subject to policy limits



AGM 3rd March 2017

We invite and encourage all our members to participate in the credit union by attending our Annual General Meeting, to be held at:

7pm on Friday 3rd March 2017 at The Grove Centre, 2 Jews Walk, Sydenham, London SE26 6PL.

Members are invited to register an interest in serving as directors or on the supervisory committee by email to volunteer@pluscu.co.uk, or by letter, by Friday 17th February.

The AGM is free for credit union members. Stay to celebrate the year with us over a light buffet.

The Grove Centre was where the credit union was launched in 1992. We felt it would be fitting to hold our 25th Anniversary AGM there. It is five minutes' walk from 262 Kirkdale, on bus routes 122, 176, 197, 202 and 356, with free street parking nearby.

Annual Report 2016

Our Annual Report and Accounts for the year to 30th Sept 2016 are now available on our website (under the "About Us" section). These will be presented at our AGM, and are available on request.

Membership: Over the year, despite closing dormant accounts, we grew to 10,095 adults (up by 503), 1,508 juniors and 4 corporate members. Over 90% of our adult members made a transaction in the last year or hold a balance over £25.

Savings: Up by £340k to £4.4m for adults (excluding CUCA) and steady at £0.27m for juvenile depositors.

We are very pleased once again to be able to offer a dividend, to be credited on 30th March 2017:

- **1.5% for young savers.**
- **0.5% for adults** (subject to AGM)

Loans: Nearly £2.9m was granted, up by 12% from the prior year.

Income: Dropped by £49k excluding last year's Lloyds Banking Group capital grant. This was due to

reducing income from CUCA and grants, offset by increased lending.

Expenses: Were £6k below last year. Staff costs rose with the London Living Wage and our new

CEO, but other costs were reduced.

Bad debt: Loan write-offs declined from 6.2% to 5.9% of our loan balance. Our total "impairment losses" rose due to higher provisions on loans in arrears. We are seeing more people affected by tax credit and benefit reductions, which then affects the credit union – but also makes affordable finance ever more important as budgets are squeezed.

Capital: Our key capital ratio was improved to 9.85% of assets.

Revenue Account for year ended 30th Sept 16

| | 2016 | 2015 |
|--|------------------|------------------|
| Loan interest receivable | 616,158 | 592,798 |
| Interest payable | <u>(21,182)</u> | <u>(18,495)</u> |
| Net interest income | 594,976 | 574,303 |
| Fees receivable | 112,811 | 154,570 |
| Fees payable | <u>(137,828)</u> | <u>(154,733)</u> |
| Net fees and commission | (25,017) | (163) |
| Other operating income | 166,199 | 297,172 |
| Administrative expenses | (418,123) | (392,951) |
| Depreciation | (26,294) | (48,401) |
| Other operating expenses | (94,541) | (96,344) |
| Impairment on loans for bad and doubtful debts | <u>(150,284)</u> | <u>(140,498)</u> |
| Surplus before tax | 46,916 | 193,118 |
| Corporation tax | <u>(6,019)</u> | <u>(22,571)</u> |
| Surplus for year | <u>40,897</u> | <u>170,547</u> |
| Comprehensive income | 40,897 | 170,547 |

'Interest payable' means dividends paid to members.

'Fees receivable and payable' mainly relates to income and costs for CUCA, Engage and other bank charges.

Balance Sheet 30th Sept 16

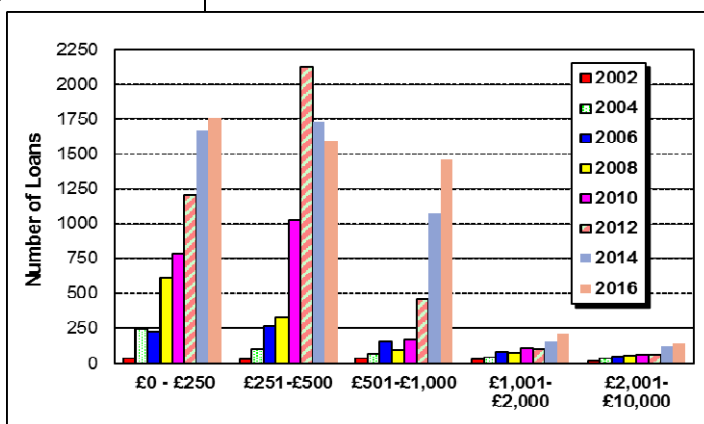
| | 2016 | 2015 |
|---------------------------|------------------|------------------|
| Assets | | |
| Cash and central banks | 35,329 | 34,929 |
| Advances to banks | 2,958,254 | 3,152,491 |
| Loans to members | 2,536,935 | 2,266,662 |
| Tangible fixed assets | 124,384 | 148,969 |
| Prepaid and accrued inc | <u>40,571</u> | <u>28,459</u> |
| Total Assets | 5,695,473 | 5,631,510 |
| Liabilities | | |
| Customer accounts | 4,813,623 | 4,675,114 |
| Other liabilities | 55,847 | 91,658 |
| Accruals and deferred inc | <u>265,103</u> | <u>344,735</u> |
| | 5,134,573 | 5,111,507 |
| Other reserves | 337,752 | 335,296 |
| General reserves | 223,148 | 184,707 |
| Total reserves | <u>560,900</u> | <u>520,003</u> |
| Total Liabilities | 5,695,473 | 5,631,510 |

Paul Treece, Treasurer - extract from audited accts
'Advances to banks' means money in bank accounts.

Adopting FRS102

This year all credit unions have been required to adopt the FRS102 accounting standard. This moves figures around on the financial statements and uses wording that is unfamiliar to most people. These extracts provide a brief overview. Please refer to the audited accounts and notes for the full details.

25 Years in Figures



When we started out in 1992, then as ACTS Credit Union, our 22 founding members each deposited their first shares. Every penny of the £4.8m now held in savings has come from ordinary local people.

Since opening our first branch at 262 Kirkdale in 2004 we have welcomed about 100 new members each month, though not all stay to become active savers.

Income in 2002 was just £19,616, with expenses at £11,629. We are now a much larger organisation, and have created 20 local jobs for staff.

However, the most dramatic change has been to our lending. Our loans increased throughout our first decade, but this is too small to show on the graph! In the last year our members received 5,185 loans. In 2001 it was just 123 for the whole year. So demand for our service has increased 50 fold over 15 years.

By far the majority of Lewisham Plus loans are for £1,000 or less. This isn't true of all credit unions, and is a direct consequence of the work we do with large numbers of people who struggle to make ends meet.

Our individual and friendly service is volunteer led but professionally managed. We work for a fair and inclusive local community.