

Minutes of Lewisham Plus Credit Union Annual General Meeting held at 7pm The Grove Centre, Jews Walk, Sydenham on 3 March 2017

1. Welcome and introduction

Frank Whittle opened the meeting and thanked everyone for attending. There were a number of apologies from members, and also from James Gardner (Director), and Barney Wanstall (Supervisory Committee). Frank introduced the Board of Directors, and reminded everyone that the venue was the site of the original Friday evening sessions when the credit union was first established, as well as the first annual general meeting. Frank led everyone in a recitation of the credit union invocation.

2. Mayor of Lewisham

Frank introduced Sir Steve Bullock, Mayor of Lewisham. The Mayor addressed the meeting, noting that he remembered attending previous annual general meetings, and was himself a member of the credit union. The Mayor complimented the credit union on its growth over the past 25 years, whilst remaining true to its values and guiding principles. He noted that following the financial crisis of 2008, the value of credit unions had been amply demonstrated, because of their ability to do banking services in a different and moral way. In addition, the partnership arrangements that the credit union had forged have been very valuable to members and others in the community, particularly in the area of housing, assisting those who had become (or would otherwise become) victims of the London housing crisis. Indeed, in his view, if credit unions had not existed already, the 2008 events would have forced us to invent them.

He went on to say that in his view the credit union will have a key role in the future, supporting the local council as the council itself faces difficulties with funding. He closed by emphasising how he was looking forward to another successful 25 years, even if the 50th anniversary would be celebrated by another Mayor!

The Mayor then made a presentation to John McCarthy to mark the end of his presidency from 2003 to 2016; and a presentation to each of the founding members of the credit union present at the meeting: they were Paul Treece, Lisa Treece, Frank Whittle, Liam Carlisle and Jeff Blackman (the latter being especially notable for his membership number of 001).

3. Approval of the minutes of the 2016 annual general meeting

Barney Hearnden thanked his predecessor Liz Ballaster for having prepared detailed minutes of the previous annual general meeting, copies of which had been distributed to each of the members present. Barney requested that the meeting approve the minutes, and this resolution was passed unanimously.

4. Report from the Board of Directors

Frank opened by welcoming the representatives present from other credit unions, that is Croydon credit union, Croydon Caribbean credit union (which was celebrating its 50th anniversary), and Greenwich & Bexley credit union.

Frank offered, on behalf of the board and all the members, sincere thanks to John McCarthy for his service as President, a post that he held from 2003 until 2016. The growth in that period was testament to John's contribution as President, and he had always had a strong sense of the heart and soul of the credit union. Frank thanked him for his general inspiration as well as his specific (and ongoing) contribution to the premises strategy and management.

Frank referred to the directors' report and accounts, which had been distributed to all members present, and picked out a number of points. He referred first to the process for the closure of the credit union current account (CUCA), which had required LPCU to help c. 2000 account holders deal with the closure of their accounts, and replacement with a suitable alternative. This had been an enormous endeavour for the credit union, and Frank offered his thanks in particular to all of the staff who had made this possible.

Frank went on to refer to the new products that LPCU has developed, and in particular some of the Contis products which were now offered through the credit union. These included an exceptional new junior savings product, catering to children from the age of eight. Frank explained that the board is continuing to look for new products, and that Ravi as chief executive had led a proposal to offer new loans to facilitate members to acquire essential products such as white goods, in a way that was much more cost-effective than alternative suppliers such as Brighthouse.

Frank then explained that LPCU continues to work on the website, to deliver the online functionality that is expected by younger members, as it is vital that the credit union appeals to the next generation.

Frank noted that it was positive that the credit union has been able to recruit new members to the board, with different skills and perspectives to assist with meeting future challenges. The board was well aware of the difficulties faced by members as a result of the squeeze on benefits and the continuing challenge from the financial crisis, and this all emphasised the importance of LPCU's work.

Frank closed by offering his thanks to staff, volunteers, directors and partners of the credit union, as well as CMS and PWC, who had provided useful pro bono support over the past year.

5. Report from the Treasurer

Paul Treece referred to the Treasurer's report in the annual accounts. He acknowledged the challenge involved in dealing with the closure of CUCA, helping members to decide what to do, and also the time spent assisting members to address the consequential issues with DWP.

Paul introduced Janet Palmer, who had just completed the national programme known as CU Futures, and congratulated her on her achievement.

Paul noted that this year's accounts reflected a new accounting standard, which had led to additional work, with questionable benefit. In terms of financial performance, there had been an increase in savings, loan balances, and number of members, but it was nevertheless a difficult year and the credit union had made only a small profit.

This was lower than the previous year, but that previous year had been boosted by the grant received from the Lloyds Bank fund. The credit union would continue to seek to find a suitable balance from a financial perspective, for example LPCU had committed to pay the living wage to staff, but at the same time the board was always seeking to control costs for the benefit of members.

In response to a question from the floor, Paul explained that “other operating income” was disclosed in a note to the accounts, and represented direct funding received from third parties in respect of certain activities (for example contributions made by Lewisham Homes or Affinity Sutton), as well as money from the legacy growth fund, and contributions from the CUEP programme which had now concluded. Paul referred to the funding received by the credit union to allow it to make emergency loans and homeless prevention loans, and Liam Carlisle noted that during the course of the year the credit union had helped 24 families to avoid losing their home. He offered his thanks to the staff at Lewisham Council, who continue to work closely with the credit union.

6. Dividend

Paul went on to propose a dividend of 1.5% for junior savers (which did not require a vote of members), and a dividend of 0.5% for adult members (which needed to be approved by members, who can endorse the dividend at that level or at a lower amount). Paul noted that the intention of the dividend was to provide some encouragement to savers, and the board considered it to be affordable as the credit union was in compliance with its required capital ratios. The meeting approved the proposed dividend unanimously.

In response to a question on the potential impact of Brexit on reserves, Paul explained that the board does not see the anticipated departure from the European Union as having a major impact on the business of the credit union, which is focused on the local economy. LPCU does not expect to see significant numbers of members leaving the country and the credit union. The capital reserves in place are designed to provide protection against shocks, and the credit union has a rolling three-year plan to look ahead and anticipate issues. Higher reserves will be needed if the credit union grows to exceed 15,000 members, which is somewhat counterintuitive: it seems odd that higher reserves are required as the credit union becomes larger and consequently more diversified. Nevertheless, the best way to meet challenges would be to achieve steady growth with a gradual increase in savings and loans.

7. Appointment of Auditors

Paul reminded the meeting that the auditors, Alexander Sloan, had now completed the second year of working with the credit union. Paul reported that they had continued to be extremely helpful, and the board was in favour of reappointing them for another year. They had attended the last annual general meeting, but had sent apologies in respect of this meeting. The meeting unanimously approved the reappointment of the auditors.

At this point, Frank took the opportunity to read to the meeting the contents of a letter from the Mayor of London, Sadiq Khan, in which he had taken the time to write to congratulate LPCU on its 25th anniversary.

8. Report from Supervisory Committee

David Smith gave a short report on behalf of the Supervisory Committee, explaining that their role is to watch over the governance and management of the credit union on behalf of members. David introduced his colleagues on that committee, David Blane and Barney Wanstall. He referred to the report in the accounts, and noted that the committee does not have any concerns to raise: they were satisfied with the performance of the board and management, and in particular impressed with the way that the CUCA project had been handled. David noted in particular the ever increasing regulatory burden imposed on credit unions, and complimented the board and staff on their response.

David announced that he was now retiring after 12 years on the committee, and offered his thanks to current and past members of the committee, as well as volunteers, staff and board, and emphasised that he was confident of future success for the credit union.

Frank then made a presentation to David, thanking him for his steady hand and considered judgement over this 12 year term of service for the credit union.

9. Election of Officers

Barney explained to the meeting that, as noted in the agenda, officers must retire periodically, but may be re-elected. Accordingly this year a number of officers were retiring from the board or supervisory committee as listed in the agenda, and were offering themselves for re-election. As the number of candidates did not exceed the number of roles, in accordance with the Rules, Barney proposed that one resolution be passed to appoint all candidates. This resolution was accepted and passed unanimously.

10. CEO presentation/25th anniversary

Ravi spoke briefly, and in particular updated the meeting on the progress made in forging partnerships with local schools. He emphasised how important it is to educate children as to the importance of making financial plans and saving money, and help them to prepare to be responsible adults in due course. He noted that the SmartCash product had received a national award as the best new product in its category across the UK.

Ravi then updated the meeting on the poster competition. There had been 85 entries and a worthy winner, which was then shown to the meeting. This poster will be used throughout the year to promote the credit union, and raise awareness of what the credit union does. He noted that the credit union would also be participating in a new television programme being filmed for the BBC by Curve Media at the Sydenham Branch, and invited anyone interested to contact LPCU if they would like to participate.

Mark Plummer went on to explain some of the activities which will be happening this year to commemorate the 25th anniversary, which technically fell on March 2, 2017. All members received a copy of the events card, which contains the dates and locations for four events that the credit union will be attending. Mark explained that

there will be a number of promotional activities at these events. He also noted the programme to further develop the website, and in particular make it easier to sign up as a member, and secure loans, through an online process.

11. Close of the meeting

Frank brought the meeting to a close, and it was followed by a buffet for all members present.