

**Minutes of Lewisham Plus Credit Union Annual General Meeting
held at 7.30pm at The Barn, The Green Man,
355 Bromley Road, London SE6 2RP
on 23 February 2018**

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). Frank welcomed a number of guests attending the meeting, including Professor Bill Lee from the University of Sheffield, who had made a presentation earlier in the day comparing credit unions in the UK and New Zealand. Frank led everyone in a recitation of the credit union invocation.

2. Approval of the minutes of the 2017 annual general meeting

Frank referred to the minutes for the previous annual general meeting which had been distributed to each of the members present. The meeting resolved to approve the minutes.

3. Report from the Board of Directors

Frank referred to the annual accounts which had been made available, and noted that there had been no changes to the board of directors this year. It had been a busy year, as always, and the focus had been on growing the number of members and the size of the loan book, as part of the journey towards full sustainability for the credit union, without third party subsidy. This year total loans had increased by 15%, which was a good result. There had also been an increase in membership, particularly in the fourth quarter of 2017, driven by the BBC programme "A Matter of Life and Debt" and the launch of the credit union's presence on social media.

Member feedback this year had commented adversely on the telephone system, and this had now been fully upgraded, and Frank thanked Paul Treece for his hard work on this project. The board approved a new loan policy during the year, including a new loan to allow members to buy furniture and equipment, and the board is hoping to continue to develop new loan products. The past year saw a number of events to celebrate the 25th year of the credit union, which had been supported by some lottery funding. The credit union had also made a successful bid to participate in the Barclays programme, which had provided support in the form of consultancy in a number of different areas of business. The credit union had now opened a small presence in New Cross, with the potential in the longer run to develop that into another branch, supporting that area of the borough. In partnership with church organisations, the credit union had now developed the Life Savers programme resulting in a presence in eleven primary schools. A lot of work had also been done behind the scenes on policies and procedures, to meet regulatory obligations.

Altogether, it had been a successful year for the business, and Frank offered thanks in particular to the staff for their hard work and dedication.

Frank noted the challenges ahead, and mentioned the session held earlier in the day to consider aspects of financial inclusion, along with partner organisations such as councils and housing associations. It was encouraging that all of those organisations

recognised and appreciated the support that the credit union offered in these areas. There are striking statistics about the absence of savings in most households, and the credit union's SAYB product helps people to address that issue. The new Universal Credit benefit is due to be introduced in July 2018, and that will present further challenges for some individuals and organisations, although the DWP had attended our event and indicated that they are working hard to address concerns.

Finally, Frank offered his thanks to the directors; to Ravi for his leadership and hard work as chief executive; to all staff in light of their commitment and continuing ability to rise to new challenges; and to all of the volunteers who provide support to those staff and relieve some of the pressures. Frank also expressed his appreciation to the partners with whom the credit union works, and to the organisations that provide pro bono support, as well as the staff in schools who operate the Life Savers programme, and finally to all those members who continue to support the credit union.

Frank then showed an excerpt from the "Life & Debt" series.

4. Report from the Treasurer

Paul Treece noted that the last financial year had been difficult due to the loss of income from the CUCA account, and the need to grow loans to achieve financial sustainability. In the end, the financial year had turned out very close to the original plan. It was slightly difficult to follow this in the figures because under accounting rules, last year's dividend is deducted from this year's results, and the dividend last year was higher than the dividend for the year just finished.

Indications for the year to date are that the credit union is on track with its budget, and therefore progressing according to the board's longer term plan. Paul noted that at present the credit union meets the regulator's capital requirements, but if the credit union grows above a certain level, the current rules require 10% capital against total assets. This means in practice that for every £10 deposited with the credit union, we require £1 of capital, which is hard to generate. The board's hope is that the current year will generate a larger profit than last year, and contribute more to our capital base as a consequence; but the board will continue to monitor growth carefully.

One measure of credit union performance is to look at the percentage of shares (that is, money on deposit with the credit union) that is out on loan to members. The standard target is to achieve up to 70% on this measure, LPCU has now increased from mid 40s to mid 50s in percentage terms, but it would be advantageous to increase this into the 60% range, in order to generate more capital.

Paul explained that there are broadly three components to costs. The first is provisions against potential failure to repay loans, and writing off of actual bad debts. The board has spent a lot of effort on managing this aspect of the business, with the aim of reducing the impact, which has been material in recent times. The second element is staff costs, which have increased recently as the credit union has committed to paying all staff the living wage. Then finally, there are other overheads.

5. Dividend

Paul explained that the proposed dividend for this year was slightly reduced as compared to the previous year, comprising a dividend of 0.25% for adult members, and a dividend of 1.25% for junior savers (which did not require a vote of members). Paul explained that the members had a choice as to whether to approve the proposed dividend, or to reduce it. On a vote, the proposed dividend was approved with one member voting against and one abstention. In response to a question, Paul noted that the board's aim was to be able to offer a higher dividend in the future, but this was dependent on financial performance overall.

6. Appointment of Auditors

Paul conveyed the apologies from the auditors, Alexander Sloan, who were unable to attend this year. Paul noted that they had been diligent and supportive in completing the audit for the second time, and recommended their appointment for a third year. On a vote, the appointment was approved, with all votes in favour, and one abstention.

7. Report from Supervisory Committee

Barney Wanstall explained that the Supervisory Committee's role was to review board activity on behalf of the members. The Supervisory Committee had been strengthened by the appointment of Donna Davis and Rev Catherine Shelley. They had carried out checks on matters such as funds and reconciliations, directors and staff accounts, and operations, and had no concerns over the management of the credit union. They had also attended board meetings, and observed a healthy debate among board members, and an appropriate balance in terms of seeking to develop the credit union whilst at the same time managing risks.

8. 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.

9. Presentation

In light of the BBC television series, Ravi presented awards to Ingrid Brown and Liam Carlisle recognising their screen performances.

10. Close of the meeting

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