

**Minutes of Lewisham Plus Credit Union Annual General Meeting
held at 7.00pm at The Grove Centre, 2 Jews Walk,
Sydenham, London SE26 6PL
on 1 March 2019**

1. Welcome and introduction

Frank Whittle (President) opened the meeting and thanked everyone for attending. There were a number of apologies from members and from certain staff and volunteers, including Barney Wanstall (Chair of the Supervisory Committee). Frank welcomed in particular the representatives from Croydon and Crown Savers Credit Unions. He thanked Maria and other members of staff for the effort they had gone to in making all of the food for the meeting. Frank then led everyone in a recitation of the Credit Union invocation.

2. Approval of the minutes of the 2018 Annual General Meeting

Barney Hearnden (Secretary) referred the meeting to the minutes of the last 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 Whittle began by paying tribute to Peter Dulley, who had sadly died in 2018. Peter had been a surveyor and had used those skills, along with his general experience, to make a big contribution to the Credit Union and a number of other organisations.

Frank noted that there were reports of activity in the accounts for the past year, but drew attention to a number of items in particular. First he noted the work that had been done on the new statement of vision, values and objectives, which Keith Howick would address further later in the meeting. Frank noted that the board had spent time reviewing competition in the market for the Credit Union, and would continue to do so. It was important to respond to innovation by other service providers, whilst maintaining the face to face service for those members who wanted it. The board was concerned to ensure that the Credit Union's tech strategy was coherent and long term, rather than involving a number of independent and potentially disjointed initiatives.

Frank noted that some amendments had been made during the year to the new loan policy which had been introduced in the previous year. The board considered that this new policy had worked well, and the main objective now was to add a new product, which would be a competitor to conventional, expensive pay day loans. The Credit Union would do this under the umbrella of the "Just Borrow" brand, and the product had just been launched. Frank referred also to the new Incuto app which was coming in, and which Andrew Rabbitt would address later in the meeting.

Frank emphasised how important it was for the Credit Union to deliver excellent customer service. In the recent surveys there had been very good feedback, and few complaints, and Frank thanked the staff in particular, and also volunteers, for their commitment which made this possible. Frank also thanked partner organisations,

notably the Councils and the Housing Associations who continue to support the Credit Union.

Finally Frank noted that the Credit Union had recently received an inspection from the Prudential Regulation Authority. The Credit Union had provided substantial information to the PRA, and a number of people participated in interviews in the day long visit by PRA staff. Whilst the PRA had identified a small number of issues, to which the Credit Union was responding, the PRA had generally been very complimentary.

Keith then took the meeting through the new statement of vision, value and objectives, and encouraged everyone to read it. He noted that it represented a good way of taking stock of where the Credit Union was now, and how it should develop in the light of the current landscape. The board wished to emphasise very strongly its commitment to financial inclusion and trust, and Keith noted the importance that growth of the Credit Union should be sustainable. As Frank had said, another key objective was that the Credit Union should maintain its personal service whilst embracing technology.

4. Presentation by Andrew Rabbitt of Incuto

Andrew Rabbitt, CEO of Incuto, introduced himself and his company to the meeting. He noted that although Credit Unions were not new, it was now an exciting time for them. His firm opinion was that technology could now help Credit Unions to deliver on their vision. Growth can often impact on staff service. However, a lot of people now want their financial institution to provide a remote service at all times of the day and night. Credit Unions could now use technology to deliver this type of service to their members, whilst maintaining their sense of community. This had led Incuto to focus exclusively on providing services to Credit Unions. Andrew pointed out that all Credit Unions taken together have some 2.1 million members, which compared very favourably with 700,000 customers of Wonga.

Andrew declined to spend a lot of time promoting his own products, but rather emphasised that he was greatly impressed by the Credit Union, and the balance that it was seeking to obtain between providing new services, driven by technology, whilst maintaining its original values and purpose. He noted that he had spoken at several Credit Union Annual General Meetings, and none of the others had impressed him in this way.

Paul Treece then encouraged members present at the meeting to use the wifi service to download and test the new Incuto app, as previewed in the recent newsletter.

5. Report from the Treasurer

Paul Treece (Treasurer) drew attention to his report on page 5 of the annual report and accounts. The past financial year was a successful one for lending and for recovery of debts owed. This had enabled the Credit Union to increase its income, and reduce its bad debts. It was not realistic for bad debts to be zero, and indeed if they were, that would indicate that the Credit Union was not fulfilling its purpose and taking an appropriate amount of risk. However, bad debts were now running at a supportable level, and staff had been working hard on credit control initiatives.

Last year was the first year when the Credit Union had delivered a genuine profit, without needing any subsidy from the growth fund which had assisted results over the past five years or so. Paul noted that it was essential to make a profit in order to build capital and permit the Credit Union to grow on a sustainable basis.

Paul noted that he had just closed the accounts for February, and the position at the end of that month showed total assets of £7.1m, with an outstanding loan balance of over £4m, which indicated that the Credit Union was continuing to grow in accordance with the previous year's trends. Whilst there remained a lot to do, the finances were currently in a good place.

6. Dividend

Paul Treece explained that the proposed dividend represented a recommendation from the board, and that members could decide whether to adopt this or whether to forego a dividend, and add the equivalent amount to surplus in order to increase capital. The proposal this year was for a dividend of 0.5%, an increase on the 0.25% paid in the previous year. The payment to junior members was within the board's discretion and was not up for a vote. In answer to a question, Paul stated that he did consider that the dividend provided some incentive for members to save with the Credit Union, particularly for junior members. However, it was important to get the right balance, as it was also necessary to add some surplus to reserves. On a vote, the dividend was approved unanimously, with one abstention.

7. Appointment of Auditors

Paul Treece reported that the Credit Union's auditors, Alexander Sloan, had once again provided a very thorough and cost effective service, and that the board was supportive of appointing them for a further year. On a vote, the appointment was approved, with all votes in favour.

8. Report from the Supervisory Committee

Donna Davis presented the report of the Supervisory Committee, in the absence of Barney Wanstall. Donna explained the role of the committee in reviewing board performance, checking processes, scrutinising new initiatives and (in the past year in particular) overseeing changes to credit control. She reported that the committee was very happy with the performance of the board and its receptiveness to suggestions from the committee. The committee had also been pleased to receive such a positive assessment from the PRA. In summary, the committee had no concerns over the management of the Credit Union.

9. Election of Officers

Barney Hearnden 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. Adoption of Updated Rules

Barney Hearnden explained that there was an additional resolution this year, to adopt new rules for the Credit Union. The rules had last been reviewed and amended in 2013, since which time there had been a number of changes in the regulatory landscape and relevant legislation. The board also wished to make some changes to facilitate the operation of the Credit Union, such as the process for appointing officers, and the process for dealing with disruptive members. In response to a question, Barney explained that there were some safeguards in the process. The rules were based on the ABCUL model, and had been shared with ABCUL for comment. The resolution to approve the new rules required a two thirds majority of members voting, and then the new rules would need to be submitted to and approved by the FCA. However, it seemed likely that it would be some time before ABCUL updated its own model rules, and hence the board wanted to make changes now (which would be made available for other ABCUL members to copy, to the extent that they thought that the changes were useful). The resolution to adopt the new rules was passed unanimously.

11. Close of the Meeting

Frank Whittle brought the meeting to a close at 8.20pm, and it was followed by a buffet for all members and guests.