

Minutes of Lewisham Plus Credit Union Annual General Meeting held at 7.30pm on 24 February 2022

1. Welcome and introduction

Mark Plummer (President) opened the meeting and thanked everyone for attending, both in person and online via Zoom. Mark then led those present in a recitation of the credit union invocation.

2. Presentation by Frank Whittle

Frank Whittle (founder member and former President) gave some eloquent reflections on the occasion of the 30th anniversary of the founding of the credit union. He noted that it was satisfying that the AGM was being held at the Grove Centre, on the same site as the photo of the foundation ceremony reproduced in the latest newsletter. The credit union had grown out of the “Faith in the City” report, which generated a number of recommendations for government at the time. The initiative to take action, and promote local help for members of the community, evolved out of action amongst local churches, and it took two years in all to launch. The Christian values which had inspired the initial mission were still relevant within the credit union in its current, secular form. Frank noted that he in particular had come to understand peoples’ stories, and how they often got into financial difficulty through no fault of their own. The credit union mission was not to judge, but simply to help.

For the first two years, it had been an entirely manual process, revolving around a red cash box. Frank recalled how the credit union got its first laptop, and how on one occasion he had spent two nights trying to reconcile a £10 discrepancy in Paul’s absence! It was remarkable that the credit union had now grown to have some 14,000 members, something that no one really envisaged at the outset. A key milestone was when James Gardner became the first paid manager and helped the credit union secure additional financial support to continue its work.

Frank noted how a small amount of help at a critical moment can make a huge difference to the individuals involved, and that the credit union staff continue to try hard to deliver that invaluable service. Frank explained that his own mother had been unable to attend grammar school due to an inability to afford the bus fare: the money provided by the credit union enabled some members to take up potentially life changing opportunities. Overall, the project had grown into a vocation for those involved and not just a job, supported by the culture of the wider credit union movement, where (unlike other industries) all those involved were willing to help one another and share knowledge. Lewisham Plus had also benefitted from great partnerships with the local councils, housing associations and others.

The BBC programme “A Matter of Life and Debt” had helped to highlight the difference that the credit union had made: even if there was still a lot to do in the community, things would have been much worse without the credit union contribution. The credit union would have a key role to play in the near future, against the backdrop of a cost of living crisis for many people.

Frank closed by quoting Mahatma Gandhi: “Be the change that you want to see in the world”.

3. Approval of the minutes of the 2021 Annual General Meeting

Barney Hearnden (Secretary) introduced a test of the AGM voting arrangements, encompassing those in the room and online. He then 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 39 members voting in favour and none against.

4. Report from the LPCU Board of Directors

Mark Plummer gave an overview of the activities and key initiatives of the credit union over the previous year. He noted that the 2020/21 year had been very tough for many of the credit union's members, and unfortunately it was possible that times would get even harder over the coming year. However, he was proud of how the credit union team had pulled together in order to continue delivering services to members despite the difficulties created by the pandemic.

Mark paid tribute to James Gardner, who had stepped down from the board at the end of the financial year after his tremendous service to the credit union, and welcomed the five most recently appointed directors, who would bring a new influx of experience and ideas. Mark highlighted the review of loan products during the year, with new larger loans at lower interest rates; and the overhaul of social media activity with help from Zync. He noted the significant regulatory challenges that the credit union now faced, and thanked the board and the Supervisory Committee for their voluntary contribution of expertise to help meet these challenges. Finally, he expressed his thanks to all of the staff and volunteers for their commitment over the year, and looked forward to a suitable celebration of the 30th anniversary and the continued development of the credit union.

5. Report from the Treasurer

Paul Treece (Treasurer) provided an overview of the finances of the credit union, and how these had developed during the year. Paul noted that overall it had been a successful year for the credit union despite a challenging set of circumstances.

He highlighted a number of items from the annual report. Although savings had continued to grow, they had grown slightly less fast than during the previous financial year, as there had been fewer lockdown restrictions and more opportunity to spend money. He noted that the balance sheet total had passed £10m in 2020, and almost reached £12m in 2021 (and did so just after the end of the financial year). Despite this the credit union had managed to increase its reserves and maintain the critical regulatory capital ratio.

Loan growth had been slow, and it was questionable when lending would return to the level seen in 2019. Overall the total loan book was probably £1m lower than it would have been, absent the pandemic, and this had the consequence of reducing income by c.£250k per annum. This income shortfall had been met to some extent by some valuable grants, including the one from CCLORS. Overall total interest income was slightly lower for 2020/21 than for the previous financial year, as LPCU had experienced a peak in income during December 2019, prior to the start of the pandemic. Paul finished by expressing his thanks to staff, for enabling the credit

union to get to the current position where it was sustainable without relying on grant income.

6. Report from the Auditors

Kevin Booth of Alexander Sloan spoke briefly to describe the work of the auditors. He confirmed that they 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. This had enabled them to issue an unqualified opinion with respect to the accounts. Barney Hearnden and Paul Treece thanked Kevin and his team for their support and efficiency.

7. Approval of the Accounts

Following the report from the auditors, the meeting resolved to approve the audited accounts for the year ended 30 September 2021, with 37 members voting in favour and none against.

8. Declaration of Dividend

Paul Treece explained that there were two elements to the dividend. The board had resolved to pay a dividend of 0.75% to junior savers, which was designed to provide them with an incentive to continue to save. The board was proposing a dividend of 0.25% for adult and corporate members. Paul noted that the board considered that 0.25% was a fair rate in the circumstances, with very low rates being received on the credit union's own deposits. He explained that members had the option either to approve the dividend, or to reduce it, but could not approve a higher figure.

On a vote, the meeting resolved to approve the dividend, with 38 members voting in favour and none against. Liam Carlisle noted that the junior dividend was very well received by junior members.

9. Appointment of Auditors

Paul Treece explained that the board was recommending the reappointment of Alexander Sloan for the financial year to 30 September 2022, although the board would be inviting tenders from Alexander Sloan and others in respect of the 2022/23 audit. On a vote, the meeting resolved to approve the reappointment of Alexander Sloan, with 38 members voting in favour and none against.

10. Report from the Lewisham Plus Supervisory Committee

Barney Wanstall gave a brief overview of the work of the Supervisory Committee. He noted the Supervisory Committee was satisfied with how the board had managed the credit union during the year.

11. Election of Officers

Barney Hearnden explained the process under the credit union's rules for appointment of board members and members of the Supervisory Committee, and introduced those who were standing for re-election. He noted that under those rules, with the number of candidates being equal to the number of vacancies, the meeting

could re-elect all candidates with a single vote. On a vote, the meeting resolved to reappoint the directors with 35 members voting in favour, one against and one abstention.

12. Long Service Awards

Time Pagan (HR Director) explained that during the year the board had adopted a new (and arguably overdue) policy designed to recognise long service on the part of staff, with awards when they reached 10, 20 or 30 years of service. As this was being introduced now, it involved an element of “catch up” for staff with >20 years’ service, who were receiving more than one award at the meeting. He noted that the credit union was critically dependent on the hard work, commitment and skill of its staff, and that he was delighted that 11 out of a total of 20 staff were receiving awards. Nine of those staff members were present at the meeting, and received commemorative certificates from Mark Plummer.

13. Any Other Business

Barney Hearnden invited all members present in person and online to submit questions, to the extent that they had not already done so. Paul Treece answered a question submitted online regarding the loan book and default rates, explaining that default rates had improved in the most recent financial year. Liam Carlisle highlighted that the credit union had managed to stay open throughout the pandemic (unlike some of the local banks) and thanked Paul for his work on IT systems. Mark Plummer then thanked everyone for attending and brought the meeting to a close.