

Minutes of Lewisham Plus Credit Union Annual General Meeting held at 7.30pm on 13 March 2024

1. Welcome and introduction

Mark Plummer (President) opened the meeting and thanked everyone for attending, both in person at the Lewisham Council Civic Suite and online via Microsoft Teams. There were approximately 61 people present in person, with another 25 on Zoom including guests.

2. Presentation by Andy Rothery of Deptford First

Andy Rothery gave a brief presentation regarding the work of Deptford First charity, which was focused on Lewisham borough. Andy noted that Lewisham was one of the most diverse and vibrant boroughs in London. He noted that Deptford First raised funds for the community and then sought to distribute those through partner organisations such as Lewisham Plus, which was proving an effective way to generate the maximum benefit within Lewisham. Deptford First had no paid staff and so its own overheads were minimal.

Andy emphasised two issues in particular – first, the importance of trust and the need for individual organisations to place the interests of their customers and members ahead of the narrow interests of the organisation itself (especially where the organisation prioritised its own profit motive); and second the importance of collaboration in the community in order to make a bigger impact. He used the analogy of “scaffolding” for the building of a support network that would help individuals to succeed – a good network means that there is always support for each individual, preventing them from falling back before continuing their journey.

Mark Plummer thanked Andy for a very interesting presentation.

3. Approval of the minutes of the 2023 Annual General Meeting

Barney Hearnden (Secretary) 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 38 votes in favour and none against, including those present in the room and those voting online.

4. Report from the LPCU Board of Directors

Mark Plummer began by paying tribute to Dolores Beckford who had led Crownsavers for many years and died during the pandemic. That sad event had ultimately led to the merger between Lewisham Plus and Crownsavers, resulting in a single credit union that was stronger and even better able to support the local community. Mark offered thanks to all those involved in the merger process and in particular to Paul Treece, Jane Gregory and Ravi Ravindran for the enormous amount of work that had been undertaken to accomplish a smooth transfer of the Crownsavers business to Lewisham Plus. The combined organisation now had around 15,000 members and loans and savings of £5.24m and £15.2m respectively.

The credit union had been active in many ways during the year, with staff supporting members facing adversity in the challenging economic climate, including introductions to partner organisations such as our local councils, housing associations, and local charities such as Deptford First and Dinardos.

Mark finished by thanking Donna Davis who was stepping down from the board and Barney Wanstall and Mark O'Connor who had stepped down from the Supervisory Committee during

the year. All of them had devoted significant amounts of time to supporting the credit union in recent years.

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 had taken primary responsibility for both finance and IT matters. A combination of staff collaboration and focus on our members had resulted in a successful year. Paul echoed Andy Rothery's presentation and noted that Lewisham Plus was glad that it was maintaining the trust of its members.

Lewisham Plus now had just under 15,000 members, plus approximately 1,500 junior savers and some corporate members. There were around 12,500 "active" members with transactions during the year and/or savings exceeding £25. The credit union's aim was to increase members' aggregate savings but the board was aware that in the current economic climate, there were a number of factors which were having the opposite effect.

Paul referred the meeting to the final pages of the annual report. Although these pages were not part of the statutory accounts, they provided a simple and clear view of income and expenses during the year (although the income and expenses of Crownsavers had only been included for the period since the merger - in other words, the final month of the financial year). The balance sheet position at the year end showed the combined assets and liabilities of the two credit unions. The financial position had been improved as a result of higher income on cash deposits and investments. Paul also reported to the meeting on the matters mentioned in paragraph 10.1 of the PRA's credit union rulebook including the protection for deposits of up to £85,000 afforded by the Financial Services Compensation Scheme.

Paul responded to a range of good questions from members present at the meeting. He explained that corporation tax was payable only on investment income (and not, for example, on income from loans to members). Admin costs for the year had increased, and some of this was attributable to costs of the merger. Overall, the IT systems of Crownsavers and Lewisham Plus had been compatible but a lot of work had been required to ensure that the Crownsavers data could be transferred and integrated into the Lewisham Plus system. Paul explained that amortisation was similar to depreciation. Lewisham Plus had been required to recognise goodwill on the merger, which was now being progressively amortised (or written off). Paul confirmed that the credit union did not own any of its branches, which were all occupied under leases or licences, some of which were at a low rent in recognition of the credit union's contribution to the community. The associated liabilities were therefore considered to be manageable.

6. Report from the Auditors

Kevin Booth of Alexander Sloan spoke briefly to describe the work of the auditors, explaining that their role was not to prepare the financial statements but to conduct an independent check. 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. Paul Treece thanked Kevin and his team for their support and efficiency.

7. Declaration of Dividend

Paul Treece explained that there were two elements to the dividend. The board had resolved to pay a dividend of 1.5% to junior savers, which was designed to provide them with an incentive to continue to save. The board was proposing a dividend of 0.5% for adult and corporate members. Paul explained that this dividend would be paid to former Crownsavers

members in respect of their balances for the whole financial year, as well as to those who were members of Lewisham Plus prior to the merger. The board was aware that the dividend was low when compared to other savings rates available in the market, but each 0.5% dividend cost the credit union approximately £75,000, which was a significant cost for Lewisham Plus. Members were entitled to approve the adult member dividend or to resolve to approve a lower amount, but could not increase the amount beyond what the board was recommending.

In response to questions, Paul explained that the proposed dividend would be paid on 31 March 2024. It would be paid gross (i.e. without any deduction of tax) but members would have to include the dividend on their tax return, if they are required to complete one. The board undertook a careful assessment of risk and potential future costs before recommending the dividend. The board's current assessment was that the proposed dividend was prudent. Despite economic circumstances, the credit union's delinquency rates had remained stable as a percentage of total lending. He also explained that "shares" were the members' savings with the credit union from time to time, and that the "dividend" was similar to a payment of interest on those savings, although technically it represented a distribution to members from the credit union's profit for the year.

On a vote, the meeting resolved to approve the dividend, with 59 votes in favour and two against, including those present in the room and those voting online.

8. Approval of the Accounts

The meeting resolved to approve the audited accounts for the year ended 30 September 2022, with 62 votes in favour and two against, including both those present in the room and those voting online.

9. Appointment of Auditors

Paul Treece explained that the board was recommending the reappointment of Alexander Sloan for the financial year to 30 September 2024. Paul noted that as a matter of good governance, the board had invited tenders for the audit, but had concluded that Alexander Sloan stood out for the quality of their proposal, and accordingly the board was recommending that they be appointed again. On a vote, the meeting resolved to approve the reappointment of Alexander Sloan, by unanimous vote of those voting, both those present in the room and those voting online.

10. Report from the Lewisham Plus Supervisory Committee

Simon Loveitt (as the new Chair of the Supervisory Committee) gave a brief overview of the work of the Supervisory Committee. He emphasised the independence of the Committee from the board, and explained that the Committee had expanded to include Fergus Clark and Jag Babbra, with Stephen Grainge moving to join the board. Simon noted that he had extensive experience of other credit unions in the UK. He confirmed that 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. Details of the individual candidates were on the agenda. Stephen Grainge would be appointed subject to regulatory approval, which had not yet been received. The meeting resolved to appoint the candidates by a single vote in line with the Rules, and then approved those appointments with 63 votes in favour and none against, including those present in the room and those voting online.

12. Change of Rules

Barney Hearnden explained the proposal to amend the Rules of the credit union, as mentioned in the notice of meeting and on the credit union website. There were two main changes, first to give the credit union power to undertake certain additional business (comprising certain additional types of lending, such as car loans, and the distribution of insurance products), and second to increase the maximum number of directors to 13. The board had not yet resolved to utilise the extra powers to undertake additional business.

In response to questions regarding the risks associated with these new powers, Barney explained that the board would give careful consideration to the risks before deciding to use them, once the regulators had clarified the applicable parameters. However, these new powers could be in the interest of credit union members. It was expected that insurance distribution would generate a small commission for the credit union, similar to with Engage cards. The objective would be to ensure that any such product offered good value for money for the members. Paul Treece noted that in most other countries, credit unions offered a wider range of products than Lewisham Plus did currently, but any expansion of product range would be undertaken cautiously and that the board expected to learn from the experience of other UK credit unions who were trialling the relevant products.

Barney explained that a two thirds majority was need to approve the rule changes. The meeting resolved to approve the rule changes with 55 votes in favour and none against, including those present in the room and those voting online

13. Any Other Business

Mark invited members to ask questions to the extent they had not already done so. There were no such questions but Liam Carlisle noted how pleased he was that there was now one single credit union to serve the Lewisham area.

The meeting ended at 9.15pm and was followed by a buffet dinner for everyone at the meeting.