

London Community Credit Union *20 years*

AGM Notice

Notice is hereby given that the twenty second (22nd) Annual General Meeting of London Community Credit Union Limited will be held online at 6.30pm on Thursday 31 March 2022

Register in Advance to receive a meeting link:

<https://londoncu.com/agm-2022>

Agenda

1. **Welcome**
2. **Reading of notice convening the 22nd AGM**
3. **Credential (quorum) report**
4. **Adoption of standing orders**
5. **Minutes of the last annual general meeting**
6. **Report from the Chair**
7. **Report from the Board of Directors**
8. **Report from the Finance Committee**
9. **Report from the Auditor**
10. **Approval of the 2020-21 Accounts**
11. **Nominations for the Board of Directors**
12. **Resolutions and Motions**
13. **AOB**
14. **Thank you**

Standing Orders

1. A Member shall address all comments through the Chair.
2. A Member shall only address the Meeting when called upon by the Chair to do so and should raise their hand to indicate that they wish to address the floor.
3. Speeches are to be clear and relevant to the subject before the Meeting.
4. The person proposing the motion shall be allowed maximum of five minutes to speak on the motion.
5. The person seconding the motion shall be allowed a maximum of three minutes to speak in support.
6. A Member may not speak twice on the same subject except he/she: (a) Is the Mover of a motion with the right of reply. (b) Wishes to object or to explain (with permission of the Chair).
7. The Mover of a "Procedural Motion" (Adjournment, Lay on the Table, Motion to postpone) shall have no right of reply.
8. Debate shall cease when the Chair decides sufficient debate has taken place.
9. No speeches or amendments are to be made after the "Motion" has been put and carried or negated.
10. A Member speaking on a "Point of Order" is to state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Order".)
11. (a) A Member shall not "Call another Member to order" but may draw the attention of the Chair to a "Breach of Order".
(b) In no event can a Member call the Chair to Order.
12. A "Question" shall not be put to the vote if a Member desires to speak on it or move an amendment to it, however the following may be moved at any time: a "Procedural Motion: The Previous Question" "Proceed to the Next Business" or the Closure:" That the Question be now Put."

13. Only one amendment should be before the Meeting at one and the same time.
14. When a motion is withdrawn, any amendment to it fails.
15. The Chair shall have the right to a "Casting Vote" .
16. If there is equality of voting on an amendment and if the Chair does not exercise a Casting Vote, the amendment is lost.
17. Provision is to be made for protection of the Chair from vilification.
18. No member shall impute improper motives against another Member.

Conduct at General Meetings

Any person in breach of these Standing Orders who interrupts the person speaking, who uses rude or abusive language, or disrupts the conduct of the Meeting, shall be warned that any repeat of such misconduct will result in his/her expulsion from the meeting.

Elections

If the Chair is a candidate standing for election they shall hand over the chairing of the meeting to another officer or member of staff for that item.

Minutes of 21st LCCU Annual General Meeting held on Thursday 18 February 2021 via Zoom.

Thursday 18 February 2021

Minutes for Approval

AGENDA ITEM

1. Welcome

David Morgan (Chairman) introduced himself and welcomed everybody to the AGM which opened at 6:00pm. The Chairman thanked members for coming. The Chairman advised that it was a shame we could not meet face to face as we usually would due to the pandemic. The Chairman advised that the AGM was an important part of the credit union and that members would make important decisions on the future of the credit union tonight. The Chairman advised that all directors were members of the credit union and acted in a voluntary capacity. No director receives any financial benefit from their role in the credit union. The Chairman advised that a Question and Answer box has been provided for members to submit questions to the board throughout the evening, but requested that nobody submit personal questions about their accounts as this could not be answered at an AGM. The Chairman advised that members would be asked to vote on the items listed in the annual report.

2. Reading of the notice convening the 21st AGM.

Jade Onashoga (Vice-Chairman) introduced herself to the meeting and read the formal Notice of the AGM. The Vice-Chairman advised that there would be time to respond to questions from the membership during the meeting and that voting would take place via a Zoom poll. The results of the poll will be presented after voting has taken place. The Vice-Chairman advised that the AGM was being recorded for minute-taking purposes.

3. Credential (Quorum) Report

The Vice-Chairman advised that 106 members were in attendance and confirmed that the meeting was quorate. There were no guests in attendance, however The Vice-Chairman advised that while guests were invited to attend they could not vote or submit questions to the board.

4. Adoption of standing orders

The Vice-Chairman asked members to take note of and respect the *Standing Orders* set out on page 2 of the *AGM Papers 2021*. A poll was conducted to approve the adoption of the standing orders. The standing orders were approved.

5. Minutes from the 2020 AGM

The Vice-Chairman referred to the Minutes of the 2020 AGM as set on in the *AGM Papers 2021* pages 4-8, and asked if there were any questions or amendments. Douglas Racionzer advised that his name had been spelled wrong [*corrected here*]. There were no other amendments. A poll was conducted to approve the minutes of the 2020 AGM. The minutes were accepted.

Actions Carried Forward:

Inclusion of staff retention figures in the annual report. The Vice-Chairman apologized that this item was

not completed but advised it has been carried forward to next year.

6. Report from the Chair

The Chairman referred to the *Welcome from the Chair* on page 3 of the *Annual Report*. The Chairman informed members that he was disappointed with how this year has turned out with respect to the pandemic and advised that while a vaccine was on its way, the economic impact of the pandemic will linger for years. The Chairman advised that the pandemic has reinforced the importance of a sense of belonging and community and reaffirmed the importance of the credit union to give members the ability to save and access loans at reasonable rates.

The Chairman advised that the credit union has been supporting members throughout the pandemic and thanked the staff of the credit union for their hard work and dedication in this time. The Chairman advised that the credit union has been hit hard by the pandemic and the subsequent lockdowns. In particular, there have been extra costs, significant losses and income generated from loan activity has collapsed. There have also been significant credit losses as members have come into financial difficulty.

The Chairman advised that because of these challenges, the credit union was having to make two changes to the terms and conditions in order to secure our financial position and ensure we can help all members in the years ahead. The Chairman advised that these changes were a difficult but necessary step. The first change was a savings limit of £30,000. Members in excess of this amount would be contacted and assisted to find a place to store their excess savings. This would help us to manage our regulatory requirements with the Bank of England. The second change was a one-off member levy of £10 for members with a saver plus balance of more than £100. The Chairman advised that many credit unions charge an annual levy on members, an approach the LCCU has always tried to avoid. The Chairman advised that these changes come alongside a 10% reduction in staffing costs which has already been implemented.

However, the board and credit union staff have also been working hard to implement other changes at the credit union, including the appointment of Peter Edwards as the new CEO, boosting membership and selling the Roman Road property.

7. Report from the Board of Directors

The Chairman advised that the reports from the board committees were provided in the annual report to give members confidence that directors were monitoring the credit union, providing direction and improving the services provided overall.

8. Finance Report.

James Etherington (Chair of the Finance Committee) provided the report from the Finance Committee. James Etherington (Director) advised that this has been a difficult year for the credit union as seen in the financial results. While we initially budgeted to make a small surplus, we ended up with a loss of £280,000, largely as a result of the COVID-19 pandemic and the impact of lockdowns. Loan volumes were down from March 2020 onwards and provisions on loans had to be increased as many members required loan holidays. Some additional costs were also incurred as a result of the pandemic. James Etherington (Director) advised that cost was an area the finance committee and board had most control over and both bodies have provided feedback on how to manage costs. The goal for this year was to find a path to ensure the sustainability of the credit union for the future and to allow dividends to start flowing to members in the years to come.

James Etherington (Director) advised that the losses from this year have impacted the Capital Asset Ratio (CAR). The banking regulator requires LCCU to hold a certain amount of capital against our assets which includes cash. In 2018/19, LCCU had a CAR at 6.5%. However, as the result of the external audit, LCCU has been forced to take a historic adjustment of roughly £400,000 related to provisions, outlined in more details in the annual report. This reduced the CAR to 2.4%, a figure well below the minimum requirements. While the successful sale of the Roman Road property has boosted the CAR, more work is required to get the CAR above the minimum requirement. James Etherington (Director) advised that the credit union was searching for all the external help on offer while also implementing internal measures, including the proposed £10-member levy and £30,000 cap on savings, to boost the CAR.

9. Interview with the Vice Chair and CEO

The Vice-Chairman introduced the newly appointed CEO, Peter Edwards.

The Vice-Chairman asked Peter Edwards to outline how LCCU has coped and remained resilient during the pandemic. Peter Edwards thanked The Vice-Chairman for her introduction and kind words. Peter Edwards advised that the heart of the credit union's work during the pandemic concerned staying open for members. While this has proven challenging at times, the LCCU has had at least three branches open every week of the pandemic. This was particularly important for members who did not have easy access to online banking or internet services.

The Vice-Chairman asked what initiatives LCCU has offered to support members during the pandemic. Peter Edwards advised that the credit union has kept our loan book open throughout the pandemic. Peter Edwards noted that while this may seem unremarkable, a number of other credit unions across the UK have opted to stop issuing loans at the start of this pandemic. LCCU chose to keep the loan book open as a way to support the community at a time of greater financial strain. The credit union also opted to cut prices on loans where other retailers have chosen to raise their prices.

The Vice-Chairman asked what measures have been put into place to ensure the LCCU remains sustainable during these unprecedented times. Peter Edwards advised that the board and management have taken a number of steps to secure the future of the LCCU. These include the measures discussed by James Etherington, the sale of the Roman Road property, securing a grant from the London Borough of Tower Hamlets and some internal cost cutting measures.

The Vice-Chairman asked if Peter Edwards could explain what a deposit cap was and why it was implemented at this time. Peter Edwards advised that this was a temporary change that was discussed at great length internally. The cap put a ceiling of £30,000 on the amount of money that could be saved with us. This change would affect less than 1% of current members, but would help reduce the financial pressure on the credit union.

Peter Edwards advised that feedback from members was still coming in on this matter.

The Vice-Chairman asked if Peter Edwards could explain what the member levy was and its objective for the credit union. Peter Edwards advised that the credit union would be issuing a charge of £10 on members with a savings of over £100. Peter Edwards advised that this measure was taken cautiously, but was a necessary, one-off step to boost the credit union's financial position at this difficult time. Peter Edwards also noted that while other credit unions regularly charged a levy on their members, this would be a one-off occurrence for LCCU as a response to the current financial pressures facing the credit union. Peter Edwards thanked the membership for their understanding on this matter.

The Vice-Chairman asked if Peter Edwards could advise of what the membership could do to best to further support the credit union. Peter Edwards advised that the best way members could support the credit union was to take out a loan with us as this provided the credit union with a source of revenue which was then recycled back into the community and membership.

The Vice-Chairman asked if Peter Edwards could provide reassurance that the credit union would maintain a branch presence. Peter Edwards advised he could provide assurance that the credit union would maintain a branch presence for the simple reason that the credit union was a community organisation and it was important to retain a physical presence within the community.

10. Questions from the membership.

The Vice-Chairman advised that members would now have an opportunity to ask questions directly to the board. The Vice-Chairman asked that members submit their questions via the Question and Answer box, but noted that a few questions had also been received via email.

Salena Grey (Member) asked whether the Hackney Branch has closed. Stephen Backes (Director) advised that we have had to restrict our times due to health concerns and staff availability. Peter Edwards also advised that the credit union has decided to close branches at an earlier hour than usual due to slightly lower footfall and to safe guard our frontline staff against infection.

Dionne Mottley (Member) asked how the £10 figure would help the credit union, noting the members were struggling financially well. The Chairman advised that the decision to proceed with the member levy was not taken lightly. The Chairman advised that we had always sought to provide as much of our services as possible at zero cost, and it was our intention to continue to provide these services for free

going forward. The board had discussed various ways the levy could be implemented that would exclude certain members from the levy before the £100 threshold was decided on. However, the £10 fee would be put back into the community to continue to allow the credit union to support its members going forward. Dionne Mottley (Member) raised some concerns that the fee would not be a one-off. The Chairman advised that nobody on the board wanted to implement the member levy and this decision came about along with other internal cost saving measures. The Chairman advised that the objective of the board was to get the credit union to profitability so we could pay dividends rather than charge fees.

Hazel Catalan (Member) thanked the Chairman for explaining the £10 levy and asked whether members have left as a result of the announcement and whether this would have a negative impact on the credit union. The Chairman advised that no members have flagged their intention to leave the credit union, but recommended that anyone who had concerns about the levy should talk to staff before leaving.

Ejiro Ejaife (Member) thanked the board and the credit union staff for managing through the crisis, but asked what was being done to actively encourage people to take out loans. James Etherington (Director) agreed that while number of one-off actions have been taken to address the financial pressures, getting back to sustainable year on year surplus was a priority. The credit union has implemented some operational actions, such as automation, to help get us to this place. Sarah Johns (Director) advised that the credit union has worked on the backend systems to enable semi-automated decisions on loans, enabling online functionality to speed up loans and offering e-signatures to existing members. This final action will soon be rolled out to new members to assist in generating new loans. Sarah Johns (Director) advised that we have also offered discounted loans to existing members and doubled our spend on advertising to attract loans from new customers and encourage them to take up membership.

Oluwatobi Odewumi (Member) advised that he often struggled to get through to the credit union when he called and asked what was being done to resolve this issue. The Vice-Chair apologised for these issues and advised that the pandemic has created an influx of calls and delayed response times from the customer service team. Peter Edwards agreed and advised that the credit union has had many more calls over the last year and fewer staff available to take those calls. Peter Edwards advised that the credit union was investing in a new telephone system which would help speed up response times.

Deborah Bowers asked whether the discounted rate on loans was still available to members. Sarah Johns (Director) advised that the discounted loan rate was made available over the Summer but was no longer available.

Anwar Faruq asked if the branch closures would be permanent or temporary.

Anwar Faruq also advised that any dividends, no matter how small, would help to attract new members. James Etherington (Director) advised that while the board would love to be able to provide a dividend to members, we cannot support a dividend payment at the moment.

11. Presentation from the External Auditor

Steven Cunningham from Alexander Sloan introduced himself to the meeting as the external auditor of LCCU.

Steven Cunningham referred to page 18 of the Annual Report, which referred to the revenue account and showed the credit union's income and expenditure over the last financial year. Steven Cunningham noted a small rise in loan interest to just under £1.7M. After taking operating costs, depreciation and impairment into account, the credit union generated a loss of £279,000 against £341,000 in the previous year. The comparative figures have been updated to reflect a change in debt provisions from previous years.

Steven Cunningham referred to the balance sheet on page 20 of the Annual Report which showed the assets and liabilities. Loan advanced to banks have increased to £7.1M. The balances and cash position have also moved over the last 12 months.

Steven Cunningham referred to pages 16-17 of the annual report. As the credit union has made a loss during the year and is below its capital requirements, there is a material uncertainty due to COVID-19. This has impacted almost all businesses. The section titled Material Uncertainty Related to Going Concern highlighted the financial position of the credit union and noted that the credit union's ability to continue as a going concern depends on plans to reduce costs, the impact of the pandemic and support from the PRA. Steven Cunningham noted that actions have been taken to address the going concerns, including cost reductions, grant seeking and the sale of Roman Road.

Jeffrey (Member) questioned why the credit union was paying corporation tax given that we had an operating loss of over £200,000 noted in the report. Steven Cunningham advised that credit unions were not taxed on their whole income and expenditure, but was taxed on the bank interest. So while a surplus would not be taxed, we would still be taxed on the bank interest despite the deficit for the year

Ejiro Ejaife (Member) questioned what the chances of success were over the next 12 months with respect to the credit union's plans to reduce costs and remain sustainable. Steven Cunningham advised this was more of a question for the board, but noted that existing steps taken, such as the sale of Roman Road, had had a positive impact on the CAR. The Chairman advised that Steven Cunningham has previously made the point that the material concerns statement was seen on many businesses up and down the country as a result of coronavirus. Steven Cunningham agreed and noted that the number of material concerns facing companies across all sectors was much higher this year than in any previous year.

Frederic Jean-Baptiste (Member) noted that the going concern paragraph identified significant doubt about the credit union's sustainability going forward and questioned what the credit union could do to minimise this risk. Steven Cunningham advised that this was part of a standard audit procedure given that the credit union was below its capital ratio. Steven Cunningham also advised that coronavirus had provided significant uncertainty for many businesses. While the sale of Roman Road was a helpful step towards sustainability, generating a surplus and cost cutting measures would also be useful steps to help the credit union in relation to the capital ratio.

- 12.** The Chairman requested that the members accept the accounts presented by the independent auditor on pages 12 – 39 of the annual report. A poll among members was conducted and on this basis the accounts were approved.

13. Nominations Committee Report and the Election of Officers

The Chairman advised that three directors who have contributed greatly to the credit union were stepping down from the board this evening.

The Chairman firstly thanked Matthew Gaskin for his contributions to the board over the years, especially for his work as Secretary and in improving the quality of the board papers.

The Chairman secondly thanked Grenville Bingham for his contributions to the credit union over a number of years. The Chairman advised that Gren Bingham has had a number of roles as a director and has been a passionate supporter of the credit union consistently.

The Chairman lastly thanked Ian Moseley who has also had many roles over the year, including being the chair of the board. The Chairman also advised that Ian Moseley was one of the founding members of the credit union 20 years ago, and without his contributions the credit union would not exist.

Sam Goodacre (Chair of the Nominations Committee) advised that one of the key tasks of the Nominations Committee was to recruit new directors to the board and nominate existing members of the board for re-election. Garry Gerrish, Sarah Johns and Peter Costello were all seeking to be re-elected to the board. James Newbold and Sunita Bhambri had also been co-opted to the board during the year and were seeking to be elected this evening. Frederic Jean-Baptiste and Gary McKeown had also applied to join the board as part of the recruitment drive for new directors. Sam Goodacre advised that biographies of all the directors could be found on pages 9 – 10 of the AGM Papers.

Sam Goodacre advised that the board was also seeking to elect two members to the credit committee; Lena Pamphile who was seeking to be re-elected and Grenville Bingham who was seeking to be elected for the first time.

Sam Goodacre proposed that the seven as mentioned candidates were elected to fill the vacant position on the board and the two as mentioned candidates were elected to fill the vacant positions on the credit committee. A poll was conducted and the motion to elect the aforementioned nominees was passed

14. Resolutions and Motions

Distribution of Dividend: The Chairman advised that the motion put forward in the AGM papers was

incorrect and advised members to ignore the last sentence of the motion.

With consideration of the losses incurred, the concerns in relation to the CAR and on the advice of the independent auditor and the management team, The Chairman asked the members to resolve that no dividend payment should be paid to members for the period under review. A poll was conducted and the motion was passed.

Appointment of External Auditors: The Chairman advised that the independent auditor was voted for by the membership and reported to the membership, not the board. The Chairman proposed that Alexander Sloan be appointed as external auditors for the next financial year. A poll was conducted and the motion was passed.

Affirmatory vote on the member levy: The Chairman advised that the levy was being implemented under the credit union's terms and conditions. As such, the vote was for the members to affirm the necessity of the member levy, not the levy itself. The Chairman strongly recommended supporting the resolution. The Chairman advised that the COVID-19 pandemic has created an exception difference in the credit union's performance as compared to its financial plan. The Chairman proposed that members acknowledge the necessity of the credit union to implement a £10 levy on members with a savings balance of over £100 in order to support the sustainability of the credit union and to ensure the credit union met the minimum regulatory requirements. The poll was conducted and the motion was passed.

15. Any other business and Raffle

Gren Bingham (Director) advised that a raffle would be conducted among members who were still present in the meeting. The below members were awarded the following prizes:

1st Prize: £50 shopping voucher – Jacquie Kerr

2nd Prize £30 shopping voucher – Dionne Mottley

3rd Prize £20 shopping voucher – Deborah Bowers

The prizes will be posted to the winning members.

16. The Chairman congratulated the prize winners and thanked members for attending the AGM. The meeting concluded at 7:45pm.

Report from the Nominations committee 2022

Members:

Koreen Hanson, Sam Goodacre (resigned 29 July 2021)

At each AGM one third of the officers must retire from office. Existing directors who are standing down and wish to stand for re-election:

David Morgan – Retiring but, subject to the consent of the AGM, will remain a director for approximately six additional months to support the stabilisation of the credit union.

Koreen Hanson – seeking re-election.

Existing directors who are standing down and do not wish to stand for re-election.

Jade Onashoga – retiring

Members of the Board of Directors

The following directors are not required to stand for re-election.

Frédéric Jean-Baptiste, Garry Gerrish, Gary McKeown, Sunita Bhambri, Peter Costello, Sarah Johns.

Resolutions & Motions

1. Distribution of Surplus

The board is dedicated to delivering a surplus to members in a sustainable way. This year, with consideration of the loss incurred, concern for meeting the regulatory Capital Adequacy Ratio , further significant investment in staffing, and based on the advice of the auditors and the management team, we wish to resolve that no dividend payment should be made to adult or junior members for the period under review.

2. Appointment of Auditor

Be it resolved that the firm of Alexander Sloan be appointed as auditors for the next financial year.

3. Covid-19 Response: Membership Levy

The Covid-19 pandemic has created an exceptional variation in the credit union's performance compared to its financial plan. The credit union's continued presence in the community for the next 20 years is essential to the purpose of poverty alleviation.

Members acknowledge the necessity of the credit union management's decision to administrate a levy of £10 on 3rd May 2022 on all active adult members with a Saver Plus balance of £100 or greater as of 30 April 2022 in order to further the sustainability of the credit union and support progress towards meeting its regulatory reserve requirements.

London Community Credit Union

Registered address:
473 Bethnal Green Road,
London, E2 9QH

Company no. IP00640C
PRA & FCA FRN: 213743