

London Capital Credit Union Limited

Minutes of the Annual General Meeting of members

held via online conferencing
on **Thursday 25th March 2021** at 5:30pm.

Present: One hundred and sixty-six members of the credit union and the following officers:

Directors: Helen Baron (President), Mark Badcock (Treasurer), Elisabetta Bertero, Paul Campy, Kerry Hallett, Francois Jarrosson, Don Kehoe (Secretary), Michael Mlilo-Mabasa, Barak Sas.

Supervisory Committee: Gordon Brown, Brenda Cossio, John Davies, Eugene McCrohan.

CEO: Martin Groombridge, and many members of staff

1. Welcome and Apologies for Absence

Following an introduction to the GotoWebinar online system by Jackie Littlewood of ABCUL, the President, Helen Baron, called the meeting to order at 5:40pm and welcomed everyone to the meeting. The President advised that the meeting was quorate and so could proceed with the business on the agenda. It is the membership's opportunity to engage with the democracy of the credit union. Attendees are muted during the meeting, but anyone may submit questions through the conferencing facility which will be answered during the meeting or subsequently.

Director Elaine Greaves sent her apologies as did many other members.

2. Previous Minutes (available on the website and distributed at the meeting)

Minutes of the Previous AGM held on 13th February 2020

HB presented the minutes of the previous AGM which had already been reviewed by the board. The minutes were agreed as being an accurate record of the meeting and were signed by the President.

3. Board Report and Questions

The President introduced the board directors (initials shown) to give an overview of the credit union and the challenges we have faced this year.

HB: A general overview with graphs. Changes to capital requirements had meant we were able to plan to return to our growth plans to serve more of the community but then came Covid. We are grateful for support in the form of £150k grant from Fair4All Finance and subordinated loans from Trust for London and London Borough of Haringey.

FJ: Addressed the economic climate and financial headwinds arising from covid and Brexit. While public debt rises, households are saving strongly. Debts are not increasing but difficult to predict for the future.

EB: The London Capital role of fair lending to the community particularly vulnerable people. Particular concern for low paid, young and NHS workers relying on a small pool of lenders and a large number of High-Cost Short-Term lenders.

HB: Took over for MMM who was having problems with connection. This addressed the problems particularly related to Covid. At all times we were careful to protect our staff and members. We maintained services throughout the pandemic and, as usual, worked with members in financial difficulty.

PC: We have been working on improving services throughout the year. It has been important to provide multiple ways to access credit union services via web, app, phone, SMS, and in-person. All members are encouraged to download the app or to use the website which has been recently refreshed.

HB: Spoke for EG who was not able to make the connection. Feedback received from members. We also shared information on recent demographic survey of our credit union members which showed we are a very diverse community. The membership survey also revealed a high degree of satisfaction with London Capital services up from last year to 8.7 on average.

BS: The risks facing the credit union and our approach to them. Main risks were meeting regulatory capital requirement and cyber threat. We have been proactive in addressing those risks and have appointed a risk committee. We have been largely successful, but the risks remain. We continually review risks to the credit union and our business plan.

HB: Meeting the regulatory and statutory requirements. In particular we comply with the terms of FSCS which protects savers with the credit union, and we protect ourselves against loss with insurance like Fidelity Insurance. We are required to meet higher standards by our regulators (the FCA and PRA) because we issue large loans to members.

Questions were coming in via the Q&A function and will be responded after the Loans Report.

4. Loans Panel Report

DK: Lending is a key function of the credit union and allows us to put members' savings to good use for the community, allowing members to avoid doorstep lenders, rent to buy, and High-Cost Short-Term lenders in general. Every loan request is considered as an individual. We have had to restrict lending this year because of the level of provisions for bad debts, pressure on the credit union from the regulatory capital requirements and we have also experienced a decrease in demand arising from caution among members over Covid.

General Questions: A specific issue was raised about the App and the member was asked to call the office who would talk them through their problem.

How are loan rates decided? Another asked, "is 12.7% was an appropriate charge for a larger sum?". We assess loan rates according to type of borrowing and our risk experience with those types of loans. We offer competitive rates, for example to homeowners we will beat any rate offered by a bank.

How does London Capital decide affordability? We consider current borrowing and, in the case of consolidation loans, how a lower rate from the credit union will improve the finances of a member. We carefully take all aspects of income and expenditure into account. The credit union uses a number of ways to assess affordability including information received from Credit Reference Agencies and Open Banking, but we look at each loan applicant's individual circumstances.

Why is there not proper CCTV at Archway Station? We understand the concern, but this is the responsibility of TfL.

5. Financial Statements for the Year Ended 30th September 2020

The President introduced MB our Treasurer who spoke to the financial statements.

The Treasurer had a problem with his microphone, so HB spoke on his behalf.

We finished the year with a larger loss than last year. This was attributable to a large reduction in loan interest arising from Covid either through forbearance or decreased demand for loans. On the other side we have held down running costs which are primarily staff costs with fewer staff and more automation.

We are improving our credit control which has reduced bad debt provisions.

We have received a subordinated loan from Trust for London of £100k and support for forbearance from Fair4All Finance of £150k (not shown in financial accounts being presented).

6. Dividend and Rebate of Interest for the Year 2019-2020

HB: As there was no surplus again this year the board are unable to recommend a distribution, but we should pay 1.0% bonus payment to Young Savers.

In summary the proposal is:

- a) No dividend on savings during the year
- b) No rebate on loan interest paid during the year
- c) Interest of 1% to be paid on Young Savers' savings during the year

Question: *How does the credit union control bad debts?* If a member contacts us when they are unable to make their payments in full when due or respond to us when we follow up on a missed payment, we will try to work with them through forbearance/payment holiday or extending the loan term to reduce the monthly payments. However, where the member will not engage we use normal debt collection methods including going to court but our first intention is always to work with the member to find a solution that works for them and our other members.

Votes

The financial statements were **received** and **accepted**.

The dividend/distribution of surplus recommendation was accepted and **agreed**

Question: *What was the dividend paid last year?* As with this year there was no surplus for year 2018-2019 no dividend was recommended or paid last year.

7. Appointment of Auditors

Alexander Sloan have been auditors for three years now.

The current firm of auditors, Alexander Sloan, was **confirmed** for next year

8. Supervisory Committee Report and Questions

EMcC: The work of the Supervisory Committee. Purpose is to independently be the eyes and ears of the members in the operation of the credit union.

Supervisory Committee are always looking to recruit new members. If interested, please get in touch at the office. There were no major concerns this year.

All members of Supervisory Committee were thanked for their work throughout the year.

The Supervisory Committee Report was **received** and **accepted**.

Questions: *Why does the board composition not match the membership?* The board is more diverse than might appear from the directors who have video turned on at the AGM.

Expressions of interest in joining as an unpaid director are always welcomed by the credit union. We are particularly keen to recruit more members from Black and Minority Ethnic groups.

Does the credit union participate in financial education for the young? We have had projects in schools and had schemes for school children to open Young Saver accounts to learn the savings habit.

9. Election of Officers (election statements circulated at the meeting)

DK secretary of the credit union took the Chair as the President standing for re-election.

a) Election of Directors

The Secretary reported that four candidates for election accepted by the Nominations Committee had their election statements in the pack: Barak Sas, Helen Baron, Francois Jarrosson and Kerry Hallett.

All the nominees spoke in favour of their application. As Kerry was having problems with her microphone the Secretary spoke on her behalf.

The online poll for election of directors was opened

b) Election of Supervisory Committee Members

There were two candidates for election to Supervisory Committee accepted by the Nominations Committee and their election statement were in the pack: Gordon Brown, and John Davies.

All the nominees spoke in favour of their application.

The result of the poll for directors was that Barak Sas, Helen Baron, Francois Jarrosson and Kerry Hallett were **elected** as Directors

The online poll for election of Supervisory Committee Members was opened

Gordon Brown, and John Davies were **elected** as Supervisors.

Thanks were expressed to Kathleen Egan and Jon Colclough who had stood down from the board during the year.

The newly re-elected President took the Chair.

10. Rule Change

The rule change intention is to extend Common Bond to all employees of businesses which have a base in our Common Bond. The businesses are Bauer Media and MyWagez, and in addition employees of companies using the MyWagez services can join the credit union. The formal motion was submitted to the AGM which would form the basis for the submission to the FCA, our registrar and regulator, with the secretary authorised to adjust the wording to meet FCA precise requirements.

The Motion was **approved** by 93% of those voting which exceeded the 2/3rd required for a rule change.

11. Close of Meeting

The President thanked Jackie Littlewood of ABCUL, the credit union trade body, who had provided technical support for our online AGM. She thanked all the credit union’s supporters, funders and partners particularly those already mentioned; Fair4All Finance, Trust for London, Haringey council, the Cooperative bank who are our bankers. She thanked all our unpaid volunteers, including supervisory committee and the board and the staff for their service over a particularly challenging year.

All items of business having been completed, the President thanked all those members present for attending and contributing to our democratic process and closed the meeting at 18.40.

Signed by the chair of the subsequent AGM, held on (date)

..... (Signature) (Name)