

London Capital Credit Union Limited

Minutes of the Annual General Meeting of members

held at the Unison Centre, 130 Euston Road, London NW1 2AY
on **Thursday 9th February 2023** at 6:30pm.

Present: Two young savers and one hundred and four members of the credit union including the following:

Directors: Helen Baron (President), Mark Badcock (Treasurer), Shiwani Bansal, Elisabetta Bertero, Paul Campy, Chikezie Ekeanyanwu, Elaine Greaves, Jeff Hopwood, Don Kehoe (Secretary), Peter Lovell, Michael McGowan, Ed Pringle, Barak Sas.

Supervisory Committee: Gordon Brown, Brenda Cossio, John Davies, Eugene McCrohan.
CEO: Martin Groombridge, Julie Dupont-Nedellec and many members of staff.

1. Welcome and Apologies for Absence

The President, Helen Baron, called the meeting to order at 6:30pm and welcomed everyone to the meeting particularly members of North London credit union joining us for the first time. The President went through initial Health and Safety instructions in case of an emergency. 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, the meeting was also being streamed on zoom.

Directors Kerry Hallett, Francois Jarrosson, and Michael Mlilo-Mabasa sent their apologies for not being in the room as did many other members.

The meeting adopted the Standing Orders. EG, JD and JD-N were approved as tellers through a unanimous vote.

The President said the board would take questions from members during the meeting but would also be available to speak to members after the meeting if there were any questions. The President went through the contents of the meeting pack.

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

Minutes of the Previous AGM held on 10th February 2022

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 aspects of our progress this year.

HB: A general overview with graphs. A busy and exceptional year with good results. Signs of growth in demand for loans with 8% more loans this year. We have concluded the Transfer of

Engagements from North London credit union which gave an increase of 10% in membership. Still need to be cautious.

EB: Described economic trends as a lecturer in financial matters. High inflation a concern. Market rates increasing but credit union rates to borrowers remain low.

PC: Spoke to technological developments in services to members. He highlighted resources on the website including the budgeting tool. 88% of loan applications come through the website or the app which gives faster more convenient service to members. We continue to use SMS and email to give a more timely response to members and reduce paper usage.

EP: Previously Chair of North London credit union. The merger had gone very smoothly for staff and members, including board members.

SB: Spoke to the implementation of Automated Lending Decision. This should speed up authorisation of majority of loans and give more time for consideration of loans which may be borderline with regards to security or affordability.

Questions were invited from members in the room.

A member asked about the use of AI and unintended consequences in decision making.

The member had a follow up question on Treating Customers Fairly and if the credit union had considered it.

Another member asked a question about 15% of errors in data held by credit reference agencies. The member also wanted to know if the credit union was attempting to reach a critical mass by merging with other credit unions.

A member commented that he had found contacting the credit union more difficult since the merger.

The response was that we will carefully pilot automated decision making which will mean straightforward loans can be approved quicker, and more complex cases can be given more individual attention by the loan officers. Consumer Duty is high on the agenda for the credit union and director CE is leading on that for the credit union and we are committed to ensuring good outcomes for all members. We were one of the first organisations to achieve two five-star fair banking awards for our lending products.

The credit union is growing but we are doing that through organic growth but in the spirit of co-operation we will support other credit unions that want to join with us.

If any members are having difficulties contacting the credit union then we can arrange a time for them to come into the office and discuss their issues.

4. Financial Statements for the Year Ended 30th September 2022

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

There was a surplus in the year of approximately £330,000 but almost half of that came from a Fair4All Finance grant. We need to use the surplus to build our reserves as required by the regulator to protect our members interests. Highlight was a surplus this year largely due to significant reduction in bad debt.

Questions were invited from members in the room.

A member asked a question regarding corporation tax on co-operatives.

Credit unions pay corporation tax on bank interest only.

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

5. Dividend and Rebate of Interest for the Year 2021-2022

MB: As the economic climate is uncertain the board are not able to recommend a distribution, but that we should pay 1% bonus payment to Young Savers who do not share in the distribution as full members. In summary the proposal is:

- a) No dividend on savings during the year.
- b) 2% rebate on loan interest paid during the year.
- c) Bonus payment of 1.0% to be paid on Young Savers' savings during the year.

The board has created a dividend reserve of £100,000 for future dividends.

Questions were invited from members in the room.

A member repeated her enquiry about vulnerability specifically whether the credit union was using AI to identify vulnerability in borrowers before it arises, and asked the board's thought processes on no dividend for savers but rebates for borrowers which seems punitive on savers.

Technology has its limitations, so the credit union relies on personal and individual consideration to know its customers and deal with vulnerabilities appropriately.

We are obliged to build our capital adequacy for resilience and will be adding ~£200,000 to our reserves. The grants we were given were intended to support borrowers in the cost-of-living crisis not to pay dividends to savers. We are adding £100,000 to a dividend reserve for distribution when the financial climate allows.

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

6. Appointment of Auditors

MB: Alexander Sloan have been auditors for a number of years the board are proposing to reappoint for the next year.

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

The President thanked our Treasurer who will be retiring in the coming year.

The meeting expressed its appreciation of his contribution over many years.

7. 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. The Supervisory Committee were introduced to the meeting. A brief overview of the type of things the Supervisors do was given to the meeting. Members interested in this work should contact the Supervisory Committee members who are always looking to recruit new members.

Questions were invited from members in the room.

The President thanked the Supervisors for their service to the credit union and its members.

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

a) Election of Directors

Six candidates for election, accepted by the Nominations Committee after due diligence to ensure they were fit and proper as defined by the regulators, had their election statements in the pack: Ms Shiwani Bansal, Mr Chikezie Ekeanyanwu, Mr Jeffrey Hopwood, Mr Peter Lovel, Mr Michael McGowan, Mr Edmund Pringle. The nominees spoke in favour of their application.

Ms Shiwani Bansal, Mr Chikezie Ekeanyanwu, Mr Jeffrey Hopwood, Mr Peter Lovel, Mr Michael McGowan, and Mr Edmund Pringle were duly **elected** en bloc as Directors of the credit union.

b) Election of Supervisory Committee Members

There was one candidate for election to Supervisory Committee accepted by the Nominations Committee and Ms Brenda Cossio-Nunez’s election statement was in the pack. The candidate spoke in favour of her application.

Ms Brenda Cossio-Nunez was duly **elected** as Supervisor for another term.

9. Close of Meeting

The President concluded the meeting with thanks to credit union’s supporters. First was Unison who provided the meeting facilities for the AGM, and are also extremely supportive in encouraging employers to introduce and promote salary savings schemes for their employees. The many councils in our Common Bond were thanked for their support, particularly Haringey in relation to provision of regulatory capital along with Trust for London. We are also grateful for the support from Fair4All Finance which has allowed us to support many of our members at this difficult time. She also thanked our unpaid volunteers, including supervisory committee and the board, and the staff for their service again this year. Finally, she thanked all present for taking part in the credit union’s democratic processes.

All items of business having been completed, the President thanked all members present for attending and contributing to our democratic process and closed the meeting at 19.30 and invited all present to refreshments.

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

..... (Signature) (Name)