

Commsave Credit Union

Annual General Meeting

26th January 2020

Held at the Marriott Hotel, Eagle Drive, Northampton

PRESENT:

Kundai Kafamba (Chairman), Dean Keith (Vice Chairman), Mohammed Braimah (Treasurer), Richard Munro (Executive Director and Secretary - Interim), Habib Mansuri, Rose Owusu, Sony Jacob, Lisa Walkden, Chris Okafor, Samuel Ayiehfor, Kamran Haider, Amanda Ivey (CEO), plus 165 members (totalling 177).

APOLOGIES:

Derek Jackson.

Kundai Kafamba opened the meeting at 11:00 and informed those present of the housekeeping requirements. He spoke about the Lendwithcare raffle and told members when it would be drawn. He then informed all attendees that we would be taking photos and advised anyone that didn't want their photograph taken to let the photographer know.

He then proceeded to introduce the Board, Commsave staff, the Audit and Risk Sub-Committee, the independent auditors, and the workplace representatives.

MINUTES OF PREVIOUS MEETING:

The minutes of the previous meeting were agreed. There were no matters raised.

CHAIRMAN'S REPORT:

Kundai started the meeting by recognising our members and the credit union difference. He thanked all of the staff for achieving a fantastic customer service result of 97%.

Kundai then gave an overview of key events throughout the year.

Kundai updated members on the results of the consolidation loan which Commsave launched for a limited time in 2019. The consolidation loan was a great success and the Board will be keeping track of the figures to see if it is something that would be beneficial to offer again.

Last Spring Commsave members completed an equality and diversity survey. This was to ensure that we are providing the best possible service. He stated that there were no major issues.

Last Summer, a handful of Commsave's staff visited our twinning credit unions in America, Members 1st Credit Union and Atlanta Postal Credit Union. It was a great opportunity for us to learn about how credit unions are run in America. We learned a lot and will be taking all of this on board. Following this visit, Members 1st Credit Union visited us in the Autumn of 2019. A great opportunity has risen for Commsave. Members 1st Credit Union are financially supporting us with a three year university course for CEO, Amanda Ivey.

The Government has launched a pilot initiative for credit unions to help increase their financial resilience. The PrizeSaver account is a great way to encourage more people to save whilst giving them a chance to win money! Commsave were lucky enough to be one of the 15 credit unions selected to take part. So far, a Commsave member has won the top prize of £5,000 in December and January! We had an influx of applications for the PrizeSaver account and staff did a great job to set these up as quickly as possible.

Throughout the year we have been supporting a variety of charities including, Macmillan, Cynthia Spencer, Rowland Hill Fund and Lendwithcare.

Kundai spoke about the Financial Wellbeing Hub that will be launching soon. He told members that it will be a great platform for members to learn more about money management.

Kundai briefly mentioned the motion to change our common bond. He stated that Richard Munro would be explaining this later on.

Kundai then led a minute's silence to remember all of our members who had sadly passed away during the financial year.

There were no questions raised so Kundai introduced our Treasurer, Mohammed Braimah, to the stand.

TREASURER'S REPORT:

The Treasurer, Mohammed Braimah, commenced his report by talking about the continued growth of the credit union and our competitive dividend and loan interest rebate. During the financial year our income was £791,000 and expenditure was £880,000. There was an increase in expenditure due to a large amount of bad debts and updates in our IT systems.

Our savings grew from £47.2 million to £57 million. This is an increase of £9.8 million. Mohammed pointed out that our dividend is one of the best on the market. We are looking to pay a 2.25% dividend and loan interest rebate - this is the credit union difference.

During the year, our membership had increased by 9%.

Mohammed then asked if there were any questions.

One member from London asked where all of the bad debt was coming from. Richard answered this by stating we expect to have bad debt and we provision for this. However, we can never predict the full amount as people's circumstances are always changing. For example, they may be on sick leave or could have been made redundant.

We received another question asking whether we provision for the bad debt? It was explained that we do provision for debt, and this is covered in regulations, but it is very hard to provision for every circumstance. We have as many processes in place to recover as much debt as possible.

One member stated that looking at the accounts of debt from last year compared to this year is quite a difference. Is this expected? Richard stated that this is within expectations as we have provisioned for most of it.

One member from Rugby asked if we have reviewed our lending criteria to try and reduce bad debt? Mohammed stated that we are always reviewing our criteria but we always look at each application individually.

A member asked how it was possible for Royal Mail workers to default as their payments come from payroll? Mohammed said that this could be due to unexpected circumstances such as sickness or redundancy.

One member wanted us to focus on some of the positives. She stated that we are regulated and we do our checks. She stated that there were many areas in which we had saved money, for example, our printing, postage and stationery.

One member raised a complaint due to a loan decline. It was agreed that we would take a look into this and discuss a solution with the member after the meeting.

APPOINTMENT OF AUDITORS:

On behalf of the Board, Mohammed proposed that Burgis & Bullock should be appointed for a third year. This was carried.

PAYMENT OF DIVIDEND:

On behalf of the Board, the Treasurer then proposed the dividend and loan interest rebate of 2.25%. This was carried.

INTERNAL AUDITOR'S REPORT:

Tony Woods introduced himself as Commsave's Audit and Risk sub-committee chairman. He made members aware of their job. Their role is to look at any risk that may affect members and to look into this. They monitor the risk register on a regular basis and check corporate governance. They also meet six times a year and attend all board meetings. He assured members that there were no major things to bring up at this current moment.

ELECTION OF DIRECTORS:

Our Chairman, Kundai, introduced Dean Keith. Dean explained that every three years directors need to be re-elected in order to stay on the Board. He explained that we had four people up for nomination. These were: Sony Jacob, Kundai Admire Kafamba, Habib Mansuri and Lisa Walkden. He then continued to explain that we also had a member who put himself up for nomination to the Board - Abdur Rasheed.

Richard mentioned that nominees could not answer questions so that voting was fair.

Dean stated that members need to vote for up to four people on the sheet provided and put their ballot in the post box at the front of the room.

We had a short break so that people could vote. This happened between 11:53 and 12:12.

MOTIONS:

After the break, Richard Munro started the proposal to change rule seven in the rule book - our common bond. He stated that by doing this it will allow us to merge with Harvest Money Credit Union in Northampton. Harvest Money approached us and asked if we would like to merge with them as they were not able to grow their membership. The board had to weigh up the positives and negatives to see if this was a good idea. Amanda Ivey, Richard Munro, Tony Woods and Russel Vann discussed this in detail and identified any risk in going ahead. They all agreed that this would be a beneficial opportunity for Commsave and so the board decided to accept Harvest Money's offer.

Richard explained that the merger would support our strategy in gaining more payroll companies, increasing people's saving resilience, and increasing loans and membership. By merging with Harvest Money, it will also give their staff an offer of secure employment as they will be employed by Commsave.

Once the strategic plan was decided we started to look at all of the practicalities. As a credit union we cannot have more than 3 million potential members. Therefore, Harvest Money and Commsave have decided to shrink both common bond lists to adhere to this rule. Commsave are proposing to remove some of the companies that are currently on our common bond list. This will not affect us massively as we only have about 30 members in these companies overall and these members can keep their membership in future.

One member stated that they remember Harvest Money and PCU were meant to merge. He asked what happened. Richard stated that there were discussions about a merger happening with PCU, however, PCU decided to merge with First Class Credit Union instead.

Another member was curious about the results of the Harvest Money AGM? Richard stated that the common bond motion was agreed and the motion to merge was also agreed.

Someone asked whether our name will change? Members were told that our name will remain the same.

A question was raised as to what would happen if someone had savings in both accounts. It was explained that both savings would be combined. Richard also mentioned that we are still finalising a process for people that have loans with both credit unions. These will be dealt with on a case by case basis

Another member asked whether Harvest Money staff will be paid once they start working for Commsave. It was pointed out that the staff will be getting paid.

Michael Awoyemi asked what will happen to the board of Harvest Money? Richard explained that unfortunately, as we already have a board at Commsave, we will not need their board as well. Richard made a point to mention that if, in the future, they wanted to be elected onto the Board at Commsave then they could do so by being elected at an AGM.

One member asked how Harvest Money's membership works? Richard explained that they have a geographical common bond.

Someone asked why we can't just have the NN postcode change and not merge with Harvest Money? Richard explained that we could, however, it would mean leaving three people unemployed and leaving 3,000 members without a credit union.

Henry Harris asked what would happen to existing loans in Harvest Money, will all the products they have be converted to Commsave products? Richard stated that Harvest Money members will bring their products over to Commsave. The loan term will be the same as they signed.

One member asked if we had invested in attracting new payroll partnerships? Richard explained that we have tried and have not been successful in doing so to date. Merging with Harvest Money will

give us the opportunity to target smaller companies that are more likely to establish a partnership with us.

What will happen to Harvest Money's assets and building? Richard stated that they rent from someone else so they will just need to move over to Commsave's buildings. Their assets will also be brought over too.

What is the point in merging as the assets are so small with Harvest Money? Richard explained that although it is called a merger, we are technically taking them over as they are significantly smaller than us.

Michael Cutts asked if Harvest Money members would be able to have a consolidation loan to bring their existing loan into Commsave? Richard said this was a potential option.

Finally, Dean Keith asked if the merger would cost Commsave anything? Richard explained that we bid for a £20,000 grant and this was accepted. Therefore, it hasn't cost Commsave any money.

After all of the questions, Richard passed back over to Kundai. He then proceeded to ask members to vote in favour of the motion. Kundai explained that we need $\frac{2}{3}$ voting for the motion for it to be carried forward.

Members voted and Tony Woods and Sue Barton, from Rugby Credit Union, counted the votes.

There were 177 members in attendance, so, 118 members needed to vote in favour of the motion. After the counting was completed it was announced that 157 members voted for the motion therefore it was carried.

ELECTION OF DIRECTORS CONTINUED:

It was announced that the votes for new board members had been counted. Dean Keith revealed the results. They were as followed:

Sony Jacob - 136
Kundai Kafamba - 137
Habib Mansuri - 109
Abdur Rasheed - 96
Lisa Walkden - 155

Kundai Kafamba, Sony Jacob, Lisa Walkden and Habib Mansuri are the new elected board members.

MONEY PRIZE DRAW:

Katie Moore came to the stand to aid in the prize draw with Sue Barton. The prize winners were:
£100 - ticket 1 Liellah Currey
£50 - ticket 147 Mohamed Safwan
£50 - ticket 171 Atinuke Abiola Latona

FRIENDS OF COMMSAVE AGM:

Amanda Ivey started the Friends of Commsave Credit Union AGM. She went through the income and expenditure and explained how all money is spent. She also explained how we publicise the lottery.

Friends of Commsave Credit Union AGM was then closed.

FINAL COMMENTS:

Kundai Kafamba thanked all members for attending the AGM. He informed them that their mileage and dividend would be paid on 27th January 2020. He asked members to complete the feedback forms in the back of their pack and put them in the post box. Meeting closed at 13:03.