

Commsave Credit Union

Annual General Meeting

22<sup>nd</sup> January 2023

Hybrid meeting: Online via Slido and  
in person at Park Inn Hotel, Silver Street, Northampton NN1 2TA

**Present:**

Kundai Kafamba (Chairman), Dean Keith (Vice Chairman), Samuel Ayiefor (Treasurer), Rose Owusu (Secretary), Sony Jacob, Habib Mansuri, Mohammed Braimah, Anthony Woods, Kamran Haider, Mohamed Dawo, Richard Munro (Interim CEO), plus 179 members in person and 33 online (totalling 223)

**Apologises:**

William Kari

**Opening of meeting:**

The meeting commenced at 10:59am.

Kundai opened the meeting by introducing himself and welcoming all the members. He reflected on the last AGM and showed his appreciation to those in attendance both online and in person.

He went through housekeeping as well as talking about the Lendwithcare raffle.

He introduced the board, Audit and Risk sub-committee, Kate King from Burgis & Bullock as well as the workplace representatives in attendance and old directors from Harvest Money. He also touched on Amanda Ivey, former CEO, choosing to step down from her role after 18 years as well as Richard Munro taking over as interim CEO whilst we look for a replacement.

He then passed over to Richard who introduced staff members in attendance.

**Minutes of previous meeting:**

The minutes of the previous meeting held on 23<sup>rd</sup> January 2022 were agreed.

**Chairman's Report:**

Kundai was pleased to report on behalf of the board, on another successful year.

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

He touched on the cost-of-living crisis which followed the tail end of Covid-19, inflation reaching a 40-year high and an increase in interest rates. Despite this, Commsave continued to grow and serve our members effectively over the past year, with more staff recruitment and improving the services we offer. He added the wait time on the phone is now less than 20 seconds.

Kundai was proud to add that we now offer almost instant withdrawals and auto approved loans.

He added that as a member owned co-operative, we value our members feedback immensely. He went on to explain how members can leave feedback, through our annual survey, Trustpilot and by our app and website.

Touching on our financial successes, he mentioned that we are proud to offer a higher dividend and loan interest rebate than originally proposed.

He mentioned the addition of new payroll partners to the common bond, including Pall-Ex Ltd and Family Support Link.

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

Kundai proudly spoke on Amanda's time as CEO, working for Commsave for 18 years, bringing membership from 2,000 to 35,000 and increasing assets from 2 million to 130 million! He also mentioned the other great improvements that have been made in her time at the credit union. She was then presented with a gift from Commsave.

Kundai then put it to the room for questions.

One person asked if the mortgages and credit cards sat within the credit union for Commsave members or whether it was an external thing. Kundai explained that both are part of our ambitious business plans and would be done internally not externally.

Another member then stated that the common bond qualification is restricted in the rules, but it is not mentioned on the website. He also mentioned some errors in the rule book on our website. Richard explained that the updated rule books were on the website and that it mentions the rule of NN members being able to join as well as our other common bond qualifications.

Another member asked what we were going to gift Amanda. Richard stated there wouldn't be a prize big enough for her efforts but mentioned the cut glass vase as a token of our appreciation. He also mentioned she was a paid employee and whatever we spend is our members money.

Another member mentioned the credit card and mortgages in the report – he said he didn't think mortgages are a good idea right now and it could be quite dangerous for the credit union. Kundai agreed with the member and stated mortgages are the last on the agenda and would be something we look to do in the long-term.

He then introduced our Treasurer, Samuel Ayiefor.

### **Treasurer's Report:**

Sam introduced himself as the new treasurer taking over from Lisa Walkden.

He spoke on the financial plan being written in 2021 amid the uncertainties of the pandemic and before the full impact of the economic crisis.

He was delighted to report a higher level of surplus than planned, meaning we could propose a dividend and loan rebate of 1.75%. We have also added to our reserve and have been able to do this without raising our loan interest rates. He acknowledged some people's disappointment with

the level of dividend. But mentioned at the time of the financial year it was very competitive, especially for an instant access account. It was also an increase on last year's dividend. He touched on the current year's interest rate being proposed at a minimum of 2%, subject to performance.

Samuel explained that our membership grew by 6% with most popular reason to join being word of mouth. He mentioned the £1,000 referral campaign and how if each person referred just one person, we would double in size in no time. Continuing to grow helps our members.

Savings grew by 9% from £107 million to £109 million. He stated that encouraging members to save and build financial resilience is part of our mission.

Loans started to show signs of growth following a flat period during covid with a 22% increase. Interest on loans allows us to pay our bills, invest in IT, and pay a dividend on savings.

Sam mentioned that the board take a prudent approach to the reserve of the credit union. The capital asset ratio sat at 14%.

He told members that our accounts have been audited by Burgis & Bullock. The summary accounts are contained in the annual report and members may obtain a full set from the website or from himself today.

Following the end of the pandemic, we have been able to attend several training events and conferences. We also incurred a cost for the previous year's online AGM.

As we continue to grow, we have employed more staff. This has increased our expenditure, including a one-off cost of living payment.

Our income reduced slightly due to number three Duncan Close no longer being rented. Also, some of our bills increased, such as utilities.

It was then put to the room for questions.

One member asked why the internal audit fees had increased – Richard Munro explained that we have been accredited with the ISO27001 standard which means we have put significant resources into improving our security. As part of this process, we are subject to further internal audits, meaning our auditor costs have increased.

Another member asked about the bad debts – is it what we expect? Sam commented bad debts were high due to the change in the economy and strikes for example. Richard added that the bad debt is where we expect it to be especially with a higher loan balance. We account for changes in people's circumstances, as this is inevitable.

One member stated interest rates in the future will be 2% but other banks are offering 4% currently. Do we think we will lose members because of this and in turn not be able to pay a higher dividend? Sam stated we do a monthly benchmark to ensure the interest we offer to members is competitive. Richard added that we are three months into our year and at the time of doing our plan, 2% looked competitive. We are currently ahead of our plans with money and surplus so it is likely we could pay more but it is something that we are monitoring.

Someone asked why the wages have increased. Sam stated our team has been growing so our wage expenditure has also increased. We support our staff and pay to retain staff. In line with that we benchmark staff salary by considering things like inflation.

One member asked why meeting costs had increased. We attended several meetings, seminars, and conferences after the pandemic which didn't happen during Covid-19 - hence the increase.

Another member mentioned our bad debt provisioning is over half a million each year. He wanted to know why this was. Richard said bad debts written off is a loss after 12 months. Bad debt provisioning is different as we must provision at certain levels in terms of months.

One member asked about the credit card expenses and wanted to know when they would be available. Richard explained that we are working with 12 other credit unions. We have noticed some members are paying really high costs on credit cards and we feel we can offer a lower rate. They won't be available for at least another 12 months, but we are actively working on it.

Another member asked why the internal audit fees have increased. Sam reiterated his previous answer from before.

One member asked how many staff we now have and if we are looking at purchasing a new office space. Richard stated that we currently have 38 staff and forecast to grow in line with the business plan. He also mentioned the search for new accommodation is under way.

Someone asked about the future of ISAs. Richard mentioned the existing ISA product and the decisions to close it a few years ago. There is no intention of reopening it due to compliance issues and multiple downsides.

### **Appointment of Auditors:**

On behalf of the Board, Samuel proposed that Burgis & Bullock should be re-appointed as external auditors. This was carried by members.

### **Payment of Dividend:**

On behalf of the Board, the Treasurer proposed the dividend of 1.75% and loan interest rebate of 1.75% to members who have made their loan repayments in line with their loan agreements. This was carried by members.

### **Community Fund:**

Dean explained that the Community Fund is now in play and explained the process of how it works and who can receive the money. He spoke on the figures and explained how to request a donation.

### **Report from Audit & Risk Sub-committee (ARSC):**

Anthony Woods came to the stand to report on the work of the ARSC. He gave a brief explanation of what they do and stated they aim to help the board assess risk - although they do act independently. It's their job to investigate any issues that arise. He also spoke on the ISO27001 accreditation, explaining how important it is.

There were no issues raised by the ARSC at the current time. He then asked for questions.

One member asked how we are protected if we do get hacked. Anthony explained there are different types of risk. One example would be if staff had not received sufficient training. To avoid

this, all our staff are well trained on security risks and this training is continuously kept up to date. Another way we manage risk is encrypting Information, so hackers wouldn't be able to do anything with the information. We are always working with experts to ensure we are up to date with the newest procedure.

Another member asked about contingency plans for data security. Anthony mentioned the very strict backups of all data and we work very closely with the IT supplier to make sure it's secure. We also have back up servers to ensure things are backed up. This was a key reason we worked towards the ISO27001 accreditation.

**Election of Directors:**

Kundai, our chairman, explained that we have three directors up for re-election and, as he is one of the directors standing for re-election, he handed over to Dean Keith (Vice Chair) to conduct the election. Each candidate was given the opportunity to create a biography. These were: Kundai Kafamba, Sony Jacob, and Habib Mansuri.

**Results of director election:**

Kundai Kafamba, Sony Jacobs, and Habib Mansuri were all re-elected to the board.

**Money Prize Draw:**

Kundai led the prize draw and completed a live draw to pick the winners. They were:

£100 – Eleanor Landels

£50 – Bronwyn Richards

£50 – Jannette Aboulkasem

**Final Comments:**

Kundai thanked all members for attending Commsave's AGM. He thanked staff for attending and helping. He explained that there is a feedback form within the packs that we would like members to fill in. Those attending online shall receive a survey monkey in the next few days to provide feedback.

AGM closed at 12:47pm

**FOCCU AGM:**

Richard Munro introduced the Friends of Commsave lottery. He talked through the income and expenditure and explained how the money is spent.

He then put it to the room for questions. There were none.