

**LONDON MUTUAL CREDIT UNION LIMITED
MINUTES OF THE ANNUAL GENERAL MEETING
ON FRIDAY 4th March 2022 via Zoom Meeting**

1.OPENING:

- 1.1. Richard Cooper opened the Meeting.
- 1.2. Richard Cooper welcomed the members and being quorate business commenced.

Richard Cooper then chaired the Meeting.

2.STANDING ORDERS

- 2.1 Roy Kennedy drew the attention of the Meeting to the Standing Orders governing the AGM

3.MINUTES OF THE ANNUAL GENERAL MEETING OF THE 5th March 2021:

- 3.1. The Minutes were read. There was a correction on point 5.1, which now reads:

"There being no questions arising from the Report, Angela Connolly moved its acceptance, Ben West seconded the Motion."

With this correction, Michael Cook moved acceptance, Heather Harris seconded the Motion. The Minutes were accepted.

4.CHAIRMAN'S REPORT:

- 4.1. The Chairman, Richard Cooper, read highlights from the Report printed in the Annual Report.

There being no questions arising from the Report, Lord Roy Kennedy moved acceptance of the Report, Heather Harris seconded the Motion. The Report was accepted.

5.TREASURER'S REPORT:

- 5.1. The Treasurer, Roy McLeod, went through the Report.
Questions arising:

Please can you explain what derecognised bad debts are?

They are debts which are no longer recognised as outstanding, such as when we write them off, or the members who were bad debtors have resumed paying. They are no longer part of the bad debt figures.

Are you saying you are still paying rent for the Denmark Hill location, I thought it was closed?

No, we are receiving rent. We own the property and we're renting it out.

There being no other questions arising from the Report, Michael Cook moved its acceptance, Lord Roy Kennedy seconded the Motion. The Report was accepted.

6 & 7. CONSIDERATION OF THE ACCOUNTS & REPORT OF THE AUDITORS:

- 6.1. Steven Cunningham of Alexander Sloan went through the Audited Accounts. He drew attention to the Auditors' report on page 29-31 which was carried out in accordance with international auditing standards and it considered a number of key

points; these include, whether the accounts were prepared in accordance with legislation, whether they were prepared in accordance with accounting standards and whether they give a true and fair view of the financial position of LMCU. He confirmed that this is the case and he was happy to report a clean Audit Report.

There being no questions arising from the Report, Heather Harris moved its acceptance, Floyd Millen seconded the Motion. The Report was accepted.

8.DECLARATION OF A DIVIDEND:

8.1. Roy McLeod declared a dividend as below and recommended acceptance of the dividend to the AGM:

0.5% Juvenile Savers

0% for adult members

A vote was taken and the result was:	For	21	95%
	Against	1	5%
	Abstentions	0	0%

The motion was carried.

9.REPORT OF THE AUDIT COMMITTEE:

9.1. Roy McLeod read the Report in his capacity as Chairman of the Audit Committee. Questions arising:

Why has the Auditors Remuneration increased from the previous year?

I suppose you are referring to page 54 of the Audited Accounts. This cost includes the cost of internal and external audit. In 2020 the work of the internal audit was greatly reduced due to COVID-19 restrictions, which affected the cost as well. In 2021 we had a full year of internal audit work and this reflects in the increased cost. The auditors also carry out a number of other tasks in regards to requests from the regulators.

There being no other questions arising from the Report, Jemma Thomas moved its acceptance, Albert Marshall seconded the Motion. The Report was accepted.

10.APPOINTMENT OF THE AUDITORS:

10.1. Alexander Sloan have been our Auditors since October 2015. The Treasurer proposed that Alexander Sloan be retained for the Financial Year 2021/2022. Questions arising:

Is the five-year rule still in operation?

Lord Roy Kennedy (Director) replied that the Board review the performance of our auditors annually but there is no obligation to change them. For 2021/2022 we propose that we retain Alexander Sloan.

How long have you had the auditors for?

Roy McLeod replied that we've had them since 2015.

It is good practice to have a different set of auditors every so often, it's helpful for the transparency and that the same group of people are not in financial control of the business and there is external scrutiny.

Roy McLeod explained that this had been taken into consideration but there are very few companies that specialise in the credit union operations. The PRA agrees on the auditors we're using to ensure they cover the full spectrum of what the requirements are. We are considering the appointment of auditors on an annual basis and for the ensuing year we proposed to remain with the current auditor. If there is a reason to change them, we're happy to consider it but from our investigation we're happy to continue with them for another year.

As a credit union, the members have a say and right to vote. If you had the same auditors for over six years, what is the scope to have another set of auditors for the next year? There may not be another set of auditors readily available for this year but as a recommendation from the members, this needs to be taken on board as a point of action for the next year.

The Chairman, Richard Cooper replied that the point was noted and the Board would consider it for next year and review the requirements for the auditors during the course of the year.

There being no other questions arising, a vote was taken and the result was:

For	21	88%
Against	2	8%
Abstentions	1	4%

The motion was carried.

11.HONORARIUM FOR THE TREASURER:

The Directors of London Mutual Credit Union are all volunteers who, under Credit Union Rules, are not allowed to be paid. The position of the Treasurer requires more involvement from the person who occupies this position. The Credit Union Rules allow for an honorarium to be paid to the holder of that role. As in the previous year, there have been considerable challenges for all in health, wellbeing and finances. The Treasurer has worked diligently to ensure that the accounts of the credit union remain balanced. The Board has agreed to award the Treasurer an honorarium of £14,280 net for his diligent and continued commitment to London Mutual Credit Union.

Heather Harris proposed that an Honorarium of £14,280 be paid to the Treasurer. This will be net of PAYE and NIC.

Questions arising:

Has the Treasurer taken this role on the basis that it was a voluntary role?

Heather Harris explained that the Board have decided to award the Treasurer an honorarium in acknowledgement of all the effort he has to put in. The Treasurer's role is one that requires more attention, detail and time than that of the other Directors. He needs to put a lot of his free time to make sure that the Credit Union is financially viable. In order for us to retain a Treasurer, we would like to award an honorarium to him to recompense him for the time he puts in and the importance of his role. It is allowed in the Credit Union Rules.

Did he not take this role in the knowledge that there wasn't a payment for it?

The Credit Union Rulebook allows for the Treasurer to receive a payment for his time and as a Board, we would like to award him that payment.

Did the Treasurer incur any additional expenses in carrying out his role, such as take time off his paid job? I wouldn't have expected someone to be remunerated for something they volunteered to do.

Yes.

How has this been costed? Has the Treasurer given the figure or has the Board proposed it to him?

The Board propose the figure and discuss it with our internal audit.

On what basis was that figure calculated?

Lucky Chandrasekera, Chief Executive explained that it was a reasonable amount we arrive at, based on the number of hours the Treasurer puts in the Credit Union work. We have been doing it for the past 10-15 years, but every year we put it to the AGM for the members to approve the payment.

So this is meant to be a voluntary role but for the last 10-15 years you have made this payment to whoever takes that position?

Heather Harris explained that all roles are voluntary but the Credit Union Rules allow for the Treasurer only to be paid an honorarium. Bridget Vaughan (Director) explained that the Treasurer takes up a lot more time and responsibility than the other Credit Union Directors, he has not asked for money but the Board has decided to award him an honorarium in recognition of that. We're putting it out for the Credit Union members to vote for or against it.

Question to the auditor, in your audit how are you satisfied that this payment doesn't contradict the voluntary nature of the organisation?

Steven Cunningham explained that paying honorarium to the Treasurer is allowed in the Credit Union Rulebook and we see it in a number of Credit Unions across the country.

Are you satisfied with how they have arrived at that figure?

The figure has been approved by the membership at the previous AGM and we honour that. We are rolling the same figure over to this year.

How is this payment facilitated? Are you satisfied that it has been declared to HMRC?

Lucky Chandrasekera explained that it is paid through payroll and recorded as a wage.

What is the need to bring this payment to the AGM for voting, if it has been awarded for the past 10-15 years?

We bring it every year, as it needs to be approved by the membership each year.

Is it fair that all voluntary Directors work hard but only the Treasurer receives a payment?

Heather Harris explained that the Treasurer give up a very large amount of his time in order to ensure that the Credit Union runs smoothly and co-ordinates with internal and external auditors. The Directors meet once a month or more often if there is pressing

business to discuss, but the Treasurer meets with officers of the Credit Union a few times a week. We, as a Board, are happy for the Treasurer to be recompensed for the time he is giving in order to ensure that the Credit Union runs smoothly for the sake of all stakeholders.

A vote was taken and the result was:	For	23	88%
	Against	2	8%
	Abstentions	1	4%

The motion was carried.

12.Election of Officers

12.1. There are three Officers due for re-election to the Board this year:

Richard Cooper

A vote was taken and the result was:	For	21	84%
	Against	2	8%
	Abstentions	2	8%

Albert Marshall

A vote was taken and the result was:	For	23	92%
	Against	1	4%
	Abstentions	1	4%

Jemma Thomas

A vote was taken and the result was:	For	20	80%
	Against	2	8%
	Abstentions	3	12%

13.CLOSE:

The Meeting closed at 19.10 hours