

Commsave Credit Union – Minutes of the Annual General Meeting held 21st January 2024

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), Richard Munro (Executive Director), Sony Jacob, Habib Mansuri, Mohammed Braimah, Anthony Woods, Kamran Haider, Mohamed Dawo, William Kari, Chris Okafor, and Dominic Masterson (CEO), plus 187 members in person and 18 online (totalling 219)

Opening of meeting:

The meeting commenced at 11:00am.

Kundai opened the meeting by introducing himself and welcoming 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, as well as the workplace representatives in attendance and former directors from Harvest Money Credit Union.

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

Minutes of previous meeting:

Chris Okafor was left off the present section from the minutes of the previous meeting held on 22nd January 2023. There were no further amendments.

Chairman's Report:

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

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

He started his report by touching on Amanda Ivey, CEO of 18 years, stepping down in January 2023. During the hiring process for our new CEO, Richard Munro stepped in as Interim. In May 2023 Dominic Masterson joined the team, shadowing Richard to learn the ropes, and took over in August 2023.

Over the past few years, the Board have been searching for suitable accommodation to cater to our ever-growing team. In November, the Commsave team moved into our forever home, located on Summerhouse Road. A short video was then played, showing the new building.

In response to member feedback, we launched several new products during the year. He touched on our Green Loan product which helps us towards our carbon neutral goal and the new Fixed Rate ISA product.

He explained that due to the cost-of-living crisis, the board made the decision to return all Commsave's surplus back to members in the form of a 4% dividend and loan interest rebate, and draw down £1m from our accumulated reserves.

Kundai stated that as a member owned cooperative. We really value member's feedback. Kundai then went on to list the ways in which members can leave us feedback, such as the annual members survey, which gets sent out in spring each year, and our Trustpilot page which has over 2,500 reviews.

Kundai was proud to list our newest payroll partners.

He then thanked the audit & risk sub-committee, board, staff, and workplace reps for their continued hard work over the past year.

Kundai then put it to the room for questions. There was none.

He then led a minute's silence to remember those who have passed away.

Finally, he introduced our Treasurer, Samuel Ayiefor.

Treasurer's Report:

Before starting his report, Samuel explained the contents of the packs.

He explained that we have continued to invest in IT for service and security and purchased a new building in Summerhouse Road. We are also in the process of selling our three units on Duncan Close and this will be reflected in next year's report.

He was delighted to report a high level of surplus, meaning we could propose a dividend and loan interest rebate of 4%.

Samuel explained that our membership grew by 4%. He stated that this was way off of our target, but the team are in the process of changing this.

Savings reduced by 18% from £109 million to £89.6 million. He stated that encouraging members to save and build financial resilience is part of our mission.

Loans grew steadily with an increase of 19%. Interest on loans allows us to pay our bills, invest in IT, build our capital, and pay a dividend on savings.

Sam mentioned the board take a prudent approach to the reserve of the credit union. The capital asset ratio sat at 15.2%.

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.

It was then put to the room for questions.

One member asked what we were doing to retrieve repayments for bad debt. Dominic explained that we have reviewed our procedures. Using all avenues available to us, we work with our members to get the money back.

Another member asked what the £112k payment to HMRC was. Richard explained that the ISA had been running for several years. The HMRC audit found discrepancies in several locations. Due to this we made the choice to pay the HMRC penalty rather than closing the account for those that had an ISA.

Someone asked whether the new auditors have the same fees. Sam explained he expects them to change slightly, and these will be confirmed in the next annual report.

Another member asked why the Sundry expenses have increased significantly. Sam explained we look into this and publish on a Q & A session after this meeting. This will include a response to why they have increased.

Another member stated that membership has increased but savings have reduced. He said is that because of the low dividend. Sam explained that it's likely due to members changing their savings habits. The member added that our loans have high APRs. Richard added that our dividend is very competitive for an instant access account for the financial year it relates to. He also added that our loan rates are attractive for many of members. Adding to this, a member asked if we could give the percentage rate in advance on our savings, Sam replied that we do this usually in the spring.

Another member commended us on re-tender exercise for the external auditor. He asked if we do the same thing for our banking services, for returns on the capital and with regards to ethical policies, environment and third world development. Sam said the board will take this into consideration.

Another member asked if we invest for our members profits. Sam stated that we don't invest our members money, it goes into the bank. All surplus goes back into the company.

Samuel then introduced our Auditors.

Auditors Report:

Samuel stated that the ARSC decided we should change our auditors. Burgis & Bullock have been our external auditors for 10 years. This change has nothing to do with dissatisfaction with Burgis & Bullock but instead to do with a governance objective that prevents the familiarisation risk. Samuel then thanked Burgis & Bullock on behalf of the staff and the board.

Appointment of Auditors:

On behalf of the Board, Samuel proposed that Alexander Sloan should be appointed as external auditors. This was carried by members.

Payment of Dividend:

On behalf of the Board, the Treasurer proposed the dividend of 4% and loan interest rebate of 4% to members who have made their loan repayments in line with their loan agreements. This was carried by members.

Community Fund:

Dean Keith came to the stand and spoke on the successful year our Community Fund has had. We have made donations to 59 good causes totalling £60k. He explained how it works and how to submit an application.

Report from Audit & Risk Sub-committee:

Anthony Woods came to the stand to report on their work. 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.

They have added two areas to their watch. These are Information Risk & Cyber Security and Regulatory Compliance. These are the areas in which Commsave has significantly strengthened with the appointment of two new members of staff, Arosh and Stuart.

He then put it to the room for questions.

A member asked why the debt isn't a major concern. Anthony stated that Dominic is working on recasting some of the budget to take into account the changed circumstances. Some of the debts have changed and the Board are continuously monitoring this. We are looking continually at expenditure and the income from loans and other sources. We are aware that those number are challenging and the audit, ARSC, the board and management are aware of the challenges we are facing in the next year.

Motion One:

This will add an additional objective to our rulebook. In 2023 the government introduced legislation that enables credit unions to undertake new services. These are: Conditional sale, hire purchase, and insurance distribution. We don't plan on acting on this at the moment but it's there for when we do.

Another member asked a question – Could this include equity release schemes. Richard replied no. Whilst there is a new legislation it is quite tight on what we can offer.

This motion was carried.

Motion Two:

This is a tidying up motion. There is an area of Northamptonshire which falls within the PE8 postcode area i.e., Oundle and surrounding villages. This motion will enable Commsave to offer services to almost all residents/workers in Northamptonshire.

One member spoke on bits of the old county of Northamptonshire not being included in this motion as well as other postcodes. This would be up to members and Richard explained that if members request it then we address them at future AGMs.

One member spoke about how PE8 does not include all the villages in the Oundle areas but has been part of the old Northamptonshire. He then asks to bring forward to the board that all people living in North Northamptonshire and West Northamptonshire to be included in our common bond regardless of the postcode. Richard mentioned that other villages are a small part of a PE8 and would go into other counties and cause further problems. Richard then said that getting 95% right and Commsave will be open to look at the rest at a future AGM to have this added to the common bond.

One member asked if we would expand to everyone. Richard explained that due to legislation we can't have more than 3 million potential members. With these motions, we reach 2.8 million potential members, so wouldn't be able to do this under current legislation.

This motion was carried.

Motion Three:

We currently serve members in the fishing sector. We have been asked by the trade union who represent seafarers in non-fishing roles (Nautilus) if they can access our services too. We feel this is a logical extension to an allied group of workers.

A Member asked how many potential members are there in Nautilus. Richard replied, there are 26,000.

Another member asked that if there is a potential 26,000 members, and we are getting towards the figure of three million, are we worried about that about going over. Richard explained that this is not the whole of the merchant navy, but the people are members of Nautilus trade union, so this would be well within our cap.

Someone asked whether we had anyone representing Nautilus here. Richard stated there isn't, due to them not being in the common bond currently.

This motion was carried.

Motion Four:

Most supporters of Northampton Town Football Club can already become members of Commsave if they live or work in the NN postcode area. However, there is a small group who live outside of our common bond, and we want to include them too so they can access our services.

One member stated that because anyone can join NTFC as a supporter, wouldn't we meet the 3 million cap and whether if they chose to leave the club, would they still be able to be a member. Richard stated once a member, always a member.

One member stated that this seems like the easiest way to become a member, due to this it may cause issues with the three million cap and fraud. Richard stated that there is only about 20,000 people on the NTFC database but only around 5,000 can't be members currently, so it's only a small portion of people.

A member asked what was stopping a child from joining Commsave if they were an NTFC supporter, but then became a Saints supporter. How would this affect his membership. Richard explained a child would not be able to join unless a parent was a member, as under 18's cannot be members in their own right. But once you are a member within the common bond, if you then leave that organisation, you can stay a member. It is in the rule book that you must be 18 years old to be a member.

Another member said that this is the easiest way to become a member of Commsave, because you can join NTFC for a week or two and become a member, and this could take us over the 3 million. Also, this could be a good way to get a membership fraudulently. Richard explained the NTFC database holds around 20,000 names of which 5,000 do not currently qualify.

One member asked how many supporters do NTFC have on their database, Richard replied 20,000

Another member asked, with membership being open to NTFC, what if a member joined who lived abroad, as this could potentially happen. How would we chase their debt if they had a loan. Richard replied that it would be unlikely for us to offer a loan to anyone living abroad, because it would be difficult to chase them. We have members who do live abroad, but we don't loan to them.

Another member asked with regards to our bad debts, would we conduct extra checks on their credit etc, as they don't work for a partner and don't repay through payroll. Richard replied, that to have a loan process that any member must go through, whether they are employed by a partner or not. The point that the member is trying to make is that our debts have grown even with the checks that we have done so is this a back door for someone to loan money and do a runner. Richard explained that he would not differentiate between a member being employed by a partner or a non payroll member,

Member asked is there would be a check on their database with regards to numbers. Richard replied that James would keep this under review.

Member asked about NTFC being an ethical member and their members coming to our meetings and driving Commsave in the wrong direction. Richard replied that we would not be advertising this partnership widely,

This motion was not carried.

Motion Five:

EMPLAS are an employer based in Wellingborough, who have branches in Kettering, Nottingham and Lancashire. They employ c.500 staff and are keen to offer payroll savings to all the staff. Their main trade is the manufacture/fitting of energy efficient windows and doors.

No questions in the room.

Question from member online – Common bond – We are moving away from those working in the Communications Industry, are we going to reintroduce those working in the broadcasting industry. Richard replied, the board would discuss increasing our common bond with the headroom that we have. We the motions are agreed today, this would take us up to 2.8 million. So, we have a headroom of 200,000, but the board is open minded about changes to the common bond.

This motion was carried.

Motion Six:

To delete 6 Duncan Close as our registered office and to add 2 Summerhouse Road in Moulton Park.

Richard asked if there were any questions and stated that it is a technical change. There were no questions.

This motion was carried.

Election of directors:

Kundai explained that every year we have three directors standing down, but they can stand for re-election. This year we have another vacancy because Lisa has resigned, we have four nominations for the four vacancies. Kundai explained that there is a short biography of each of the candidates.

He then asked everyone to make four votes from the nominations and to put the votes in the boxes at the side of the room during the five-minute break.

Money Prize Draw:

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

£100 – Mark Batterham

£50 – Elizabeth Oluyitan

£50 – Cyrus Higgins

Final Comments:

Kundai thanked all members for attending Commsave's AGM. He told us how much the raffle raised £4516.00 for the Lendwithcare charity. 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.

Kundai then closed the Commsave AGM at 13:00 and welcomed Richard Munro to speak on the FOCUU AGM.

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.