

Lewisham Plus + Credit Union Limited

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ANNUAL REPORT



2009/10 19th Year

Credit Union No. 295C FSA 213588 Reg. 2 March 1992
Authorised and Regulated by the FSA

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Overall Summary

- ◆ 4,921 loans granted - 1,115 credit union loans and 3,806 from Growth Fund. Lending averaged £100,000 per month – total £1,201,660 over the year.
- ◆ Member savings increased to £1,415,675 for adults and £156,166 for juniors, up 25% up from 2008/9, and £593,687 Growth Fund capital.
- ◆ Credit Union Current Accounts reached 694 accounts, up 81% from 2008/9.
- ◆ Overall membership grew to 4,597 adults and 1,255 juniors. 1,165 adults and 170 junior members joined the credit union, a 50% increase in joiners for the year. 707 adults left, mainly by closure of dormant accounts, and there were 196 bad debtors. 20 juniors left and 90 passed age 16 to become adult members.
- ◆ Members agreed to accept a Transfer of Engagements to receive the members of Deptford and New Cross Credit Union Limited into Lewisham Plus. This will add about 1,250 adults and 250 juniors when completed in 2010/11.
- ◆ Cost of bad debts and provisions for doubtful debts was reduced by 35% compared with 2009 – down to £95,921 from £150,660, due to changes in lending policies and increased resources on credit control activity.
- ◆ Profit of £93,291 (£33,291 excluding support for capital reserves).
- ◆ Capital reserves increased to £116,396 – achieving 5.1% of assets.
- ◆ Dividend of 1% for adults (1% 2009) and 1.5% for juniors (2.3% 2009).

President's Report

I am pleased to be able to introduce the 2009 -2010 Annual Report for Lewisham Plus Credit Union. We will look back in a few years time and see that this was a very important year in the development of our credit union - extending our services further to reach those sections of the community who find it increasingly difficult to access credit from the more traditional financial institutions. The merger with Deptford & New Cross Credit Union and the work begun on extending our services into the Borough of Bromley with a branch office in St Pauls Cray continues our development as a community based credit union in line with the ethos of the founding members in Sydenham nearly 20 years ago.

The opportunities provided by these developments also present many challenges. There is a need to balance our concerns in providing a service for the community with sustaining a financially viable organisation, one that can continue to provide such services to the community in the years to come. The directors continually wrestle with this important issue and usually find a way forward by going back to the aims of our organisation. We are helped in no small measure by the skills, ideas and experience my colleagues bring to the Board, aided by the efforts of our hardworking staff and volunteers under the leadership of our manager.

The expansion of Lewisham Plus will allow us to demonstrate a real alternative to the money shops and pay day loan companies proliferating on our high streets, offering loans at very high interest rates. Around 6 million people in the UK annually use these types of loans. Lewisham Plus Credit Union is responding to this challenge, continuing to demonstrate a fairer financial alternative.

The growth achieved by the credit union has increased the volume of work in our premises in Kirkdale. The large number of people and transactions can be stressful but can also produce a sense of achievement.

Staff tell me of the fulfilment they feel when they see members benefiting from the services provided by our credit union. Such was my own experience while on duty in the Kirkdale branch one Saturday morning in late November. A woman who had just paid back her Save as You Borrow loan had not fully appreciated that she was actually saving money while paying back her loan. She explained to me she had never managed to save money before and having realised that there was now £120 in her account, was so affected by this discovery that she felt the need to sit down! (Good thing we have chairs in the lobby!)

So – to Lewisham Plus Credit Union: members, new members, volunteers, staff, supporters, funders - to all, a very big THANK YOU and WELL DONE!.

John McCarthy, President 2009/2010

Manager's Report

I am delighted to once again be writing the managers report for our Credit Union. The last year has been another eventful one in our development. Encouragingly, while still a concern, the ongoing issue of bad debt is being effectively managed, with the overall cost of bad debt to the Credit Union significantly lower than the previous year. Even more encouragingly, the proportion of our loans that are in arrears has fallen substantially in the previous year, and at the time of writing, almost 90% of our loans are now up to date. This has been as a result of improvements to our lending policy and credit control processes. Significant praise should go to our credit control team in contributing to these improvements.

The year has also seen us develop our overall offer significantly. The expansion into Bromley in particular has been very successful. Despite not yet having a branch open in the Borough, Bromley residents are joining the Credit Union in steady numbers, and are becoming an increasing part of our member base. With the opening of our new office in St. Pauls Cray this trend is likely to continue.

We have also grown following the decision of the members of Deptford and New Cross Credit Union to transfer engagements into Lewisham Plus, and that of our own members to accept this transfer. The joining together of our two organisations creates a single community Credit Union for the Borough of Lewisham, and this is something that we hope to see bring significant benefits to the Borough as a whole. These developments mean that our Credit Union will shortly be offering services across three offices, with members able to access services at the location most convenient for them.

I would also like to take this opportunity to thank our partners for their valued support this year. The support of Lewisham Council was instrumental in enabling the transfer from Deptford and New Cross to take place, while Bromley Council have also been very supportive as we have grown in the Borough. Our partnerships with Housing Associations have also continued to be of significant help, with our strong and well established relationships with Lewisham Homes and Affinity Sutton (formerly Broomleigh) helping us meet our objectives of being a force for good in the communities we serve. The past year has also seen us forge a much closer working relationship with Phoenix Community Housing Association, and we hope to develop this further in the coming year.

Finally, I would like to say a huge thank you to our team of staff and volunteers. They have been crucial to our development throughout our history, and we would not have been able to achieve what we have without their sterling efforts.

Jason Herbert, Credit Union Manager 2009/2010

Treasurer's Report

Lewisham Plus achieved a surplus for the year to provide a 1% dividend for adult members and 1.5% for junior members – a good result overall.

The credit union, with the support of our partners, was able to increase the level of capital to a level that will meet the FSA's requirement for credit unions with more than 5,000 members to hold a minimum reserve of 5% of assets. The transfer of £60,000 into Other Reserves appears as additional income for the year.

The cost of bad debts and provisions for doubtful debts was reduced by 35% compared with 2009 – from £150,660 down to £95,921. Bad debt recovery was substantially increased from £5,636 to £18,438. Together these two changes improved net income by £67,541 for the year – a significant achievement.

Credit union core operations continued at a similar level. However the loan policy of 1% interest on our standard loans will need to be reviewed, in recognition of the continuing level of default on this lending.

The DWP Growth Fund year 3 agreement required Lewisham Plus to draw down previously assigned Growth Fund Capital to fund revenue costs, at a rate of £15,000 per month. Overall this was offset by additional capital early in the year.

Additional Growth Fund capital and revenue funding to deliver credit union services in Bromley was received and used to fund an additional member of staff and IT upgrades needed in preparation for the new branch.

The lease for the new Bromley branch took much longer to agree than expected, resulting in a delay to the refurbishment costs. A budget of £72,000 was set aside for building and refurbishment work at 54 Cotmandene Crescent in 2010/11.

The Credit Union Current Account made substantial progress in the year, generating £25,000 in earned income. However as initial CUCA grants expire it may become necessary to increase income from the CUCA to cover its costs.

After a careful assessment of the financial situation and all other factors the Directors took the decision to re-capitalise the Deptford and New Cross Credit Union Limited with a "subordinated loan" of £20,000. This appears as a charge against expenses, and was made possible by the commitment of additional grant income support from partner organisations.

The financial challenges of the year ahead are expected to be:

- Integrating Deptford & New Cross Credit Union into Lewisham Plus;
- Refurbishing and launching the delayed Bromley Branch; and
- Improving income from core credit union operations and the CUCA.

Paul Treece, Treasurer 2009/10

Supervisory Committee Report

The Supervisory Committee is satisfied with the performance of the Directors and staff of Lewisham Plus Credit Union during the year 2009/2010.

The Supervisory Committee held a number of discussions during the year about the progress of the Credit Union and the Chair attended five Board meetings, in addition to receiving minutes of all meetings. Decisions made by the Board were in accordance with the rules and policies of the Credit Union. All loans made to Directors, staff and volunteers are reported to the Committee. The members reviewed the accounts and financial performance returns to the FSA each quarter against the bank records with consistently satisfactory results. A representative selection of members' investments and loans was verified with those members; discrepancies (all minor) were readily resolved.

The Committee has continued to engage closely with the Directors on the issue of loans in arrears and the recovery of bad debts. We are very pleased to see the continuing improvement in the position, the result of hard work by staff to help members honour their repayment obligations or support those who for good reason are struggling to do so, but agree that in these challenging times there can be no relaxation in this aspect of the credit union's work.

The Committee has closely followed the planning and implementation of the Credit Union's plans to expand into Bromley Borough and, more recently, to support the members of Deptford and New Cross Credit Union through the Transfer of Engagements, and is satisfied with the thoroughness of this work. These developments, however, raise an important issue in relation to the Supervisory Committee as there will need to be a step increase in supervisory activity to support the expanding organisation. With the resignation of one Supervisory Committee member last year, the Committee now comprises just two members (David Smith and Laurene Brooks). The Board has agreed that there is an urgent need to increase the membership with appropriately-qualified volunteers and will be making proposals to the AGM to this end.

David Smith, Chair of Supervisory 2008/2009

Attendance at Board Meetings

Director	Attendance	%	Director	Attendance	%
Geoffrey Cave	8 / 10	80	Edel Stewart	Sabbatical year	
Michael Deane	7 / 10	70	Paul Thompson	8 / 10	80
James Gardner	1 / 1	100	Paul Treece	8 / 10	80
John McCarthy	10 / 10	100	Keith Wiley	9 / 10	90
John Ryall	3 / 6	50			

The Directors' Report

The directors have pleasure in presenting their report and the financial statements of the credit union for the year ended 30th September 2010.

Principal Activities and Business Review

The principal activities of the Credit Union are the promotion and encouragement of regular saving and prudent borrowing by its members.

Results and Dividends

The profit for the year, after taxation, amounted to £93,291. Particulars of dividends paid and proposed are detailed in note 5 to the financial statements.

Board of Directors

The directors who served the credit union during the year were as follows:

John McCarthy (President), Keith Wiley (Secretary), Paul Treece (Treasurer), Geoffrey Cave, Michael Deane, James Gardner (appointed 8/7/10), John Ryall (retired 5/3/10), Edel Stewart and Paul Thompson.

Review and Future Plan

The Board of Directors is responsible for safeguarding and managing your money invested in our Credit Union, ensuring that the Credit Union offers a good service to you and responds to your needs. Nine Directors served on your Board during the year covered by this report all of whom were unpaid and voluntary. They met regularly once a month (except August) throughout the year as well as holding extra meetings to discuss issues in more depth and a series of additional meetings with Deptford and New Cross Credit Union Directors and staff to address the issues around their transfer of engagement.

The Directors, as is their normal practice, agreed a business plan at the beginning of the year and have monitored its progress to ensure the Credit Union continues to grow and to provide a good service to the community. We are pleased to report that hard and selfless work by volunteers and staff has ensured that Lewisham Plus CU continues to flourish and remains amongst the top Credit Unions in the south east.

Directors were happy to see that changes to loan policy and hard work by our staff, with help from a Director, reduced the number and size of unpaid loans. This is encouraging, but the signs are we will need to continue with a high level of activity in this area during the 2010/11 to maintain and improve this situation. There have been a number of competing areas for resource and attention this year. Launching the Credit Union in Bromley has been slower than we planned in particular with acquiring and fitting out the shop in the Crays.

During the latter part of the year we had to make a difficult decision to respond to the financial and organisational difficulties experienced by the Deptford and New Cross Credit Union. Against all of this, it has been challenging to meet the increased demands for the organisation's services with the current level of financial, people and accommodation resources we have at our call. The need to plan now to meet current and future demands has been an acute issue for the Board when its time has been spent on immediate and unplanned issues. The hours worked and effort of our staff, much beyond what their contracts of employment require has made the running of our Credit Union possible. This is a gift which the Directors and members should be very grateful for but something we cannot take for granted and will need to be addressed in the way we deliver credit union services in the future.

Directors very much welcome enquires from members who want to know more about Lewisham Plus CU and about volunteering to serve the Credit Union including being on the Board of Directors and Supervisory Committee. Directors' names are listed in the Annual Report so please feel free to speak with them about any issues of interest or concern - the AGM is a good opportunity! The growth of our credit union and changes to the financial environment has made management of the organisation more complicated and challenging. This has required Directors and Supervisory Committee officers to give increased time and effort and required a high level of professional expertise and this throws out a challenge to our community if the Credit Union is to be sustained.

We are all pleased that this year has been successful in both a growing membership and in returning a positive financial balance sheet. We therefore look very positively forward to next year.

Signed by order of the directors.

Keith Wiley, Secretary.

Approved by the directors on 05/01/2011.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Industrial & Provident Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Industrial & Provident Society law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the credit union and of the profit or loss of the credit union for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the credit union's transactions and disclose with reasonable accuracy at any time the financial position of the credit union and enable them to ensure that the financial statements comply with the Industrial and Provident Society law. They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the directors are aware:

- there is no relevant audit information of which the credit union's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditors' Report to the Shareholders of Lewisham Plus Credit Union Limited

Year Ended 30th September 2010

We have audited the financial statements of LEWISHAM PLUS CREDIT UNION LIMITED for the year ended 30th September 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the credit union's shareholders, as a body, in accordance with Section 9 of the Industrial and Provident Societies Acts 1965 to 2002 and the Credit Union Act 1979. Our audit has been undertaken so that we might state to the credit union's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted under law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's share-holders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and the Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparing of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the credit union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting entries made by directors; and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 30 September 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002 and the Credit Union Act 1979.

Opinion on Other Matters

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2002 and the Credit Union Act 1979 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

MA SALEEMI (Senior Statutory Auditor)
For and on behalf of
SALEEMI ASSOCIATES
Chartered Accountants
& Statutory Auditor
Tel: 020 8777 3055

792 Wickham Road
Croydon CR0 8EA
07/01/2011

Income and Expenditure Account for year ended 30th September 2010

	Notes	2010 £	2009 £
INCOME	2	540,295	407,556
<i>less</i> Administrative expenses		<u>456,314</u>	<u>405,012</u>
<i>Operating Profit(Loss)</i>	3	83,981	2,544
Bank/Investments interest receivable		<u>9,310</u>	<u>16,371</u>
<i>Profit(Loss) on ordinary activities before taxation</i>		93,291	18,915
<i>less</i> Tax on profit on ordinary activities	4	-	3,379
<i>Profit(Loss) on ordinary activities after taxation</i>		93,291	15,536
Dividends proposed	5	<u>13,560</u>	<u>12,280</u>
<i>Retained profit for the financial year</i>		79,731	3,256
Transfer (to)/from General reserves	15	(19,731)	(3,256)
Transfer (to)/from Other reserves	16	<u>(60,000)</u>	<u>(-)</u>
Balance carried forwards		-	-

The notes on pages 13 to 15 form part of these financial statements

Balance Sheet at 30th September 2010

	Notes	2010 £	2009 £
FIXED ASSETS			
Investments at valuation	6	836,329	453,987
Juvenile investments	7	154,496	109,967
Office furniture and equipment	8	8,359	4,272
Loans to members	9	<u>1,004,725</u>	<u>998,797</u>
		<u>2,003,909</u>	<u>1,567,023</u>
CURRENT ASSETS			
Debtors	10	9,568	7,662
Cash at bank on deposit and in hand		<u>456,824</u>	<u>351,388</u>
		466,392	359,050
<i>Creditors (Due within one year)</i>	11	<u>188,377</u>	<u>32,901</u>
<i>Net Current Assets</i>		<u>278,015</u>	<u>326,149</u>
<i>Total Assets less Current Liabilities</i>		<u>2,281,924</u>	<u>1,893,172</u>
CAPITAL AND RESERVES			
Member shares	13	1,415,675	1,130,747
Juvenile deposits		156,166	130,181
Growth Fund Capital	14	593,687	595,579
General Reserves	15	46,556	26,825
Other Reserves	16	69,840	9,840
MEMBERS' FUNDS		<u>2,281,924</u>	<u>1,893,172</u>

These financial statements were approved by the directors on 05/01/2011 and are signed on their behalf by:

President	John McCarthy
Secretary	Keith Wiley
Treasurer	Paul Treece

Credit Union 295C: The notes on pages 13 to 15 form part of these financial statements

Notes to the Financial Statements

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office furniture and equipment – 33% straight line.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Income

The income and profit before tax are attributable to the one principal activity of the credit union. An analysis of income is given below:

	2010	2009
United Kingdom (£):	<u>540,295</u>	<u>407,556</u>

3. Operating Profit/(Loss)

	2010	2009
Operating profit/(loss) is stated after charging:		
Directors' remuneration	-	-
Depreciation of owned fixed assets	5,565	2,377
Auditors' remuneration – as auditor	<u>1,764</u>	<u>1,764</u>

4. Tax on interest on investments less capital allowance

	2010	2009
UK Corporation tax based on the interest on investments at 0% (2009: 21%):	-	2,326
(Over)/under provision for previous years:	-	<u>1,053</u>
Total current tax due in accounts	<u>-</u>	<u>3,379</u>

5. Dividends

	2010	2009
Proposed at the year end (recognised as a liability):		
Juvenile depositors 1.5% (2009: 2.3%)	2,060	2,620
Proposed dividend 1.0% (2009: 1.0%)	<u>11,500</u>	<u>9,660</u>
Over/(under) payment carried forward	<u>54</u>	-
Dividends proposed	<u>13,614</u>	<u>12,280</u>

6. Investments

	2010	2009
Investments at valuation:		
At 1st October 2009 (2008)	453,987	361,665
Additions	1,211,549	843,980
Disposals	<u>(829,207)</u>	<u>(751,658)</u>
At 30th September 2010 (2009)	<u>836,329</u>	<u>453,987</u>

7. Juvenile Investments

	2010	2009
Investments at valuation:		
At 1st October 2009 (2008)	109,967	115,729
Additions	169,615	88,791
Disposals	<u>(125,086)</u>	<u>(94,553)</u>
At 30th September 2010 (2009)	<u>154,496</u>	<u>109,967</u>

8. Tangible Fixed Assets

	2010	2009
Cost or Valuation:		
At 1st October 2009 (2008)	7,215	4,566
Additions	<u>9,652</u>	<u>2,649</u>
At 30th September 2010 (2009)	<u>16,867</u>	<u>7,215</u>
Depreciation:		
At 1st October 2009 (2008)	2,943	566
Charge for year	<u>5,565</u>	<u>2,377</u>
At 30th September 2010 (2009)	<u>8,508</u>	<u>2,943</u>
Net Book Value:		
At 30th September 2010 (2009)	<u>8,359</u>	<u>4,272</u>

9. Loans to members

	2010	2009
Balance at 30th September 2009 (2008)	1,096,378	1,096,314
Provision for bad debts		
At 1st October 2009 (2008)	97,517	71,288
Written off in year	(101,785)	(124,431)
Increase in provision	<u>95,921</u>	<u>150,660</u>
At 30th September 2010 (2009)	91,653	97,517
Book value at 30th Sept 2010 (2009)	<u>1,004,725</u>	<u>998,797</u>

In accordance with FSA a provision of not less than 35% of net loans three months or more in arrears and 2% of other net loans has been made. The directors consider this to be a fair and prudent provision against future loan delinquency as at 30th September 2010.

10. Debtors

	2010	2009
Prepayments and accrued income	<u>9,568</u>	<u>7,662</u>

11. Creditors: Amounts falling due within one year	2010	2009
Tax payable	-	3,402
Dividends payable	13,614	12,280
Accruals and deferred income	<u>174,763</u>	<u>17,219</u>
At 30th September 2010 (2009)	<u>188,377</u>	<u>32,901</u>

12. Related Party Transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

13. Member Shares

	2010	2009
Share deposits	1,326,373	1,086,485
Credit Union Current Account balances	<u>89,302</u>	<u>44,262</u>
Balance at 30 September 2010 (2009)	<u>1,415,675</u>	<u>1,130,747</u>

14. Growth Fund Capital

	2010	2009
At 1st October 2009 (2008)	595,579	549,831
Capital from DWP	85,000	40,000
Capital released to Revenue	(90,000)	-
Capital released to Other Reserves	(60,000)	-
GF1 Interest released to Income	(9,962)	(14,595)
Transfer from(to) income & expenditure account	<u>73,070</u>	<u>20,343</u>
Balance at 30 September 2010 (2009)	<u>593,687</u>	<u>595,579</u>

15. General Reserves

General reserve:	2010	2009
Balance brought forward	26,825	23,569
Transfer from(to) income & expenditure account	<u>19,731</u>	<u>3,256</u>
Balance at 30 September 2010 (2009)	<u>46,556</u>	<u>26,825</u>

16. Other Reserves

Other reserves:	2010	2009
Balance brought forward	9,840	9,840
Transfer from(to) income & expenditure account	<u>60,000</u>	<u>-</u>
Balance at 30 September 2010 (2009)	<u>69,840</u>	<u>9,840</u>

The following pages do not form part of the statutory financial statements which are subject to the independent auditor's report on pages 10-11.

Detailed Income and Expenditure Account to 30th September 2010

	2010	2009
	£	£
Income		
Interest on loans to members	193,832	188,417
Membership fees	3,832	4,114
Bad debts recovered	18,438	5,636
Other income (PayPoint, commission, dormant a/cs)	4,230	5,296
CUCA fees and charges	25,394	7,480
Income from grants and CUCA support	53,261	68,738
Growth Fund released to revenue	<u>241,308</u>	<u>125,875</u>
	540,295	407,556
Interest receivable		
Interest on investments & bank deposits	7,968	13,732
Interest on Junior accounts	<u>1,342</u>	<u>2,639</u>
Total Income	<u>549,605</u>	<u>423,927</u>
Expenditure	£	£
Staff: Salaries, NIC & training	135,445	113,631
Premises: Rent paid or accrued	16,250	14,375
Premises: Business rates and utilities	6,482	6,504
Premises: Office equipment & maint	8,913	6,113
Premises: Telephone & Internet	4,476	2,821
CUCA start-up and services	9,925	34,789
Leaflets, stationery and printing	8,415	9,681
Postage	6,341	5,498
Marketing, misc and saving support	6,028	2,657
ABCUL membership dues	5,094	4,216
Fidelity bond / General insurance	2,490	2,104
Loan and share protection insurance	12,441	10,549
Bank charges including CUCA	30,699	12,505
Legal & professional fees	4,235	4,425
Auditors' remuneration	1,764	1,764
Depreciation of capital expenditure	5,565	2,377
Bad debts written off	101,785	124,431
Provision for doubtful debts	(5,864)	26,229
Subordinated Loan to DNX CU Ltd	20,000	-
Professional fees related to DNX CU Ltd	2,760	-
Net contribution to Growth Fund	<u>73,070</u>	<u>20,343</u>
Total Expenditure	<u>456,314</u>	<u>405,012</u>
Profit/(Loss) before Taxation	<u>93,291</u>	<u>18,915</u>

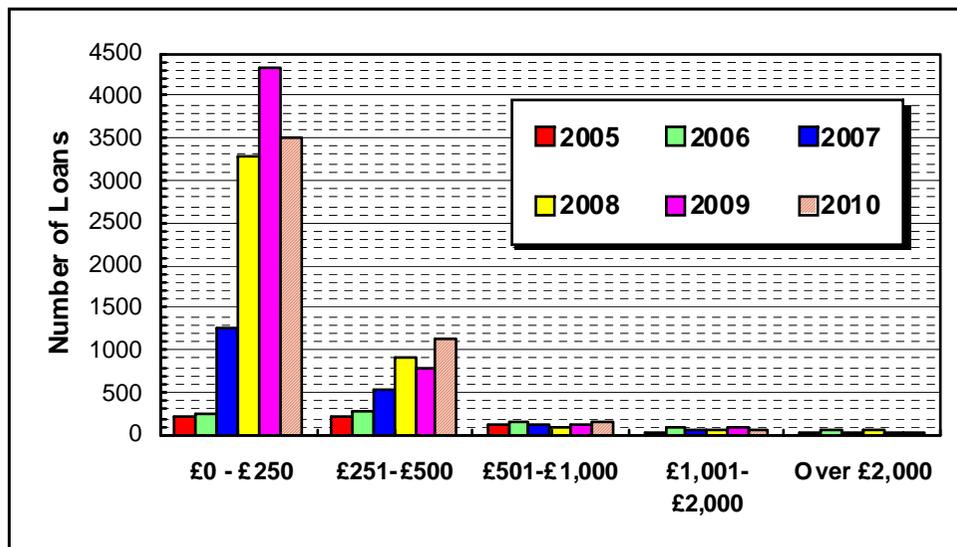
Analysis of Income and Expenditure to 30th September 2010

CREDIT UNION SUMMARY	2010	2009
	£	£
<i>Income (excluding interest on investments)</i>		
Credit Union Core	125,148	98,216
Growth Fund	371,753	238,237
Credit Union Current Account	<u>43,394</u>	<u>71,103</u>
	520,294	407,556
<i>Expenses</i>		
Credit Union Core	113,419	111,924
Growth Fund	293,624	225,737
Credit Union Current Account	<u>49,271</u>	<u>67,351</u>
	456,314	405,012
<i>Operating Profit(Loss)</i>	<u>83,981</u>	<u>2,544</u>
Credit Union Core	11,729	(13,708)
Growth Fund	78,129	12,500
Credit Union Current Account	<u>(5,877)</u>	<u>3,752</u>
 CREDIT UNION CORE	 2010	 2009
	£	£
<i>Credit Union Core Income</i>		
Interest on loans	74,522	81,380
Membership fees	3,832	4,114
Recovery of bad debts	7,303	2,310
Other income (PayPoint, commission, dormant a/cs)	4,230	5,296
Grants – H.A. Dev Worker/HPL/DNX	<u>35,261</u>	<u>5,116</u>
	125,148	98,216
<i>Credit Union Core Expenses</i>		
Staff costs for core operations	37,606	35,446
Premises, equipment & maintenance	16,949	10,492
Bromley premises costs delayed	(18,000)	-
Other administrative expenses	33,816	23,584
Less GF2 business dev contribution	(15,600)	(18,240)
Bad debts written off	41,416	40,706
Provision for doubtful debts	(2,768)	19,936
Subordinated Loan	<u>20,000</u>	<u>-</u>
	113,419	111,924
<i>Operating Profit(Loss)</i>	<u>11,729</u>	<u>(13,708)</u>

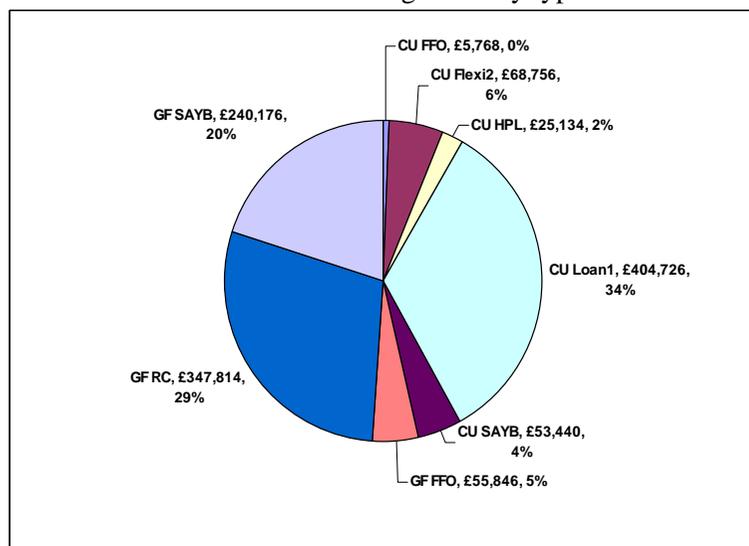
GROWTH FUND	2010	2009
	£	£
<i>Growth Fund Income</i>		
Interest on loans	119,310	107,037
Recovery of bad debts	11,135	3,325
Release of GF1 Interest	9,962	14,595
DWP Growth Fund Revenue/Capital	81,346	113,280
DWP Growth Fund Capital Release	<u>150,000</u>	<u>-</u>
	371,753	238,237
<i>Growth Fund Expenses</i>		
Staff costs contribution	81,826	55,320
Premises contribution	36,000	16,500
Business development contribution	15,600	18,240
Other administrative expenses	25,920	23,220
Bad debts written off	60,369	83,726
Provision for doubtful debts	(3,096)	6,293
GF1 release inc savings bonus	3,935	2,095
Net Contribution to GF Capital	<u>73,070</u>	<u>20,343</u>
	293,624	225,737
<i>Operating Profit(Loss)</i>	<u>78,129</u>	<u>12,500</u>
 CREDIT UNION CURRENT ACCOUNT	 2010	 2009
	£	£
<i>CUCA Income</i>		
Account 95p per week fees	23,714	7,055
Other charges and VISA income	1,680	426
DWP support for CUCA	-	29,622
Grant – London Borough of Lewisham	10,000	15,000
Grant – London Borough of Bromley	5,000	5,000
Grant – Housing Associations	<u>3,000</u>	<u>14,000</u>
	43,394	71,103
<i>CUCA Expenses</i>		
Bank transaction fees (ATMs, etc.)	19,361	4,726
Bank other charges and Experian costs	2,605	1,326
Staff expenses for CUCA service	16,013	22,865
Printing for CUCA service	195	2,524
IT / ADSL for CUCA service	1,172	1,101
Shared banking services costs	9,925	6,127
CUCA start-up project costs	<u>-</u>	<u>28,662</u>
	49,271	67,351
<i>Operating Profit(Loss)</i>	<u>(5,877)</u>	<u>3,752</u>

Loans Summary

The credit union granted 4,921 loans, slightly less than 5,409 in the previous year due to the policy change reducing top-up loans. This consists of 1,115 credit union loans and top-ups and 3,806 loans from the Growth Fund. The first chart shows all loans including Growth Fund loans.



The second chart shows the value of loans granted by type.



Volunteer Officers January 2011

Lewisham Plus Credit Union is run by volunteers elected from the members to serve the members.

Board of Directors

President	John McCarthy
Secretary	Keith Wiley
Treasurer	Paul Treece
Director	Geoffrey Cave
Director	Michael Deane
Director	James Gardner
Director	Edel Stewart
Director	Paul Thompson

Supervisory Committee

Chairperson	David Smith
Member	Laurene Brooks
Member	Vacancy

Other Volunteer Officers

Sunday Adewusi, Joseph Ball, Elizabeth Ballaster, Elizabeth Bolarinwa, Sheila Gardner, Doreen Hughes, Grazina McCarthy, Robert Mighton, Ian Mutabarura, Lucille Raymond, John Ryall, Remi Salako, Ben Smith, Elaine Watson and Frank Whittle.

Staff

All member enquiries

Email: admin@pluscu.co.uk

Manager
Deputy Manager
Loans Administrator
CUCA Administrator
Assistant Administrators
H.A. Community Outreach/
Credit Control Officer
Bromley Development
Student Internship

0208 778 4738

Web site: www.lewishampluscu.co.uk

Jason Herbert
Lisa Treece
Ingrid Brown
Patricia Niamalo
Kathy Dent, Louise Tingey
Liam Carlisle

Janet Greenwood
Lorene Moris