

## ANNUAL REPORT



2010/11 20th Year

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

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## Overall Summary

- ◆ The Transfer of Engagements to receive the members of Deptford and New Cross Credit Union Limited into Lewisham Plus was completed on 1<sup>st</sup> Jan 2011.
- ◆ The extensive fit-out of the new Bromley Plus branch at 54 Cotmandene Crescent was completed and the new branch launched on 20<sup>th</sup> July 2011.
- ◆ Membership grew to 6,639 adults (up 2,042) and 1,529 juniors (up 284), including members transferred from Deptford & New Cross Credit Union.
- ◆ Member savings, including transferred savings, increased by over £500,000 to £1,912,797 for adults and £191,493 for juniors, 35% up from 2009/10.
- ◆ Credit Union Current Accounts doubled to 1,366 accounts (694 in 2010).
- ◆ Over £1.5m in loans were granted, an increase of £300,000 for the year, with loan balances growing to £1,305,520, up £209,142 from 2010.
- ◆ Cost of bad debts and provisions was reduced by 16% compared with 2010 (by 45% from 2009) – to £82,721, 6.34% of loans down from 8.75% in 2010.
- ◆ Profit of £98,449 up 5% on 2010 – mainly used to strengthen reserves.
- ◆ Capital reserves increased to £196,911 at 6.8% of assets (5.1% 2010).
- ◆ Dividend of 1% for adults (1% 2010) and 1.5% for juniors (1.5% 2010).
- ◆ Staff team expanded to provide cover for the branches at 165 New Cross Road, nr Deptford and 54 Cotmandene Crescent, St Paul's Cray nr Orpington, with new manager and team structure with effect from 1<sup>st</sup> October 2011.

## President's Report

When we first opened our doors for business 19 years ago in a church hall in Sydenham, not a lot of people knew what a credit union was. Now, I regularly see articles in the press directing people towards credit unions as a source of fair finance in contrast to the growing number of companies offering very high interest loans, e.g. money shops and payday loan companies. Slowly the values and co-operative spirit underpinning the work of credit unions are being held up as a model for communities in the future.

The Government has also recognized the part credit unions can play and has introduced legislation coming into force in January 2012 (The Legislative Reform Order), which has specifically been designed to help credit unions and co-operatives to compete and grow more effectively. Many believe this legislation will have far ranging effects on the whole of the landscape in which credit unions currently operate.

The time for credit unions has definitely arrived and Lewisham Plus Credit Union can be seen to be a part of it: with our membership increased significantly during the year, the conclusion of the amalgamation with Deptford and New Cross Credit Union, and the ribbon being cut in July this year as we opened a new branch in St Paul's Cray, Bromley.

With these opportunities also come challenges. The directors are very aware of the need to balance taking on these new opportunities with the ability to deal with their impact on our organisation, particularly on frontline staff. That this is also coinciding with a general worsening of the economic climate presents an even greater challenge to our organisation.

When faced with challenges in the past we have gone back to our mission statement, which is to provide affordable and ethical financial services to our members, and sought to find solutions in keeping with the ethos of our organisation. However, we are now in direct competition with other financial institutions, so although we have a unique selling point, we will not prosper if we do not provide sound financial services with good customer care to our members, our service users.

With this in mind, I would like to thank our hard working staff and volunteers who provide such customer care. I would also like to thank Jason Herbert, who has steered the credit union through a period of rapid growth and change and who is now moving to another job. We wish him well in his new position.

I would like to thank all of our members, and very supportive partners for their continued support and wish all a favourable coming year.

*John McCarthy, President 2010/11*

## Manager's Report

I am pleased and honoured to be writing this report for the first time since being appointed as Credit Union Manager with effect from 1<sup>st</sup> August 2011.

However for most of the year the Credit Union Manager (and CEO) was my predecessor Jason Herbert. Jason was appointed Credit Union Manager in November 2008 and has guided Lewisham Plus through three years of immense change and remarkable growth. He left us in December 2011 for a new role in the social housing sector. We all wish him every success in his new job.

2011 has been a very busy year for the Credit Union, with operational demands continuing to grow as membership increases. The office at 262 Kirkdale in Sydenham has been under heavy pressure of volume, and the staff team led by Lisa Treece, Ingrid Brown, Patricia Niamalo and Liam Carlisle have done sterling work to provide services to thousands of members over the year.

Maria Drury and Janice Nelson-Iye have run the branch at 165 New Cross Road, re-training to be part of Lewisham Plus, learning the CUCA and extending services to increasing numbers of members. This has been supported by Lewisham College and by our key housing partner in the area, Lewisham Homes. We are very grateful to Lewisham Council for their help with the transfer of the Deptford & New Cross Credit Union, and their support for the CUCA. The Deptford and New Cross branch was also helped by grants from The Deptford & New Cross New Deal for the Community and the BIG Lottery Community Fund.

We finally launched the "Bromley Plus" branch in St. Paul's Cray, Orpington in July, the culmination of work over 3 years. The Bromley Plus branch enables us to provide services in a new area where they are very much needed. It was made possible and is supported by grants from Bromley Council, Affinity Sutton (formerly Broomleigh) Housing Association, Toynbee Hall and Hyde Housing Association. The development was also supported by the DWP Growth Fund.

We have also strengthened ties with Phoenix and London & Quadrant during the year and continued to work with the DWP to serve all sections of our community.

Our position in respect of bad debts has been improved due to a combination of continued excellent work from our Credit Control team, and prudent lending in an often difficult environment. While we aim to continue to grow both our membership and loan book, we recognise that growth has put a strain on operations, and a key priority in the coming year will be to ensure that the service provided to our members is of the standard that they have the right to expect.

Finally, I would like to thank our team of dedicated staff and volunteers. Their dedication and effort are vital to the ongoing success of Lewisham Plus.

*Janet Greenwood, Credit Union Manager 2010/11*

## Treasurer's Report

I am delighted to report that Lewisham Plus is able to recommend a 1% dividend for adults and 1.5% for junior deposits. We were also able to increase capital reserves to 6.8% assets, in addition to the Growth Fund legacy, safely above the 5% regulatory threshold for credit unions with more than 5,000 members.

The financial highlight of the year was the transfer of accounts from Deptford & New Cross Credit Union with effect from 1st January 2011. This followed the re-creation of the entire Deptford & New Cross membership accounts and several months of work to prepare the IT and accounts for the transfer.

We completed an investment of nearly £100,000 in the build and fit-out of the new branch in St Paul's Cray, Orpington and were able to launch this in July 2011. Both the Deptford & New Cross and Bromley branches are operating well and beginning to build up their membership activity. The credit union's overall loan balance will need to rise by about £1.2m, to £2.5m by the end of 2013/14, to generate sufficient income to meet costs across three branches. Discussions are currently proceeding with Phoenix Housing Association on a possible branch in their new headquarters on Bromley Road SE6, due for completion in 2013.

The number of active accounts and level of income from the CUCA doubled during the year - a huge achievement, supported by the last £5,000 of grant match funding from Lewisham Council. When we launched the CUCA in 2008 we aimed to cover direct costs within three years, and this has been accomplished. Going forwards the CUCA weekly fee will eventually need to rise as running costs and inflation take their effect, and to contribute to indirect costs.

Another achievement was that despite worsening economic conditions we were able to reduce the cost of debt write off and provisions from 8.75% to 6.34% of loans. However at £82,721 this was still our largest ongoing cost after staff, so work to improve the quality of lending and credit control has been ongoing.

Growth Fund support for lending to low income consumers ended on 31<sup>st</sup> March 2011, but has left us with a vital legacy for future lending and costs. It was replaced by the Modernisation & Expansion fund, for which DWP is overseeing a £73m investment in the sector to help credit unions move to a more cost-efficient operating model. Our M&E transitional contract provided £111,900 of additional income in 2010/11, but will be much less in 2011/12.

The Growth Fund has been transformational for Lewisham Plus, but leaves us with the major challenge to grow income back to a self-sustaining level. Overall the credit union accounts are in a healthy position and we are financially strong enough to carry forward our plans over the next few years.

*Paul Treece, Treasurer 2010/11*

## Supervisory Committee Report

The Supervisory Committee is satisfied with the performance of the Directors and staff of Lewisham Plus Credit Union during the year 2010/11.

The Supervisory Committee is “the eyes and ears of the membership” of a credit union, sometimes called the “members’ watchdog”. Its responsibilities are discharged by monitoring the actions of the Board of Directors and by undertaking reviews of specific areas of the organisation’s work. At the last AGM, the membership of the Committee was increased to four members from the then two, and now comprises Laurene Brooks, James Macdonald, David Smith (current Chair) and Edel Stewart. This newly-constituted Committee met three times up to the end of the reporting year, and at least one of its members was present at most of the Directors’ meetings as an observer. The Committee also receive and review the agendas, minutes and papers for all Board meetings.

Decisions made by the Board were all in accordance with the rules and policies of the Credit Union. All loans made to Directors, staff and volunteers were reported to the Committee. The members reviewed the accounts and financial performance returns to the FSA each quarter against the bank records with satisfactory results throughout the year. A representative selection of members’ investments and loans will have been checked with those members by the time of the AGM.

The Committee has considered in detail the management changes since the AGM and agree that they should serve members’ interests well, and we welcome the Manager’s focus on sound administration and on the effectiveness of services to members. With the continuing growth of your Credit Union, we also welcome the alertness of the Manager and the Board to potential workload issues for the staff. Volunteers play a very important role, and we were pleased that the Board have agreed and are implementing a new volunteer policy.

We believe our responsibilities include assuring ourselves on your behalf that the Board of Directors has the time and resources it needs to oversee the strategy and management of what has become a large and complex credit union. We welcome the constructive way in which the Board have responded to a number of recommendations we have made this year, and we look forward to further progress in the coming year. The recruitment of Directors with particular areas of skill or experience is one which, in our view, requires priority.

The members of the Committee are grateful to the directors and staff for their cooperation in enabling us to carry out our work.

*David Smith, Chair of Supervisory 2010/11*

# 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 2011.

## 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 £98,449. 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, Ben Smith (appointed 2/3/11), Edel Stewart and Paul Thompson.

## Review and Future Plan

The Board of Directors is responsible for safeguarding and managing members' money invested in your Credit Union, and ensuring that the Credit Union offers a good service to you and responds to your needs. Nine Directors, all unpaid and voluntary, served on the Board in the year covered by this report, as noted above.

Directors met regularly, usually monthly, as well as holding additional meetings to discuss issues in more depth. There were also other meetings with Deptford and New Cross Credit Union Directors and staff to address the issues around completing their transfer of engagement. Directors agreed a business plan and have monitored its progress to ensure the Credit Union continues to grow, remains financial sound, and provides a good service to the community.

Early in the year, Directors were very happy to see completion of the transfer of engagement of Deptford and New Cross Credit Union, and in July, the opening of our new branch in St Paul's Cray, Orpington. The latter was greatly aided by a huge amount of unpaid professional services from our President, without which the overall cost would have been considerably greater.

Directors as well as senior staff have become increasingly concerned with the long hours worked by all staff and volunteers to ensure the credit union functions day to day and also with the quality of service provided to members. A special Saturday meeting of Directors and senior staff was therefore arranged at which steps were put in place to address a number of the issues. Directors subsequently worked with staff to streamline our lending policy and to improve our literature to make saving and borrowing clearer to our members and easier to enact.

Whilst we are taking further steps to run the credit union better, the increasingly

large number of members using the branches puts great pressure on the staff, volunteers and premises. We have employed more staff but with the level of income generated by a community credit union such as ours it is challenging to employ more and provide the level of service we wish for.

The scale of unpaid loans is now at a better level, although we are seeking to improve it further. We need to look for further efficiencies and initiatives to meet the future challenges of serving a growing number of financially disadvantaged people in our community. We have therefore been working closely with the local housing associations, local councils and the Department of Work and Pensions – all who have a shared interest in this area. To improve our accommodation at a reasonable cost and properly accommodate our increasing 'back office' activities we have been in active discussion with Phoenix Housing Association concerning their plans to develop the 'Green Man' site at Downham.

I commented in the last annual report on the increasing complexity of the issues the Directors were having to address and the increased time, effort and high level of professional expertise that was now required from them. The Board of Directors requires new members not only to fill in the gaps left by Directors leaving the Board this year but also to bring in a renewed level of enthusiasm and a wider range of expertise. The work may not be easy but you can be assured that the benefits of your generosity are experienced widely by our local community. Further information can be obtained from our website and by speaking informally with existing Directors, whose names are listed at the back of this report. The AGM is a good opportunity to meet with them.

Directors are all pleased that this year has again been successful. The Credit Union has served a growing membership, returned a positive financial balance sheet in difficult financial times and helped members and their families with their finances. We look very positively forward to next year.

Signed by order of the directors.

*Keith Wiley, Secretary 2010/11*

Approved by the Directors on 9<sup>th</sup> January 2012.

<b>Director</b>	<b>Attendance</b>	<b>%</b>	<b>Director</b>	<b>Attendance</b>	<b>%</b>
Geoffrey Cave	8 / 10	80	Edel Stewart	3 / 5	60
Michael Deane	4 / 10	40	Paul Thompson	6 / 10	60
James Gardner	8 / 10	80	Paul Treece	10 / 10	100
John McCarthy	10 / 10	100	Keith Wiley	9 / 10	90
Ben Smith	3 / 4	75			

## **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 2011

We have audited the financial statements of LEWISHAM PLUS CREDIT UNION LIMITED for the year ended 30th September 2011. 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 work 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### 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 2011 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 and take advantage of the small companies' exemption in preparing the directors' report.

**MOHAMMAD 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  
13<sup>th</sup> January 2012

## Income and Expenditure Account for year ended 30th September 2011

	Notes	2011 £	2010 £
<b>INCOME</b>	2	623,849	540,295
<i>less</i> Administrative expenses		<u>541,854</u>	<u>456,314</u>
<i>Operating Profit(Loss)</i>	3	81,995	83,981
Bank/Investments interest receivable		<u>16,454</u>	<u>9,310</u>
<b><i>Profit(Loss) on ordinary activities before taxation</i></b>		98,449	93,291
<i>less</i> Tax on profit on ordinary activities	4	-	-
<b><i>Profit(Loss) on ordinary activities after taxation</i></b>		98,449	93,291
Dividends proposed	5	<u>18,750</u>	<u>13,560</u>
<b><i>Retained profit for the financial year</i></b>		79,699	79,731
Transfer (to)/from General reserves	15	(39,699)	(19,731)
Transfer (to)/from Other reserves	16	<u>(40,000)</u>	<u>(60,000)</u>
Balance carried forwards		-	-

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

## Balance Sheet at 30th September 2011

	Notes	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Investments at valuation	6		882,537		836,329
Juvenile investments	7		195,825		154,496
Premises and equipment	8		87,230		8,359
Loans to members	9		<u>1,212,831</u>		<u>1,004,725</u>
			<u>2,378,423</u>		<u>2,003,909</u>
<b>CURRENT ASSETS</b>					
Debtors	10	20,810		9,568	
Cash at bank on deposit and in hand			<u>660,805</u>		<u>456,824</u>
			681,615		466,392
<i>Creditors (Due within one year)</i>	11		<u>168,275</u>		<u>188,377</u>
<i>Net Current Assets</i>			<u>513,340</u>		<u>278,015</u>
<b>Total Assets less Current Liabilities</b>			<u>2,891,763</u>		<u>2,281,924</u>
<b>CAPITAL AND RESERVES</b>					
Member shares	13		1,912,797		1,415,675
Juvenile deposits			191,943		156,166
Growth Fund Legacy	14		590,112		593,687
General Reserves	15		87,071		46,556
Other Reserves	16		109,840		69,840
<b>MEMBERS' FUNDS</b>			<u>2,891,763</u>		<u>2,281,924</u>

These financial statements were approved by the directors on 9<sup>th</sup> January 2012 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:

	2011	2010
United Kingdom (£):	<u>623,849</u>	<u>540,295</u>

## 3. Operating Profit/(Loss)

	2011	2010
Operating profit/(loss) is stated after charging:		
Directors' remuneration	-	-
Depreciation of owned fixed assets	27,786	5,565
Auditors' remuneration – as auditor	<u>2,414</u>	<u>1,764</u>

## 4. Tax on interest on investments less capital allowance

	2011	2010
UK Corporation tax based on the interest on investments at 0% (2010: 21%):	-	-
(Over)/under provision for previous years:	-	-
Total current tax due in accounts	<u>-----</u>	<u>-----</u>

## 5. Dividends

	2011	2010
Proposed at the year end (recognised as a liability):		
Juvenile depositors 1.5% (2010: 1.5%)	2,730	2,060
Proposed dividend 1.0% (2010: 1.0%)	16,020	<u>11,500</u>
Over/(under) payment carried forward	<u>(46)</u>	<u>54</u>
Dividends proposed	<u>18,704</u>	<u>13,614</u>

## 6. Investments

	2011	2010
Investments at valuation:		
At 1st October 2010 (2009)	836,329	453,987
Additions	1,228,108	1,211,549
Disposals	<u>(1,181,900)</u>	<u>(829,207)</u>
At 30th September 2011 (2010)	<u>882,537</u>	<u>836,329</u>

## 7. Juvenile Investments

	2011	2010
Investments at valuation:		
At 1st October 2009 (2008)	154,496	109,967
Additions	171,651	169,615
Disposals	<u>(130,322)</u>	<u>(125,086)</u>
At 30th September 2010 (2009)	<u>195,825</u>	<u>154,496</u>

## 8. Tangible Fixed Assets

	2011	2010
Cost or Valuation:		
At 1st October 2010 (2009)	16,867	7,215
Additions – premises fit-out	95,853	-
Additions – office equipment	<u>10,804</u>	<u>9,652</u>
	106,657	9,652
At 30th September 2011 (2010)	<u>123,524</u>	<u>16,867</u>

### Depreciation:

At 1st October 2010 (2009)	8,508	2,943
Charge for year – premises fit-out	19,170	-
Charge for year – office equipment	<u>8,616</u>	<u>5,565</u>
	27,786	5,565

At 30th September 2011 (2010)	<u>36,294</u>	<u>8,508</u>
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### Net Book Value:

Premises fit-out	76,683	-
Office equipment	<u>10,547</u>	<u>8,359</u>
At 30th September 2011 (2010)	<u>87,230</u>	<u>8,359</u>

## 9. Loans to members

	2011	2010
Balance at 30th September 2011 (2010)	1,305,520	1,096,378
Provision for bad debts		
At 1st October 2010 (2009)	91,653	97,517
Written off in year	<u>(99,525)</u>	<u>(101,785)</u>
Increase in provision	<u>100,561</u>	<u>95,921</u>
At 30th September 2011 (2010)	92,689	91,653
Book value at 30th Sept 2011 (2010)	<u>1,212,831</u>	<u>1,004,725</u>

<b>10. Debtors</b>	<b>2011</b>	<b>2010</b>
Prepayments and accrued income	<u>20,810</u>	<u>9,568</u>
<b>11. Creditors: Amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
Tax payable	-	-
Dividends payable	18,704	13,614
Accruals and deferred income	<u>149,571</u>	<u>174,763</u>
At 30th September 2011 (2010)	<u>168,275</u>	<u>188,377</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**

	<b>2011</b>	<b>2010</b>
Share deposits	1,770,986	1,326,373
Credit Union Current Account balances	<u>141,811</u>	<u>89,302</u>
Balance at 30 September 2011 (2010)	<u>1,912,797</u>	<u>1,415,675</u>

**14. Growth Fund Capital Legacy**

	<b>2011</b>	<b>2010</b>
At 1st October 2010 (2009)	593,687	595,579
Capital from DWP	-	85,000
Capital released to Revenue	(74,614)	(90,000)
Capital released to Other Reserves	(24,000)	(60,000)
GF1 Interest released to Income	(5,585)	(9,962)
Transfer from(to) income & expenditure account	<u>100,624</u>	<u>73,070</u>
Balance at 30 September 2011 (2010)	<u>590,112</u>	<u>593,687</u>

**15. General Reserves**

General reserve:	<b>2011</b>	<b>2010</b>
Balance brought forward	46,556	26,825
Additional from DNX CU Ltd Transfer	816	-
Transfer from(to) income & expenditure account	<u>39,699</u>	<u>19,731</u>
Balance at 30 September 2011 (2010)	<u>87,071</u>	<u>46,556</u>

**16. Other Reserves**

Other reserves:	<b>2011</b>	<b>2010</b>
Balance brought forward	69,840	9,840
Transfer from(to) income & expenditure account	<u>40,000</u>	<u>60,000</u>
Balance at 30 September 2011 (2010)	<u>109,840</u>	<u>69,840</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 2011

	2011	2010
	£	£
<b>Income</b>		
Interest on loans to members	219,598	193,832
Membership fees	3,892	3,832
Bad debts recovered	21,005	18,438
Other income (PayPoint, commission, dormant a/cs)	5,530	4,320
CUCA fees and charges	53,920	25,394
Income from grants and CUCA support	65,640	53,261
Growth Fund to revenue and M&E lending	<u>254,264</u>	<u>241,308</u>
	623,849	540,295
<b>Interest receivable</b>		
Interest on investments & bank deposits	14,764	7,968
Interest on Junior accounts	<u>1,690</u>	<u>1,342</u>
<b>Total Income</b>	<b><u>640,303</u></b>	<b><u>549,605</u></b>
<b>Expenditure</b>	£	£
Staff: Salaries, NIC & training	174,571	135,445
Premises: Rent	22,696	16,250
Premises: Business rates and utilities	9,756	6,482
Premises: Office equipment & maint	5,975	8,913
Premises: Telephone & Internet	5,385	4,476
Leaflets, stationery and printing	8,097	8,415
Postage	4,079	6,341
Marketing, misc and saving support	5,552	6,028
ABCUL membership dues	5,516	5,094
Fidelity bond / General insurance	2,760	2,490
Loan and share protection insurance	14,429	12,441
Bank charges including CUCA	33,602	30,699
CUCA services & other costs	20,436	9,925
Legal & professional fees	6,640	4,235
Auditors' remuneration	2,414	1,764
Depreciation of Bromley premises	19,170	-
Depreciation of office equipment	8,616	5,565
Bad debts written off	99,525	101,785
Provision for doubtful debts	(16,804)	(5,864)
Subordinated Loan/DNX take-on costs	8,815	22,760
Net contribution to Growth Fund	<u>100,624</u>	<u>73,070</u>
<b>Total Expenditure</b>	<b><u>541,854</u></b>	<b><u>456,314</u></b>
<b>Profit/(Loss) before Taxation</b>	<b><u>98,449</u></b>	<b><u>93,291</u></b>



## Analysis of Income and Expenditure to 30th September 2011

<b>CREDIT UNION SUMMARY</b>	<b>2011</b>	<b>2010</b>
	£	£
<i>Income (excluding interest on investments)</i>		
Credit Union Core	160,677	125,148
Growth Fund Legacy / M&E	404,252	371,753
Credit Union Current Account	<u>58,920</u>	<u>43,394</u>
	623,849	520,294
<i>Expenses</i>		
Credit Union Core	141,377	113,419
Growth Fund	341,988	293,624
Credit Union Current Account	<u>58,489</u>	<u>49,271</u>
	541,854	456,314
<i>Operating Profit(Loss)</i>	<u>81,995</u>	<u>83,981</u>
Credit Union Core	19,300	11,729
Growth Fund	62,264	78,129
Credit Union Current Account	<u>431</u>	<u>(5,877)</u>
 <b>CREDIT UNION CORE</b>	 <b>2011</b>	 <b>2010</b>
	£	£
<i>Credit Union Core Income</i>		
Interest on loans	84,462	74,522
Membership fees	3,892	3,832
Recovery of bad debts	6,153	7,303
Other income (PayPoint, commission, dormant a/cs)	5,530	4,230
Grants – LBL/LBB/HAs/DNX BIG/NDC	<u>60,640</u>	<u>35,261</u>
	160,677	125,148
<i>Credit Union Core Expenses</i>		
Staff costs for core operations	63,571	37,606
Premises, equipment & depreciation	26,255	16,949
Bromley premises costs delayed	-	(18,000)
Other administrative expenses	30,079	33,816
Less GF2 business dev contribution	(20,700)	(15,600)
Bad debts written off	43,538	41,416
Provision for doubtful debts	(10,181)	(2,768)
Subordinated Loan/DNX take-on costs	<u>8,815</u>	<u>20,000</u>
	141,377	113,419
<i>Operating Profit(Loss)</i>	<u>19,300</u>	<u>11,729</u>

<b>GROWTH FUND LEGACY/ M&amp;E</b>	<b>2011</b>	<b>2010</b>
	£	£
<i>Growth Fund Income</i>		
Interest on loans	135,136	119,310
Recovery of bad debts	14,852	11,135
Modernisation & Expansion lending	111,900	-
Release of GF1 Interest	5,585	9,962
GF2 Phase5 for Bromley expansion	22,779	21,346
GF2 Growth Fund Revenue	15,386	60,000
Growth Fund Capital Release	<u>98,614</u>	<u>150,000</u>
	404,252	371,753
<i>Growth Fund Expenses</i>		
Staff costs contribution	96,000	81,826
Premises contribution	48,000	36,000
Business development contribution	20,700	15,600
Other administrative expenses	27,300	25,920
Bad debts written off	55,987	60,369
Provision for doubtful debts	(6,623)	(3,096)
GF1 release inc savings bonus	-	3,935
Net Contribution to GF Capital	<u>100,624</u>	<u>73,070</u>
	341,988	293,624
<i>Operating Profit(Loss)</i>	<u>62,264</u>	<u>78,129</u>
 <b>CREDIT UNION CURRENT ACCOUNT</b>	 <b>2011</b>	 <b>2010</b>
	£	£
<i>CUCA Income</i>		
Account 95p per week fees	50,536	23,714
Other charges and VISA income	3,384	1,680
Grant – London Borough of Lewisham	5,000	10,000
Grant – London Borough of Bromley	-	5,000
Grant – Housing Associations	<u>3,000</u>	<u>3,000</u>
	58,920	43,394
<i>CUCA Expenses</i>		
Bank transaction fees (ATMs, etc.)	23,053	19,361
Staff expenses for CUCA service	15,000	16,013
Bank charges, PO costs & Experian	5,108	2,605
Printing for CUCA service	1,840	195
IT / ADSL for CUCA service	1,941	1,172
Shared banking services costs	8,574	9,925
CUCA balance write-offs	<u>2,973</u>	<u>-</u>
	58,489	49,271
<i>Operating Profit(Loss)</i>	<u>431</u>	<u>(5,877)</u>

## Volunteer Officers January 2012

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	Elizabeth Ballaster
Director	Geoffrey Cave
Director	Michael Deane
Director	James Gardner
Director	Helen Smart
Director	Paul Thompson

### *Supervisory Committee*

Chairperson	David Smith
Member	Laurene Brooks
Member	Edel Stewart
Member	James MacDonald

### *Other Volunteers*

Sunday Adewusi, Haxhere Ahmeti, Joseph Ball, Eulalie Bamon-Mambouenie, Ruth Brannigan, Elizabeth Carlisle, Vibeke Edwards, Jamie Fraser, Sheila Gardner, Doreen Hughes, Barbara Kazmierska, Katie Kent, Susan Kurn, Grazina McCarthy, Ian Mutabarura, Lucille Raymond, John Ryall, Danielle Scott-Harriette, Sheila Shepherd, Sheila Storrie, Deborah Treece, Marie Wells, Frank Whittle and Coral Williamson.

Lewisham College students, Twin students, and others involved in schools collection points and administrative support for filing and mailings.

### *Staff*

**All member enquiries      0208 778 4738    Email: [admin@pluscu.co.uk](mailto:admin@pluscu.co.uk)**

Credit Union & Bromley Manager	Janet Greenwood
Sydenham & Finance Manager	Lisa Treece
Deptford & New Cross Manager	Maria Drury
Senior Loans Officer	Ingrid Brown
Senior CUCA Administrator	Patricia Niamalo
Senior Credit Control Officer	Liam Carlisle
Administrative staff:	Kathy Dent, Michelle Happer, Janice Nelson-Iye, Antoine Simpson-Clarke and Louise Tingey.