



ANNUAL REPORT



2012/13 22nd Year

Lewisham Plus is a community co-operative encouraging saving and providing fair access to credit for people living or working in Lewisham, Bromley or SE19.

Credit Union No. 295C Firm No 213588 Reg. 2 March 1992

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Contents

President's Report	3
Manager's Report	4
Treasurer's Report	5
Supervisory Committee Report	6
Directors' Report and Statement of Directors' Responsibilities	7-9
Independent Auditor's Report to the Shareholders	9-11
Financial Statements at 30th September 2013	11-12
Notes to the Financial Statements at 30th September 2013	13-15
Income and Expenditure Details and Analysis	16-18
List of Officers (January 2014)	19
Volunteering for Mutual Benefit	20

Summary of the Year

Lewisham Plus Credit Union had another successful year providing savings, current accounts and affordable loans for local people. In figures:

- ❖ Membership grew to 7,972 adults (up 840) and 1,545 juniors.
- ❖ Savings increased by £670,000 to £3,145,380 for adults and £225,079 for juniors, an increase of 25% in the year.
- ❖ 2,154 members were using Credit Union Current Account by year end, a net increase of 189 after the closure of accounts not being kept in credit.
- ❖ Over £1.8m in loans were granted, an increase of £0.1m for the year.
- ❖ Dividend of 1% for adults (1% 2012) and 2.0% for juniors (2.0% 2012).

From January 2013 we worked with Lewisham Council on a pilot of Universal Credit support services, developing and offering a pilot Budget Account product.

We launched an emergency loan service for Lewisham Council in April, using ABCUL Pre-Paid Cards to enable electronic 'cash' to be issued immediately.

Our partnership with Lewisham Homes was renewed and extended, including opening a staffed outreach post in Eddystone Tower in Deptford.

We bid for Affinity Sutton Group's 'One Credit Union' project, and though not appointed, have continued to work constructively with ASG and their tenants.

Work continued throughout the year to open the new branch at the Green Man site in Catford, in partnership with Phoenix Community Housing Association, as part of their new community hub. We look forward to this developing further in 2014.

Lewisham Plus is participating in the national £38m Credit Union Expansion Project to develop shared business services and products in the year ahead.

President's Report

I am pleased once again to introduce the Lewisham Plus annual report for the year 2012-2013, a year in which the credit union movement emerged from relative obscurity to being considered as an alternative to the ever-growing payday loan industry.

Credit unions are now being seen as one of the few alternatives to payday lenders, with no less a figure than the Archbishop of Canterbury voicing his concerns and advocating support for the credit union movement.

However, many commentators in the financial press have voiced concerns about the underlying strength of the credit union movement and its ability to compete against the payday loan companies in the current climate. The government has recognised these concerns and has introduced legislation to allow credit unions to operate more freely, and provided funding to develop their capacity and professionalism. While these are challenging times for credit unions, with constant media reports on levels of debt, the rising cost of living and changes within the benefit system, this surely must be the time for the credit union movement to step forward and accept the challenges by providing an ethical financial alternative.

A major undertaking in this direction for us is the opening of our new branch within the new Phoenix Community Housing Association headquarters on the Green Man site at Bromley Road, Catford. Who would have thought that when Lewisham Plus Credit Union moved into our main office in Sydenham in 2004 we would increase our membership so dramatically and that we would be helping so many families and individuals in our area along the way? Facilities in our new branch at the Green Man will provide the much needed back office space to equip us to meet the challenges of the future. We also look forward to working with Phoenix for the good of our community in innovative and exciting ways.

I would like to thank all of our staff, volunteers, fellow directors and our very supportive partnering organisations for their hard work and effort on behalf of this credit union during a very busy year.

John McCarthy, President 2012/13



John McCarthy, President and Jim Ripley, CEO Phoenix Community HA, signing the credit union lease for the Green Man office.

Manager's Report

I am pleased to once again be writing this report for our credit union. It has been another challenging year, with operational demands continuing to grow as membership increases. Once the Green Man office opens for business, our members will be able to use the location most convenient to them, which should help reduce queues at Sydenham and enable us to improve our services.

We are grateful to Phoenix for their continued support and look forward to working with them to have a positive impact on the lives of people across our community.

Lewisham Homes have also provided a great deal of support to Lewisham Plus over the years, which includes funding a dedicated outreach officer based in Eddystone Tower. This is working well and we have seen a number of new members join us this way.

This year, there has been a great deal of publicity about credit unions, which has resulted in a better understanding of the benefits of being a member. We need to attract ordinary working people who have not heard of credit unions before or considered using their services. Until recommended by a friend to volunteer, I too had never heard of credit unions. Having been made redundant, I was delighted to be welcomed by the staff and given a variety of tasks to complete, which helped me feel useful for the first time in months.

At that time, there was only the one office at Sydenham, seven paid staff and one telephone line! We have since grown to four branches with sixteen staff, over 8,000 members and I believe there will soon be ten telephone lines in place too.

This would not have been achieved without the many hours of unpaid work carried out by our volunteer Board. We are so fortunate to have a dedicated group of people with various skills, working in the background to ensure that we continue to grow. During 2014, there are a number of improvements planned in order that we continue to provide affordable and ethical financial services to our members and maintain good customer care in the future.

I would like to take this opportunity to thank our members in advance for their understanding and loyalty during this period of change and look forward to meeting you in the Green Man.

Janet Greenwood, Credit Union Manager 2012/13



Treasurer's Report

Lewisham Plus made a profit of £59,097 for the year as a whole, sufficient to recommend a 1% dividend for adults (and 2% for junior saver accounts) and a good result overall.

Income was up £77,836, despite revenue from ex-Growth Fund capital being reduced by £71,830 as we move towards long term self-sufficiency. The increases came from:

- £37,722 increase from interest on loans.
- £49,644 increase from CUCA charges at £1.25/week.
- £53,000 from the Lewisham Universal Credit pilot and emergency loans service. These also caused increases in staff and costs.

Income from services and investments met 85% of expenses (including dividends) for the year, up from 74% in 2012, but still a gap of £105,000 to close.

Bad debts write-off costs were reduced by £24,071, down to 6.3% of gross lending. Though all written-off loans are regrettable, this was an improvement, which has helped the accounts to turn in a profit overall.

Capital held in reserves has declined from 8.2% to 7.7% due to the strong growth in member savings over the year – up by nearly £680,000. 8% capital is the level required for a credit union with over 10,000 adult members. Adult membership grew by 840 from 7,132 to 7,972 members over the year.

There are four main financial challenges ahead, all visible in the accounts:

- Ex-Growth Fund revenue will continue to decline and needs to be replaced. Interest of 3% per month on higher risk loans will help this in 2014.
- The total balance on loan has not increased. Lending has to increase as membership grows, or costs will eventually overtake income. On a positive note we made £0.2m of extra loans at Christmas, most of which was repaid.
- CUCA services are not yet breaking even. The exceptional bank charges in 2013 were partly a back-payment for prior years, but are expected to remain over £0.1m in 2014. CUCA charges may need to rise to cover this expense.
- Delays to Universal Credit has delayed take up of new Budget Account services, which will delay income planned from using the Green Man site.

Lewisham Plus is participating in the Credit Union Expansion Project and this will provide additional income rewarding growth. However the year ahead will be a difficult one and break-even would be an excellent outcome for 2013/14.

Paul Treece, Treasurer 2012/13

Supervisory Committee Report

The Supervisory Committee is satisfied with the performance of the Directors and staff of Lewisham Plus Credit Union during the year 2012/2013.

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 staff and Board of Directors and by undertaking reviews of specific areas of the organisation’s work.

For most of this year, the membership of the Committee has comprised just two members, Edel Stewart and David Smith (current Chair). As indicated at last year’s AGM, Laurene Brooks stood down this year, and James Macdonald had resigned the previous year. We thank Laurene, in particular, for her long and valuable service on the committee.

In addition, indisposition and other absence has meant that the Committee met only four times this year, although one of the members was present at most of the Directors’ meetings as an observer. In addition, the Committee members receive the agendas, minutes and papers for all Board meetings, and have reviewed these closely. As a result, we can confirm that 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 (now PRA and FCA) each quarter against the bank records with satisfactory results throughout the year. The records of members’ investments and loans were independently verified with members in January 2013.

With the growth in size and complexity of Lewisham Plus, the Committee believes it is very important to strengthen its membership by appointing appropriately qualified members to its two vacancies as soon as possible. An active programme to do so is underway. Please contact me via the office or at supervisory@pluscu.co.uk if you are interested in finding out more.

David Smith, Chair of Supervisory 2012/13

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 2013.

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 £57,211. 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), David Frederick (Secretary), Paul Treece (Treasurer), Liz Ballaster, Geoffrey Cave, Michael Deane, James Gardner, Helen Smart (resigned 15/03/2013), Paul Thompson and Mike Vance.

Review of the year

The Board of Directors is responsible for safeguarding and managing members' money invested in your credit union. 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. The 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.

LPCU has been pro-active in 2012-13 to compete and safeguard our members from the expansion of Payday Loan providers in the financial sector. Our dedicated staff members continue to help members extricate themselves from Payday Lenders and other high cost financial providers into the safety and comfort of LPCU. The prolonged challenging economic climate combined with the birth of Universal Credit will see our work levels continue unabated.

We completed the rule changes as passed at last year's AGM to broaden our common bond to strengthen our financial base and ultimately our service capacity for members.

April 2013 saw the birth of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), who have replaced the Financial Services Authority (FSA) as our new reporting masters. The change brings additional reporting requirements for the credit union, thus reinforcing the commitment and responsibility placed on a volunteer Board of Directors.

In May 2013, we opened our satellite operation in Eddystone Tower on the Pepys Estate, as part of our collaborative working with Lewisham Homes. This new location at the heart of the SE8 community enables local Lewisham Homes residents to readily join the credit union and access its full range of benefits.

The latter months of 2012/13 saw us finalise the preparation to open our new branch at the Phoenix Community Housing Association Head Office at The Green Man, 355 Bromley Road. We expect that from 2014 this office will be open to provide members with access to a wider range of quality services.

Despite the challenges of 2012/13 the prudence of the Board and staff has enabled us to deliver another profitable year. We will continue to improve our service through the effective use of technology to ease communication with our members and the collection and gathering of data to facilitate a speedier and more effective service delivery.

Directors are pleased to report another successful year as we look forward to 2013/14. We thank everyone who has played a role in making this year a success, our Supervisory Committee, our Chief Executive, our staff, our volunteers and above all our members who we serve.

David Frederick, Secretary 2012/13

Approved by the Directors on 21 January 2014.

Director	Attended	%	Director	Attended	%
Liz Ballaster	10/13	77%	John McCarthy	12/13	92%
Geoffrey Cave	12/13	92%	Helen Smart	0/7	0%
Michael Deane	7/13	54%	Paul Thompson	2/13	15%
David Frederick	11/13	85%	Paul Treece	13/13	100%
James Gardner	9/13	69%	Mike Vance	8/13	62%

Signed by order of the directors

DAVID FREDRICK
Credit Union Secretary

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 company 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 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. Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the credit union's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director 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 2013

We have audited the financial statements of LEWISHAM PLUS CREDIT UNION LIMITED for the year ended 30th September 2013 which comprise the Income and Expenditure Account, Balance Sheet and the related notes. 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 shareholders 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 preparation 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 30th September 2013 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 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

792 Wickham Road
Croydon CR0 8EA

13th February 2014

Income and Expenditure Account for year ended 30th September 2013

		2013	2012
	Notes	£	£
INCOME	2	711,571	633,735
<i>less</i> Administrative expenses		<u>676,118</u>	<u>547,567</u>
<i>Operating Profit(Loss)</i>	3	35,453	86,168
Bank/Investments interest receivable		<u>23,644</u>	<u>23,117</u>
<i>Profit(Loss) on ordinary activities before taxation</i>		59,097	109,285
<i>less</i> Tax on profit on ordinary activities	4	1,886	1,738
<i>Profit(Loss) on ordinary activities after taxation</i>		57,211	107,547
Dividends proposed	5	<u>27,400</u>	<u>21,842</u>
<i>Retained profit for the financial year</i>		29,811	85,705
Transfer (to)/from General reserves	15	(17,651)	(25,705)
Transfer (to)/from Other reserves	16	<u>(12,160)</u>	<u>(60,000)</u>
Balance carried forwards		<u>-</u>	<u>-</u>

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

Balance Sheet at 30th September 2013

		2013	2012
	Notes	£	£
FIXED ASSETS			
Investments at valuation	6	1,268,516	1,047,954
Juvenile investments	7	202,540	198,513
Premises and equipment	8	47,571	65,060
Loans to members	9	<u>1,363,771</u>	<u>1,336,157</u>
		<u>2,882,398</u>	<u>2,647,684</u>
CURRENT ASSETS			
Debtors	10	145,225	25,104
Cash at bank on deposit and in hand		<u>1,284,869</u>	<u>993,869</u>
		1,430,094	1,018,973
<i>Creditors (Due within one year)</i>	11	<u>270,683</u>	<u>215,059</u>
<i>Net Current Assets</i>		<u>1,159,411</u>	<u>803,914</u>
<i>Total Assets less Current Liabilities</i>		<u>4,041,809</u>	<u>3,451,598</u>
CAPITAL AND RESERVES			
Member shares	13	3,145,380	2,517,646
Juvenile deposits		225,079	184,413
Growth Fund Legacy	14	358,923	466,923
General Reserves	15	130,427	112,776
Other Reserves	16	182,000	169,840
MEMBERS' FUNDS		<u>4,041,809</u>	<u>3,451,598</u>

These financial statements were approved by the directors and authorised for issue on 21 January 2014, and are signed on their behalf by:

John McCarthy President

Paul Treece Treasurer

David Frederick Secretary

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% per year 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:

	2013	2012
United Kingdom (£):	<u>711,571</u>	<u>633,735</u>
Income in 2012 includes a payment of £5,655 from the BIG Lottery Community Fund, used solely for the Money Matters project.		

3. Operating Profit/(Loss)

	2013	2012
Operating profit/(loss) is stated after charging:		
Directors' remuneration	-	-
Depreciation of owned fixed assets	28,250	27,806
Auditors' remuneration – as auditor	<u>3,000</u>	<u>3,000</u>

4. Tax on interest on investments less capital allowance

	2013	2012
UK Corporation tax based on the result for		
For the year at 20% (2012: 20%):	1,886	1,749
(Over)/under provision for previous years:	<u>(-)</u>	<u>(11)</u>
Total current tax due in accounts	<u>1,886</u>	<u>1,738</u>

5. Dividends

	2013	2012
Proposed at the year end (recognised as a liability):		
Juvenile depositors 2.0% (2012: 2.0%)	3,830	3,636
Proposed dividend 1.0% (2012: 1.0%)	23,570	<u>18,836</u>
Over/(under) payment carried forward	<u>-</u>	<u>(630)</u>
Dividends proposed	<u>27,400</u>	<u>21,842</u>

6. Investments

	2013	2012
Investments at cost:		
At 1st October 2012 (2011)	1,047,954	882,537
Additions	1,621,018	1,297,172
Disposals	<u>(1,400,456)</u>	<u>(1,131,755)</u>
At 30th September 2013 (2012)	<u>1,268,516</u>	<u>1,047,954</u>

7. Juvenile Investments

	2012	2011
Investments at cost:		
At 1st October 2012 (2011)	198,513	195,825
Additions	178,261	174,339
Disposals	<u>(174,234)</u>	<u>(171,651)</u>
At 30th September 2013 (2012)	<u>202,540</u>	<u>198,513</u>

8. Tangible Fixed Assets

	2013	2012
Cost or Valuation:		
At 1st October 2012 (2011)	128,148	123,524
Additions – office equipment	<u>10,761</u>	<u>5,637</u>
	10,761	5,637
Less disposals – office equipment	(-)	(1,013)
At 30th September 2013 (2012)	<u>138,909</u>	<u>128,148</u>
Depreciation:		
At 1st October 2012 (2011)	63,088	36,294
Charge for year – premises fit-out	19,170	19,170
Charge for year – office equipment	<u>9,080</u>	<u>8,636</u>
	28,250	27,806
Less disposals – office equipment	(-)	(1,012)
At 30th September 2013 (2012)	<u>91,338</u>	<u>63,088</u>
Net Book Value:		
Premises fit-out	38,343	57,513
Office equipment	<u>9,228</u>	<u>7,547</u>
At 30th September 2013 (2012)	<u>47,571</u>	<u>65,060</u>
9. Loans to members	2013	2012
At 1 st October	1,420,101	1,305,520
Additions	<u>26,563</u>	<u>114,581</u>
Balance at 30th September 2013 (2012)	1,446,664	1,420,101
Provision for bad debts		
At 1st October 2012 (2011)	83,944	92,689
Written off in year	(92,438)	(124,203)
Increase in provision	<u>91,387</u>	<u>115,458</u>
At 30th September 2013 (2012)	82,893	83,944
Book value at 30th Sept 2013 (2012)	<u>1,363,771</u>	<u>1,336,157</u>

<i>10. Debtors</i>	2013	2012
Green Man build costs work in progress	123,716	-
Prepayments and accrued income	<u>21,509</u>	<u>25,104</u>
At 30th September 2013 (2012)	<u>145,225</u>	<u>25,104</u>

<i>11. Creditors: Amounts falling due within one year</i>	2013	2012
Tax payable	1,886	1,738
Dividends payable	27,400	21,842
Accruals and deferred income	<u>241,397</u>	<u>191,479</u>
At 30th September 2013 (2012)	<u>270,683</u>	<u>215,059</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

	2013	2012
Share deposits	2,269,038	2,269,192
Credit Union Current Account balances	<u>392,342</u>	<u>248,454</u>
Balance at 30 September 2013 (2012)	<u>3,145,380</u>	<u>2,517,646</u>

14. Growth Fund Capital Legacy

	2013	2012
At 1st October 2012 (2011)	466,923	590,112
Capital released to Revenue	(95,840)	(63,189)
Capital released to Other Reserves	(12,160)	(60,000)
Transfer from(to) income & expenditure account	-	-
Balance at 30 September 2013 (2012)	<u>358,923</u>	<u>466,923</u>

15. General Reserves

<i>General reserve:</i>	2013	2012
Balance brought forward	112,776	87,071
Transfer from(to) income & expenditure account	<u>17,651</u>	<u>25,705</u>
Balance at 30 September 2013 (2012)	<u>130,427</u>	<u>112,776</u>

16. Other Reserves

<i>Other reserves:</i>	2013	2012
Balance brought forward	169,840	109,840
Transfer from(to) income & expenditure account	<u>12,160</u>	<u>60,000</u>
Balance at 30 September 2013 (2012)	<u>182,000</u>	<u>169,840</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 2013**

	2013	2012
	£	£
<i>Income</i>		
Interest on loans to members	312,911	275,189
Membership fees	4,237	4,045
Bad debts recovered	21,224	23,881
Other income (PayPoint, commission, dormant a/cs)	4,252	3,164
CUCA fees and charges	144,246	94,602
Lewisham UC pilot and emergency loan service	53,000	-
Income from grants and homeless prevention	63,701	53,024
Growth Fund to revenue and M&E lending	<u>108,000</u>	<u>179,830</u>
	711,571	633,735
<i>Interest receivable</i>		
Interest on investments & bank deposits	19,921	19,628
Interest on Junior accounts	<u>3,723</u>	<u>3,489</u>
Total Income	<u>735,215</u>	<u>656,852</u>
<i>Expenditure</i>	£	£
Staff salaries, NIC & training	246,760	196,458
Rent on premises	32,500	32,480
Business rates and utilities	13,620	13,372
IT equipment, software & services	19,608	9,664
Premises: Telephone & Internet	10,894	6,083
Leaflets, stationery and printing	14,122	14,324
Leaflet delivery, mailing and postage	7,872	6,807
Marketing and sundry expenses	3,758	4,576
ABCUL membership dues	8,568	7,967
Fidelity bond / General insurance	4,012	3,921
Loan and share protection insurance	19,746	17,575
Bank charges including CUCA	136,467	57,068
CUCA services & other costs	19,255	14,717
Legal, professional and FSA fees	8,795	4,702
Auditors' remuneration	3,000	3,000
Depreciation of Bromley premises	19,170	19,170
Depreciation of office equipment	9,080	8,636
Bad debts written off	92,438	124,203
Provision for doubtful debts	(1,051)	(8,745)
Share and CUCA balance write-offs	<u>7,504</u>	<u>11,589</u>
Total Expenditure	<u>676,118</u>	<u>547,567</u>
<i>Profit/(Loss) before Taxation</i>	<u>59,097</u>	<u>109,285</u>

Analysis of Income and Expenditure to 30th September 2013

CREDIT UNION SUMMARY	2013	2012
	£	£
<i>Income (excluding interest on investments)</i>		
Credit Union Core	291,422	186,016
Growth Fund Legacy / M&E	275,903	353,117
Credit Union Current Account	<u>144,246</u>	<u>94,602</u>
	711,571	633,735
<i>Expenses</i>		
Credit Union Core	231,951	187,059
Growth Fund	244,497	255,831
Credit Union Current Account	<u>199,670</u>	<u>104,677</u>
	676,118	547,567
<i>Operating Profit(Loss)</i>	<u>35,453</u>	<u>86,168</u>
Credit Union Core	59,471	(1,043)
Growth Fund	31,406	97,286
Credit Union Current Account	<u>(55,424)</u>	<u>(10,075)</u>
 CREDIT UNION CORE		
	2013	2012
	£	£
<i>Credit Union Core Income</i>		
Interest on loans	158,994	119,085
Membership fees	4,237	4,045
Recovery of bad debts	7,238	6,699
Other income (PayPoint, commission, dormant a/cs)	4,252	3,163
Lewisham UC pilot and emergency loan service	53,000	-
Grants – LBL/LBB/HAs/DNX BIG/NDC	<u>63,701</u>	<u>53,024</u>
	291,422	186,016
<i>Credit Union Core Expenses</i>		
Staff costs for core operations	102,760	64,459
Premises, equipment & depreciation	53,859	42,691
Other administrative expenses	53,425	40,421
Less GF2 business dev contribution	(18,000)	(24,000)
Bad debts written off	30,936	68,845
Provision for doubtful debts	7,954	(11,218)
Share balance write-offs	<u>1,017</u>	<u>5,861</u>
	231,951	187,059
<i>Operating Profit(Loss)</i>	<u>59,471</u>	<u>(1,043)</u>

GROWTH FUND LEGACY/ M&E	2013	2012
	£	£
<i>Growth Fund Income</i>		
Interest on loans	153,917	156,104
Recovery of bad debts	13,986	17,183
Modernisation & Expansion contract	-	56,640
Growth Fund Capital Release	<u>108,000</u>	<u>123,190</u>
	275,903	353,117
<i>Growth Fund Expenses</i>		
Staff costs contribution	96,000	96,000
Premises contribution	48,000	48,000
Business development contribution	18,000	24,000
Other administrative expenses	30,000	30,000
Bad debts written off	61,502	55,358
Provision for doubtful debts	(9,005)	2,473
Net Contribution to GF Capital	<u>-</u>	<u>-</u>
	244,497	255,831
<i>Operating Profit(Loss)</i>	<u>31,406</u>	<u>97,286</u>
 CREDIT UNION CURRENT ACCOUNT		
	2013	2012
	£	£
<i>CUCA Income</i>		
Account £1.25 per week fees from 1/10/12	133,995	88,051
Other charges and VISA income	10,251	6,551
	<u>144,246</u>	<u>94,602</u>
<i>CUCA Expenses</i>		
Bank transaction fees (ATMs, etc.)	125,927	46,410
Staff expenses for CUCA service	48,000	36,000
Bank charges, PO costs & Experian	7,516	5,984
Printing for CUCA service	619	500
IT / ADSL for CUCA service	1,762	1,567
Shared banking services costs	9,358	8,491
CUCA balance write-offs	<u>6,488</u>	<u>5,725</u>
	199,670	104,677
<i>Operating Profit(Loss)</i>	<u>(55,424)</u>	<u>(10,075)</u>

Officers and Staff January 2014

Board of Directors

President	John McCarthy
Secretary	David Frederick
Treasurer	Paul Treece
Directors	Liz Ballaster, Geoffrey Cave, Michael Deane James Gardner, Paul Thompson and Mike Vance.

Supervisory Committee

Chairperson	David Smith
Members	Edel Stewart, vacancy

Other Volunteers

Joseph Ball, Ruth Brannigan, Sean Carlisle, Sheila Gardner, Deano Gilbert, Welcome Herve-Sambo, Sriena Ilyas, Barbara Kazmierska, Susan Kurn, Stella Morris, Caroline Onobache, John Ryall, Gemma Thundercliffe and Frank Whittle.

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

Staff

Credit Union Manager	Janet Greenwood
Sydenham & Finance Manager	Lisa Treece
Bromley Manager	Michelle Happer
Deptford & New Cross Manager	Janice Nelson-Iye
Senior Loans Officer	Ingrid Brown
Senior CUCA Administrator	Patricia Niamalo
Senior Credit Control Officer	Liam Carlisle

Johan Allen, Peter Carlisle, Amy Clark, Maria Drury, Vibeke Edwards, Vivene Jones, Pamela Griffin, Joanne Naraine, Antoine Simpson-Clarke and Louise Tingey.

Volunteering for mutual benefits

Could you help to serve with your Credit Union, and help yourself while helping someone else?

Did you know that Lewisham Plus, as well as having a loyal and hard-working staff, also has a large number of trained volunteers? Some of our volunteers have been with us since we opened 22 years ago while some have joined us much more recently, some serve as Directors overseeing the running of the Credit union as well as lending a hand during weekend opening while others prefer to help on a day to day basis with administrative tasks. However, there's a role for all of us volunteers and there has never been a better time to get involved with volunteering with your Credit union. We've been focussing on improving our services to members and volunteer involvement is a key part of this.



Specifically, we're looking for new members to join the Board or the Supervisory (internal audit) committee. For this we need members with a combination of relevant professional skills and experience, common sense, dedication, integrity and wisdom. Suitable candidates will need some financial experience or knowledge to enable them to fulfil their role. For the Supervisory Committee vacancies, a background in accounting and/or auditing is important. Work in these roles is mainly outside office hours.

If that's not you, don't worry, we also need help with administrative support. Good communication and customer service skills are essential for this, as well as enthusiasm and discretion, and also a commitment to serving the local community and sympathy with the aims of the credit union. Some level of IT and finance experience and knowledge would be helpful, as would the ability to prioritise and work under pressure but training will be given for all posts.

For all the positions good communication skills will be required as well as a commitment to serving the local community and sympathy with the aims of the credit union.

How does all that help you though? Apart from the warm glow of knowing that you are contributing to the success of a really worthwhile organisation and the more efficient operation of your Credit union, you will also receive free training from the Credit union, valuable experience in team working in the financial sector and in IT use, which is essential in today's employment market as well as a track record in volunteering which is highly regarded by employers these days. Whilst we can't promise anything, a number of our ex-volunteers are now working in paid employment.

If you think you can help, please contact **Liz Ballaster, Director for Volunteers** c/o the Credit union or at volunteer@pluscu.co.uk for further information.