

Lewisham Plus Credit Union Limited Annual Report 2013/14 - 23rd Year



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



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

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Our Vision

- Local community will be strengthened where people belong to Lewisham Plus
- Every adult and child entitled to do so will save with Lewisham Plus and receive an attractive dividend on savings
- Members will borrow from Lewisham Plus in preference to other lenders
- The Christian churches will continue to regard the credit union as an important part of their ministry and be encouraged as they serve others together.
- Volunteer officers will extend their skills through training and supervision in order to provide a quality service
- Business will be conducted with due regard for confidentiality
- Integrity, respect and equality of opportunity are paramount.



Our Values

- Placing members' mutual interests first will always differentiate us from profit-motivated financial institutions

Our individual and friendly service is volunteer led but professionally managed. We work for a fair and inclusive local community.

President's Foreword

I am delighted once again to be able to introduce the Lewisham Plus Credit Union's annual report for the year 2013 - 2014. The year just past has proved to be another very busy one for this organisation. The increased levels of activity are easily seen from the pages in this report. I feel proud of our organisation for being able to rise to the challenges it faced during this period while maintaining a good service to its members in these difficult times.



After years of relative obscurity credit unions have suddenly emerged into the public consciousness. This is due in part to a general disillusionment with the financial system after the banking crisis, but also with mounting concerns over the effect of the payday lending industry. The credit union concept of a financial organisation run and controlled by its membership, with wealth kept locally in the community, is increasingly being spoken of as an alternative. In July 2013 the Archbishop of Canterbury voiced his concerns over the effect of the payday lending industry on our communities, and this struck a deep chord with the public. His advocacy of credit unions has led to increased interest and membership across the credit union movement.

This in turn has led to increased scrutiny of the credit unions, with concerns being regularly voiced in the media about the underlying strength of the movement and its ability to cope with the financial challenges. Lewisham Plus Credit Union has stepped up to this challenge and can, in my opinion justify being seen as a working model within the community for those seeking an alternative. From humble beginnings in a church hall to the current membership of nearly 9,000 adults, it has over 23 years developed and responded to many challenges along the way as can be seen by the range of services it now delivers to its members and disadvantaged groups in the community.

Lewisham Plus is continuing in its aim to build a sustainable future for the organisation. The directors, however, recognise the difficulties we face in maintaining levels of service at a time of increasing growth in membership and the need for vigilance required when increasing the amount of money out on loan. I would like to reassure our members that the board of directors are actively addressing these issues. I am very pleased to say that we have recently been successful in recruiting new, experienced board members who together with our existing team and very dedicated staff are, in my opinion, in a strong position to deal these new challenges.

A founding principle of the cooperative movement is working together with others and I am very pleased at the level of cooperation I have witnessed during the year between Lewisham Plus and its partners, which include Lewisham Homes, Lewisham Council and Phoenix Community Housing Association, Bromley Council and Affinity Sutton Group.

Finally I would particularly like to thank our staff, and volunteers among whom are my fellow directors, for all their dedication and service to our organization and our community throughout the year.

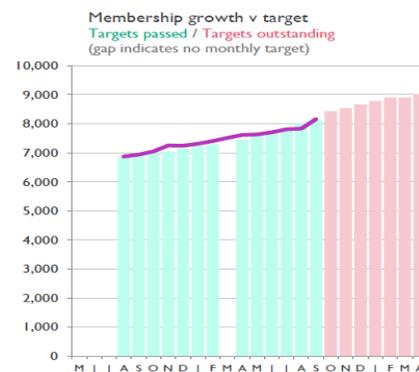
John McCarthy, President 2013/14

Progress against Business Plan

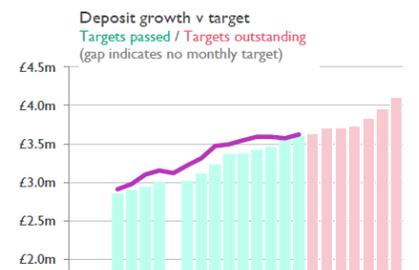
Lewisham Plus Credit Union had a successful year providing savings, current accounts and affordable loans for local people. Highlights for members are:

- Dividend of **0.5% for adults** (subject to AGM) and **1.5% for junior savers**.
- Simplified one page loan application form - no longer requires a detailed budget or prior saving over several months. This is also available online.
- Next day SMS loan decision in many cases – though some loans still need further assessment, usually where we need additional information.
- Faster loan payment. Loans approved can be issued next day, where repayment arrangements have been confirmed promptly.

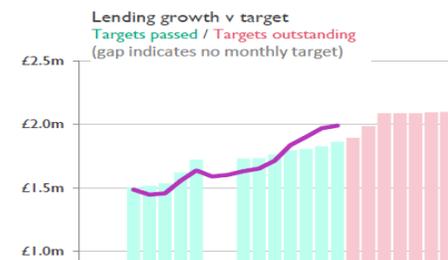
Key Indicators of Growth



Membership grew by 862 (11%) to 8,834 adults, and 1,493 juniors. We exceeded our target of 8,754 adult members by 30th September 2014. Active adult membership grew from 6,944 (87%) to 8,165 (92.5%) (see graph). Our next target is to reach 9,615 adult members by 30th September 2015.



Savings increased by £640k (19%) to £3.75m for adults (including CUCA) and £0.26m for juniors, beating our target of £3.67m adult shares. (The graph shows savings growth excluding CU current account balances)



Loans increased by £542k (37%) to £1.97m, beating our target of £1.81m. Our loan to asset ratio rose from 36% to 43%, and should rise again in 2015. Our next target is to reach £2.33m in loans by 30th September 2015.

Manager's Report

It has been another busy year for our staff and volunteers, due to a steady growth in membership and increased financial activity by our members.

Last year, Justin Welby spoke out against high cost lenders and has been supportive of the credit union movement. We have had a number of positive meetings with the church taskforce following on from this.

The credit union is providing a real alternative to these companies, as our automated loans system allows for next day decisions while enabling us to agree a loan on a case by case basis. I hope that our members help spread the word to family and friends.

This growth has led to new challenges, which are being actively addressed by the credit union.

The highlight of the year was opening a new branch, based in The Green Man building on Bromley Road. We have been made to feel very welcome by the Phoenix Community Housing Association staff, who have helped promote our services to their tenants.

The Green Man building is a very active



community hub. There is always something of interest taking place, from children selling their home-made bread to housing the Premiership Trophy won by Manchester City.

This has encouraged a very wide variety of people to visit the Green Man, which has greatly increased local membership and footfall.

Looking forward, our work will continue with Lewisham Homes, Affinity Sutton and both Lewisham and Bromley Council.

We have recently agreed new or extended Service Level Agreements with regard to Housing Options, Local Support and Single Homeless. More will be reported on this next year.

I would like to take this opportunity to thank our partners for their valued support, which has enabled us to continue to grow and bring significant benefits to people across both boroughs.

*Janet Greenwood
Credit Union Manager 2013/14*



Treasurer's Report

Lewisham Plus made a profit of £39,402 for the year as a whole, sufficient to recommend a 0.5% dividend for adults, and 1.5% for junior saver accounts. Though this is lower than last year, it remains competitive and is a good result in what we had expected to be a particularly difficult year.

Income was up £52,734 despite a planned reduction of £18,000 in funds drawn from ex-Growth Fund capital. The main increases in income came from:

- £53,517 from interest on loans, due to the higher overall loan balance and the increase to 3% pm for some loans from April 2014.
- £9,762 from CUCA charges and fee income, bringing the current account closer to break-even.
- £22,322 rewarding growth in the Credit Union Expansion Project.

Income from services and investments met 86% of expenses, including dividends, which is very similar to 2013. The credit union had to grow in-year to cover the higher overheads and staff costs from the major investment made in opening The Green Man branch, and will need to continue to do so.

Bad debts write-offs were £88,728, including £16,667 fully underwritten by homeless and emergency loans. This is down to 4.5% of loan balance, our lowest figure for a long time. Loan provisions increased by £29,273, of which £16,925 was for general provisions for the higher overall lending.

Capital held in reserves has declined from 7.7% to 7.2% due to the strong growth in member savings over the year. However risk-adjusted capital is at 7.9%, close to the 8% minimum for 10,000 adult members.

Adult membership grew by 862 net additions from 7,972 to 8,834 members over the year – an excellent result.

Other highlights from the year are:

- Completion of the work to build and open The Green Man branch.
- Increased staffing to improve service to members and for loan decision automation.
- Overall loan balance increased by £542,444 for the year, largely due to lending being moved to a faster process, also with improved risk assessment.
- Information technology and business continuity arrangements improved using the new branch.

Lewisham Plus is participating in the Credit Union Expansion Project and will need to make a significant long term decision about whether to join the transformation to a shared business model and new IT platform in 2015.

*Paul Treece
Treasurer 2013/14*



Supervisory Committee Report

The Supervisory Committee is satisfied with the performance of the Directors and staff of Lewisham Plus Credit Union during the year 2013/2014.

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.

For most of this year, regrettably, the membership of the Committee has comprised just one, David Smith (Chair) following Edel Stewart’s taking up a paid position in the credit union and the difficulty of recruiting new members. We thank Edel for her valuable service and wish her well in her new role.

I have attended most of the Directors’ meetings as an observer and in addition I receive the agendas, minutes and papers for all Board meetings, and have reviewed these closely. As a result, I 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. I reviewed the accounts and

financial performance returns to the Prudential Regulation Authority each quarter against the bank records with satisfactory results throughout the year. The records of members’ investments and loans were independently verified in January 2014.

The Committee has previously stated that with the growth in size and complexity of Lewisham Plus, it is very important to strengthen its membership by appointing appropriately qualified members to its two vacancies as soon as possible. Happily, David Blane, a new member of the credit union with very appropriate qualifications in accountancy and audit joined the Committee as an observer in the summer. He will be nominated for membership of the Supervisory Committee at the AGM.

David Smith
Chair of Supervisory 2013/14



Director attendance at board meetings over the year is shown below:

Director	Attended	%	Director	Attended	%
Liz Ballaster	11	85	John McCarthy	13	100
Geoffrey Cave	9	70	Peter Dulley	11	85
Michael Deane	0	0	Paul Thompson	1	8
David Frederick	9	70	Paul Treece	13	100
James Gardner	10	77	Mike Vance	5	38

None of the directors received any payment for their work for the credit union.

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 2014.

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 £39,402. 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), Elizabeth Ballaster, Geoffrey Cave, Michael Deane (resigned 14/03/14), Peter Dulley (appointed 14/04/14), James Gardner, Paul Thompson and Mike Vance (resigned 14/03/14).

Review of the year

The Board of Directors is responsible for overall management of the Credit Union and for policy and strategic direction. Ten directors, all unpaid and voluntary, served on the Board in 2013-4.

We have said a sad farewell this year to Mike Vance and to Mike Deane and are grateful for their service. We welcomed Peter Dulley, a valuable new member with property expertise. In December 2014, David Frederick, our efficient and knowledgeable secretary also left the

Board.

I have taken over this role temporarily but continue to be active in volunteer recruitment.

Directors met regularly and additionally held two strategy meetings during 2013/14. Directors agreed a number of important strategic changes, including joining the national Credit Union Expansion Project (CUEP), applying for Lloyds Bank funding to support further growth and conducting an internal review to ensure compliance with new Financial Conduct Authority requirements. These requirements, although designed to curb the activities of payday lenders, will also have an impact on Credit Unions and the directors have risen to this challenge.

The directors have also reluctantly taken the decision to close the Deptford and New Cross office, following the landlord’s decision to significantly increase the rent charged. We contacted members using the branch and have been promoting alternative services to those affected, including on-line and other services to minimise the impact. If you are affected, please ask about our pre-paid card to help you manage your finances after the closure.

The new Green Man office opened successfully early in 2014 and has already proved very popular with the local community, as well as with our partners. We are fortunate to be able to



operate in such a state of the art environment and are developing a stronger customer base in this area and forging new relationships with partners.

The volume of business and the pace of change continues to put enormous pressure on staff, volunteers, equipment and premises. The Board continually reviews and develops the quality of the products and services we offer. This year has again seen new services introduced and greater use of technology to assist members. Recruiting more volunteers, not just for the Board, but also to support work in branches, is a key objective and I am always happy to hear from potential volunteers on volunteer@pluscu.co.uk.

Directors owe a great debt of gratitude to all staff and volunteers, under the able management of our CEO, Jan Greenwood, for their exceptionally hard work and dedication to the credit union, which makes it such a successful and valued organisation. We are proud to say that we treat our customers fairly and this is enshrined in all aspects of our work. We look forward to another year of strong growth and hope you will join us in improving your Credit Union.

Statement of Directors' Responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 require 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 Co-operative and Community Benefit Societies 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 year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 Co-operative and Community Benefit Societies Act 2014. 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 are directors 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 2014

We have audited the financial statements of LEWISHAM PLUS CREDIT UNION LIMITED for the year ended 30th September 2014. 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 Sections 87 of the Co-operative and Community Benefit Societies Act 2014 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 Directors

Signed by order of the directors.



Elizabeth Ballaster
Secretary from December 2014.

Approved by the directors on 3rd February 2015.

and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 9, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Co-operative and Community Benefit Societies Act 2014 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 Co-operative and Community Benefit Societies Act 2014 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

24th February 2015

Income and Expenditure Account for year ended 30th September 2014

	Notes	2014 £	2013 £
INCOME	2	765,759	711,571
<i>less</i> Administrative expenses		<u>748,492</u>	<u>676,118</u>
Operating Profit(Loss)	3	17,267	35,453
Bank/Investments interest receivable		<u>22,190</u>	<u>23,644</u>
Profit(Loss) on ordinary activities before taxation		39,457	59,097
<i>less</i> Tax on profit on ordinary activities	4	55	1,886
Profit(Loss) on ordinary activities after taxation		39,402	57,211
Dividends proposed	5	<u>19,268</u>	<u>27,400</u>
Retained profit for the financial year		20,134	29,811
Transfer (to)/from General reserves	15	(12,134)	(17,651)
Transfer (to)/from Other reserves	16	<u>(8,000)</u>	<u>(12,160)</u>
Balance carried forwards		-	-

The notes on pages 14 to 16 form part of these financial statements



Balance Sheet at 30th September 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Investments at valuation	6	1,325,143	1,268,516
Juvenile investments	7	266,031	202,540
Premises and equipment	8	192,060	47,571
Loans to members	9	<u>1,876,942</u>	<u>1,363,771</u>
		<u>3,660,176</u>	<u>2,882,398</u>
CURRENT ASSETS			
Debtors	10	44,220	145,225
Cash at bank on deposit and in hand		<u>1,104,707</u>	<u>1,284,869</u>
		1,148,927	1,430,094
Creditors (Due within one year)	11	<u>197,301</u>	<u>270,683</u>
<i>Net Current Assets</i>		<u>951,626</u>	<u>1,159,411</u>
Total Assets less Current Liabilities		<u>4,611,802</u>	<u>4,041,809</u>
		=====	=====
CAPITAL AND RESERVES			
Member shares	13	3,745,690	3,145,380
Juvenile deposits		264,628	225,079
Growth Fund Legacy	14	268,923	358,923
General Reserves	15	142,561	130,427
Other Reserves	16	190,000	182,000
MEMBERS' FUNDS		<u>4,611,802</u>	<u>4,041,809</u>
		=====	=====

These financial statements were approved by the directors and authorised for issue on 3rd February 2015, and are signed on their behalf by:

John McCarthy President
Elizabeth Ballaster Secretary
Paul Treece Treasurer

Credit Union 295C: The notes on pages 14 to 16 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: Premises and fixtures - 20% or 10% per year straight line
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:

	2014	2013
United Kingdom (£):	<u>765,759</u>	<u>711,571</u>

3. Operating Profit/(Loss)

	2014	2013
Operating profit/(loss) is stated after charging:		
Directors' remuneration	-	-
Depreciation of owned fixed assets	48,559	28,250
Auditors' remuneration – as auditor	<u>3,000</u>	<u>3,000</u>

4. Tax on interest on investments less capital allowance

	2014	2013
UK Corporation tax based on the result for		
For the year at 20% (2013: 20%):	-	1,886
(Over)/under provision for previous years:	<u>55</u>	<u>(-)</u>
Total current tax due in accounts	<u>55</u>	<u>1,886</u>

5. Dividends

	2014	2013
Proposed at the year end (recognised as a liability):		
Juvenile depositors 1.5% (2013: 2.0%)	3,590	3,830
Proposed dividend 0.5% (2013: 1.0%)	<u>15,180</u>	<u>23,570</u>
Over/(under) payment carried forward	<u>498</u>	<u>(-)</u>
Dividends proposed	<u>19,268</u>	<u>27,400</u>

6. Investments

Investments at cost:	2014	2013
At 1st October 2013 (2012)	1,268,516	1,047,954
Additions	1,787,864	1,621,018
Disposals	<u>(1,731,237)</u>	<u>(1,400,456)</u>
At 30th September 2014 (2013)	<u>1,325,143</u>	<u>1,268,516</u>

7. Juvenile Investments

Investments at cost:	2014	2013
At 1st October 2013 (2012)	202,540	198,513
Additions	241,730	178,261
Disposals	<u>(178,239)</u>	<u>(174,234)</u>
At 30th September 2014 (2013)	<u>266,031</u>	<u>202,540</u>

8. Tangible Fixed Assets

Cost or Valuation:	2014	2013
At 1st October 2013 (2012)	138,909	128,148
Additions - premises fit-out	181,467	-
Additions – office equipment	<u>11,581</u>	<u>10,761</u>
	193,048	10,761
At 30th September 2014 (2013)	<u>331,957</u>	<u>138,909</u>

Depreciation:

At 1st October 2013 (2012)	91,338	63,088
Charge for year – premises fit-out	39,220	19,170
Charge for year – office equipment	<u>9,339</u>	<u>9,080</u>
	48,559	28,250
At 30th September 2014 (2013)	<u>139,897</u>	<u>91,338</u>

Net Book Value:

Premises fit-out	180,590	38,343
Office equipment	<u>11,470</u>	<u>9,228</u>
At 30th September 2014 (2013)	<u>192,060</u>	<u>47,571</u>

9. Loans to members

	2014	2013
At 1 st October	1,446,664	1,420,101
Additions	542,444	26,563
Balance at 30th September 2014 (2013)	1,989,108	1,446,664
Provision for bad debts		
At 1st October 2013 (2012)	82,893	83,944
Written off in year	(88,728)	(92,438)
Increase in provision	<u>118,001</u>	<u>91,387</u>
At 30th September 2014 (2013)	112,166	82,893
Book value at 30th Sept 2014 (2013)	<u>1,876,942</u>	<u>1,363,771</u>

10. Debtors

	2014	2013
Green Man build costs work in progress	-	123,716
Prepayments and accrued income	44,220	21,509
At 30th September 2014 (2013)	<u>44,220</u>	<u>145,225</u>

11. Creditors: Amounts falling due within one year

	2014	2013
Tax payable	-	1,886
Dividends payable	18,770	27,400
Accruals and deferred income	178,531	241,397
At 30th September 2014 (2013)	<u>197,301</u>	<u>270,683</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

	2014	2013
Share deposits	3,357,258	2,753,038
Credit Union Current Account balances	388,432	392,342
Balance at 30 September 2014 (2013)	<u>3,745,690</u>	<u>3,145,380</u>

14. Growth Fund Capital Legacy

	2014	2013
At 1st October 2013 (2012)	358,923	466,923
Capital released to Revenue	(82,000)	(95,840)
Capital released to Other Reserves	<u>(8,000)</u>	<u>(12,160)</u>
Balance at 30 September 2014 (2013)	<u>268,923</u>	<u>358,923</u>

15. General Reserves

General reserve:	2014	2013
Balance brought forward	130,427	112,776
Transfer from(to) income & expenditure account	<u>12,134</u>	<u>17,651</u>
Balance at 30 September 2014 (2013)	<u>142,561</u>	<u>130,427</u>

16. Other Reserves

Other reserves:	2014	2013
Balance brought forward	182,000	169,840
Transfer from(to) income & expenditure account	<u>8,000</u>	<u>12,160</u>
Balance at 30 September 2014 (2013)	<u>190,000</u>	<u>182,000</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 2014

	2014	2013
Income	£	£
Interest on loans to members	366,428	312,911
Bad debts recovered	21,900	21,224
Membership fees & other income	9,445	8,489
CUCA fees and charges	153,972	144,246
Lewisham UC pilot and emergency loan service	41,485	53,000
Income from grants and homeless prevention	60,207	63,701
Credit Union Expansion Project	22,322	-
Growth Fund release to revenue	<u>90,000</u>	<u>108,000</u>
	765,759	711,571
Interest receivable		
Interest on investments & bank deposits	18,788	19,921
Interest on Junior accounts	<u>3,402</u>	<u>3,723</u>
Total Income	<u>787,949</u>	<u>735,215</u>
Expenditure	£	£
Staff salaries, NIC & training	283,119	246,760
Rent on premises	32,875	32,500
Business rates and utilities	20,328	13,620
Premises maintenance, software & IT services	10,158	19,608
Telephone, SMS & Internet services	12,666	10,894
Leaflets, stationery and printing	17,998	14,122
Leaflet delivery, mailing and postage	9,319	7,872
Marketing and sundry expenses	3,908	3,758
ABCUL membership dues	9,566	8,568
Fidelity bond / General insurance	4,655	4,012
Loan and share protection insurance	20,499	19,746
Bank charges including CUCA	109,908	136,467
CUCA services & other costs	23,059	19,255
Legal, professional and regulatory fees	13,107	8,795
Auditors' remuneration	3,000	3,000
Depreciation of premises	39,220	19,170
Depreciation of office equipment	9,339	9,080
Bad debts written off	88,728	92,438
Provision for doubtful debts	29,273	(1,051)
Share and CUCA balance write-offs	<u>7,767</u>	<u>7,504</u>
Total Expenditure	<u>748,492</u>	<u>676,118</u>
Profit/(Loss) before Taxation	<u>39,457</u>	<u>59,097</u>

Analysis of Income and Expenditure to 30th September 2014

	2014	2013
CREDIT UNION SUMMARY		
Income	£	£
Credit Union Core	298,998	250,493
Homeless and Emergency Loans	61,398	64,573
Growth Fund Legacy	273,581	275,903
Credit Union Current Account	<u>153,972</u>	<u>144,246</u>
	787,949	735,215
Expenses		
Credit Union Core	273,843	177,079
Homeless and Emergency Loans	61,207	54,872
Growth Fund	238,498	244,497
Credit Union Current Account	<u>174,944</u>	<u>199,670</u>
	748,492	676,118
Operating Profit(Loss) inc Investments	<u>39,457</u>	<u>59,097</u>
Credit Union Core	25,155	73,414
Homeless and Emergency Loans	191	9,701
Growth Fund	35,083	31,406
Credit Union Current Account	<u>(20,972)</u>	<u>(55,424)</u>
CREDIT UNION CORE	2014	2013
Credit Union Core Income	£	£
Interest on loans	195,223	158,873
Membership fees	5,900	4,237
Recovery of bad debts	8,568	7,238
Other income (PayPoint, commission, dormant a/cs)	3,545	4,252
Credit Union Expansion Project	22,322	-
Grants – LBL/LBB/HAs	41,250	52,249
Interest on investments	<u>22,190</u>	<u>23,644</u>
	298,998	250,493
Credit Union Core Expenses		
Staff costs for core operations	100,199	61,300
Premises, equipment & depreciation	80,859	53,859
Other administrative expenses	54,249	48,782
Less GF2 business dev contribution	(12,000)	(18,000)
Bad debts written off	37,405	27,684
Provision for doubtful debts	<u>13,131</u>	<u>3,454</u>
	273,843	177,079
Operating Profit(Loss)	<u>25,155</u>	<u>73,414</u>

HOMELESS AND EMERGENCY LOANS	2014	2013
<i>Homeless and Emergency Loans Income</i>	£	£
Bromley Homeless Support services	15,956	8,429
Lewisham Homeless Support services	3,001	3,023
Lewisham Emergency Loans & UC pilot service	<u>42,441</u>	<u>53,121</u>
	61,398	64,573
<i>Homeless and Emergency Loans Expenses</i>		
Staff costs contribution	32,920	41,460
Other administrative expenses	1,320	5,660
Bad debts written off	16,667	3,252
Provision for doubtful debts	<u>10,300</u>	<u>4,500</u>
	61,207	54,872
<i>Operating Profit(Loss)</i>	<u>191</u>	<u>9,701</u>
GROWTH FUND LEGACY	2014	2013
<i>Growth Fund Income</i>	£	£
Interest on loans	170,249	153,917
Recovery of bad debts	13,332	13,986
Growth Fund Capital Release	<u>90,000</u>	<u>108,000</u>
	273,581	275,903
<i>Growth Fund Expenses</i>		
Staff costs contribution	102,000	96,000
Premises contribution	48,000	48,000
Administrative expenses & development	48,000	48,000
Bad debts written off	34,656	61,502
Provision for doubtful debts	<u>5,842</u>	<u>(9,005)</u>
	238,498	244,497
<i>Operating Profit(Loss)</i>	<u>35,083</u>	<u>31,406</u>
CREDIT UNION CURRENT ACCOUNT	2014	2013
<i>CUCA Income</i>	£	£
Account £1.25 per week fees	140,818	133,995
Other charges and VISA income	<u>13,154</u>	<u>10,251</u>
	153,972	144,246
<i>CUCA Expenses</i>		
Bank transaction fees (ATMs, etc.)	97,712	125,927
Staff expenses for CUCA service	48,000	48,000
Other direct services costs	13,217	9,897
Shared services costs	9,841	9,358
CUCA balance write-offs	<u>6,173</u>	<u>6,488</u>
	174,944	199,670
<i>Operating Profit(Loss)</i>	<u>(20,972)</u>	<u>(55,424)</u>

Church Credit Champions Network



In May 2014 Lewisham Plus was represented at the launch of the Church Credit Champions Network, at St. Martin-in-the-fields, in Trafalgar Square.

Sir Hector Sants, the Bishop of Stepney and others explained how the Church Credit Champions Network will help to promote affordable, responsible credit and church support for credit unions.

In June Archbishop Justin Welby addressed a reception at The House of Lords for the Credit Union Foundation:

... We are beginning to see real change. But we need to be realistic that what we're trying to do is not a quick flash in the pan, but an effort to build a whole new financial sector that for many years has not been in existence in this country, excluding some of the poorest in our society from the basic necessity of effective financial services. If people

don't have that, there's lots of other things they can't do about job creation and work and training and all kinds of other things. ...

Someone said to me the other day, whenever love is offered at sufficient cost, because it's always a sacrifice, it has an explosive power to change lives. And that's what this movement is trying to do. So that network of credit champions is initially going to work in London and Liverpool to increase the number of churches engaged, train credit champions, and support them in leading church actions. The target is to train 300 people and to see 3000 members of credit unions as a result of the network.

Lewisham Plus is pleased to be working with the CCCN and the Diocese of Rochester to explore and develop church support for the credit union in Lewisham and Bromley.