



Anglo-Saxons Friendly Society Ltd

NEWSLETTER – 2023 AGM

The AGM was held on Friday 5 May 2023, 7pm, at Gravesend Masonic Lodge

The Board, Chief Executive and five members of staff welcomed 14 members in person and one member via zoom.



A presentation was given that covered:

- A view from the Board
 - Board elections
 - Senior Independent Director
 - No issues with the Regulator
 - Complete governance and three lines of defence
 - Consumer Duty
 - Implementing Strategy and further development planned at May Strategy Day
 - Programme in place to insulate properties to EPC C rating by 2028
- ASFS Strategic Pillars
 - Products and Benefits
 - New sickness product launched in December 2022 – 19 new members
 - Revised level of discretionary benefits from 1 January 2023 to align with financial model
 - New categories of discretionary benefits from 1 January 2023 for education (6 grants awarded across the country), home energy efficiency (7 awards granted including insulation, front doors, radiators and solar panels) and first-time buyer (4 grants awarded)

- Parliament Hill discounts launched in December 2022
 - Energy grant offered to members, October 2022, total cost £196,000
 - Bond repayment of £1.3M to occur in June 2023. Properties sold when vacant to fund the project
 - New CRM system in place to authorise payments. Phase 2 will take the process to a paperless position with claims and new business applications being input through the website directly to the CRM. In 2022, 80% of discretionary benefits were received via post which has reduced to 50% at the start of 2023. It is hoped that postal claims will reduce to 25% by the end of 2023. In 2022, approximately 60% of discretionary benefits needed to be followed up asking for additional information. The online claims process should reduce the number of queries by more than half
- Membership
 - Member survey conducted in 2021 which is driving the Society's strategy
 - Social Media to be launched with local company
 - Partnerships with local communities to be pursued
 - Website relaunched to align with new sickness product and instigate online claims process
 - Establishing partnerships with ethnic minorities and business leaders
 - Review of branding at forthcoming Board Strategy Day in May 2023
 - Commitment to climate change
- Investments
 - Investment Advisor appointed to recommend ESG funds
 - Investment in property portfolio
 - Market review of tenant's rents. The increase in rents will support the additional cost of running an incorporated large non-directive regulated Society
 - Environmental report received showing condition of properties
- Community
 - Joined the Kent Invicta Chamber of Commerce
 - Living Wage Found Accreditation and Good Business Charter Accreditation achieved
 - Progressing to a paperless office
 - Using local suppliers
 - Identifying vulnerable residents
- Financial results 2021
 - 4 Key Indicators in the Report and Accounts
 - Solvency surplus of £19.8M, of which £9M is set aside for discretionary benefits which is not set aside in the accounts as it is not a regulated product, and £35M of assets
 - Income similar to 2021 at £1.3M. Rental income expected to increase by £100K in 2023 and income to rise to £1.7M by 2025 due to rent increases and premium income from new sickness policy
 - Expenses increased between 2021 and 2022. Compared to pre-incorporation the additional regulatory work has added £200K to managing business
 - Steady decline in member number
 - Expenses Comparison to 2021

- Expected increase of £174K due to project costs (sickness product, CRM, website, Bonds Project, Consumer Duty) and increase in staff costs which has resulted in less reliance on external resources
- Audit and Risk Report 2022/23
- Investment Committee Report for 2022/23
- Re-election for Kim Harris, Non-Executive Director
- Re-election of Martin Collins, Non-Executive Director
- Re-election of Paul Wiltshire, Non-Executive Director

Questions were submitted prior to the AGM and answered during the evening as shown below.

- **Costs**

Q Payments to Members remain approximately steady in 2022 for sickness and discretionary claims at £452,000 but can this be expected to reduce in 2023 following the reduction from paying 100% to 75% of claims?

A There was an increased level of discretionary benefits of £196,00 in 2022 to support members with the Energy Grant. The three-year Business Plan to 2025 shows discretionary benefit levels reverting to pre 2022 levels with an increase allowed for additional members.

Q Payments to Board and staff should not exceed payments to Members

A It is important to run a regulated business and pay the level of costs required. Discretionary payments to members effectively distribute the balance of the surplus as the Society is not intending to make significant profits but pay any surplus to the members. Comparing the level of discretionary benefit payments against the level of costs is not an appropriate measure as the latter is essential and the former is discretionary. The Board welcomes initiatives from members for discretionary benefits.

- **Investment Committee**

Q Is it necessary to have a quarterly Investment Committee or is it an expensive triplication of activity. Would it be possible for the Board to provide suitable oversight at half yearly meetings with the information provided by the Chief Executive?

A Investment Committee meetings are held via zoom therefore there is no cost involved. To include this within a Board meeting would result in longer Board meetings with accommodation costs.

Q Why do the Terms of Reference refer to managing diversified portfolio of assets and fail to reflect the Society's strategic intention to maintain investment of 90% of the assets in residential property in the North Kent region?

A The target is to maintain 85% of investable assets in residential properties as it has proved a good investment. The remaining assets are held in a diversified portfolio.

Q Why do the Terms of Reference refer to 'the firm'?

A Merely an alternative word to the Society.

- **Rules**

Q Has the document been reviewed by any Members before being presented to the AGM. Should a member's involvement panel be set up to review important Society documents? The Rules delegate significant powers to the Board without seeking approval of the members.

A Proposed changes result from the launch of the sickness plan. The amendments relate to:

- Definitions added to cover tables and plans
- Benefits updated to show those which only apply to legacy members
- Change in date to the half-yearly meeting to be held in November at lunchtime
- Entitlement of members to vote on resolutions and the distribution of surplus assets on dissolution have been amended following a member's concern

The Society Rules are delegated to the Board but have to be approved by the members. A member liaison forum has been discussed to harness member contribution and will be considered further.

Formal AGM and votes for the Resolutions

The Society Rules require 20 votes to pass a Resolution, including proxy voting. Tony Verrill oversaw the vote count and the results for the Resolutions are shown below.

Resolution 1 – To receive the Annual Accounts for the financial year ended 31 December 2022, the Report of the Board of Management and the Auditors Report

Total Votes in Favour 162

Resolution 2 – To appoint F W Berringer & Co as Auditors of the Society until the conclusion of the next Annual General Meeting

Total Votes in Favour 159

Resolution 3 – That Mr Kim Harris be re-elected as a Non-Executive Director of the Society

Total Votes in Favour 158

Resolution 4 – That Mr Martin Collins be re-elected as a Non-Executive Director of the Society

Total Votes in Favour 158

Resolution 5 – That Mr Paul Wiltshire be re-elected as a Non-Executive Director of the Society

Total Votes in Favour 151

Resolution 6 – To approve a complete alteration to the Society's Rules

Total Votes in Favour 123

The Chairman formally closed the AGM at 8.45pm following which members had the opportunity to talk to Board members before departing.

CONTACT US

If any member would like copies of the AGM presentation slides, or has any questions relating to the AGM, please contact us using any of the following methods:

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