

## **Chesterfield and North East Derbyshire Credit Union Limited**

### **Treasurers Report for Financial Year 2019/20**

#### **Income**

- Net Income increased by 2% to £226816 compared to previous year of £222526.
- Income from loans represented 86% of net income compared to 89% in 2018/19. This reflected a reduction in loan demand given the prevailing economic conditions. Interest from loans 2019/20 totalled £195669 (£198552).
- Grants and donations helped to contribute to the increased income for which the Directors are extremely grateful. The Governments “furlough scheme” was utilised in the year but we are pleased to note that this was temporary, and staff have returned to work.

#### **Expenditure**

- Costs well controlled with reduction of £10457 compared to previous year.
- Reduction in bad debt write offs of £9714 was welcomed but towards the end of the year upward pressure was noted.
- Staffing expenditure increased through internal appointments and additional hours.
- A bank reconciliation provision was raised of £4502 which had built up over a number of years. Actions put in place to both investigate (looking to write back to income in the future) and additional processes in place so not repeated.

#### **Net Operating Position**

- Operating surplus £5105 compared to deficit in previous year of £9642.
- A combination in trend of provisions and bad debts increasing together with forthcoming planned technology investments the Directors voted not to pay a dividend in the year.
- Surplus transferred to General Reserve.

#### **Balance Sheet Movements**

- Loans outstanding to Members reduced to £528085 (£572629) a fall of 8%
- Members/Juvenile shares/savings increased to £758616 (£667572).
- Net Assets increased to £1,102,086 (10%)

#### **Conclusion**

Given the circumstances this was a good annual performance with positive movement's seen in both liquidity and net asset base. We exceeded the liquidity and asset requirements set specifically for Credit Unions by the Bank of England throughout the year.

We continue to closely monitor our bad debt position with provisions raised under agreed regulations/guidelines for the sector.

The Board of Directors monitors the financial performance on a monthly basis comparing to set annual budget and previous year's results. Any actions required are taken in a timely manner to keep performance in line with expectations.

In conclusion Chesterfield and North East Derbyshire Credit Union Limited has both a satisfactory capital base and liquidity to support its current Membership and look to expand services further in the local community.

Stephen Denham.

Treasurer.