

Senior Manager Report – Annual accounts 2019/2020

A summary of the accounts is shown below. After an extremely challenging year members will note that we have ended with a small surplus. The Covid 19 pandemic impacted over half of the financial year and will unfortunately have an impact on the current year accounts as well. The first lockdown and closure of our office meant that we lost almost all our volunteer resource as our office is so small that despite many attempts to create a safe working environment, we have not been able to work from the office unless we work in there alone. This is not ideal as there are other offices in the building including children of school age which has meant there are often people in the corridor, and we must share the facilities with other organisations.

We were extremely grateful to receive a grant from Sussex Community Foundation Covid Relief fund for two laptops and we purchased another one ourselves at a cost of over £900.00. The nature of our work means that our laptops must be encrypted and completely secure to protect our members accounts and data. We also had to purchase a printer and other items to enable us to work from home though we anticipate being able to use all this equipment once we return to the office in different ways. We were also very relieved to get a discretionary grant from Hastings Borough Council which enabled us to pay staff members for additional hours to do some of the work that would normally be done by volunteers and a member of staff who had to be furloughed for three months. It also helped cover some of the additional costs as well as the loss in interest income.

One unexpected outcome of the pandemic has been the increase in savings and reduction in borrowing by our members. Whilst this is positive in that it helps increase our assets the reduction in borrowing has had an impact on our income as can be seen in the accounts and this reduction is being felt even more in the current year. We have also been unable to operate our lottery but plan to restart this in February to help raise extra income.

We have worked with numerous agencies over the last year to help people affected by the restrictions and have put our membership process and loan application process online. Whilst we managed to open an interim information point in Muriel Matters House thanks to Hastings Council, we have had to postpone this meaning that anyone wanting to open an account must have access to a computer. However, DWP and other agencies including Seaview have been very helpful in facilitating this for people. But many are going directly to the new 'challenger' banks such as Starling and Monzo because their online offer is much easier to use than ours and we must change our back office system to offer this service to stand any chance of keeping up and being sustainable.

Getting back into our office is a priority and we hope that with the current vaccination programme we will be able to achieve this in the spring. We have been given a grant by Sussex Community Foundation towards the cost of a new back office system and are working hard with another funder to obtain a further grant to cover the other two thirds of the cost. A new system will give members the option to manage their accounts online if they wish and we will be able to use open banking and Experian to make more informed lending decisions. We have significant assets that should be used for members loans area and this will mean we can make less risky decisions and reduce potential bad debt.

On a final note, I would like to thank our auditor Simon Lawrence from Ashdown Hurrey who worked over Christmas to complete our audit. Ashdown Hurrey have much fewer staff than normal, and our audit was carried out far later than planned but it was Simon ensured that he met our deadline for our AGM.

HASTINGS & ROTHER CREDIT UNION LTD**SUMMARISED ACCOUNTS YEAR ENDED 30th SEPTEMBER 2020**

Income / Expenditure		2020	2019
		£	£
Income:	Interest on members loans & investments	9265	13243
	Fees and commissions receivable	43792	27347
	Fees and commissions payable	-5417	-5658
	Grants, donations, and misc. income	13710	13125
	Total Income	61350	48057
Expenditure:	Administration costs	49752	43181
	Other operating expenses	4336	3752
	Losses on loans to members	5447	2453
	Depreciation	665	663
Total expenditure		60200	50049
Surplus / (Deficit) for Year		1150	-1992
Taxation		38	-537
Proposed Dividend to Members		0	0
Transfer to Reserves		1112	-2529