Treasurer’s Report 2020/2021

Most of what needs to be brought to this meeting has already been said in the Director’s Report.

The concerns of the previous year’s reports were the impact of Universal Credit and the Brexit vote. In the last year (19/20) the focus has become the pandemic and the continuing reduction of participation by migrant workers from Europe. The problems associated with Universal Credit eased, partly to do with swifter responses and temporarily raised payments during the pandemic.

We have continued to try to reduce our everyday costs reasonably successfully. But in spite of this we still ran at a loss. 80% of the cause of the loss in 19/20 was to do with asset depreciation rather than higher expenditures. But a loss is a loss.

We have tried to compensate a little for the reduction in loan interest income. We are mindful that there are many old accounts – some of them unused for 30 years. To some extent and with important provisos the credit union is entitled to take back some of those values. Substantial numbers of members with such accounts have been contacted over the year, as in previous years.

Our liquidity level (cash in the bank) is very high, much higher than the regulator’s requirements. This means that members have access to their funds and to loans at all times. But reduced lending over the previous year means that our capital levels need attention.

From the middle of the current financial year the outlook appears to be improving. Loan applications have outstripped the lending of the previous year and at present we are in profit.