

CHESTERFIELD AND NORTH EAST DERBYSHIRE CREDIT UNION

FEBRUARY 2014 PROJECTION OF RESULTS PRINCIPAL ASSUMPTIONS

Income

1. Interest – actual interest is just over £1,000 better than the agreed budget. It is assumed that for the remainder of the year the interest will be at budget levels.
2. Recovery of bad debts will continue at the budgeted level.
3. CUEP income is being received much slower and at lower levels than anticipated this has been reduced by £3,000 to reflect the actual experience.
4. Grant income is anticipated to be £2,000 lower due to the move taking place later than budgeted.

Expenditure

1. Wages and staff cost to date are below budget and this saving is reflected. The board have agreed to look at making a payment for “Treasury related work” bookkeeping and therefore going forward the cost is assumed to be on budget. Three FTE staff have been recruited.
2. Occupancy costs are below budget due to the move taking place later than budgeted.
3. Bad and doubtful debts are expected to be higher than budget.
4. Other expenses reflect the additional costs anticipated from the move including dilapidations cost for Theatre Yard.
5. Depreciation is lower due to the move taking place later than budgeted.

Interest and Dividends

The board agreed to raise interest rates by 1% at their meeting in March this is reflected in the budget as it was assumed in the plan.

Savings growth is lagging behind budget. The budget assumed a move before Christmas.

Until the move has taken place and there is a sign of improvement in the loan book and savings the change to differing rates of interest and payment of dividends is on hold.