

**Chesterfield & North East Derbyshire Credit Union**  
**Financial Report**  
**Year to September 2014**

**SUBJECT TO AUDIT**

**Introduction**

Last year when the budget was set there was uncertainty about the ability of the CU to achieve the targets however the budget has been well beaten and the following tries to explain how this has been achieved.

**Income & Expenditure (I & E)**

Income at £167,128 is better than budget by £19,226 due to higher interest received (mainly FLS this is due to the board increasing the availability of funds due to the high demand) interest earned from the usual member's loans was near to budget. Higher grant income received (TH, CBC NEDBD) offset by lower CUEP income. **CUEP has been at best a diversion from the main area of the business.**

Expenditure at £125,259 is better by £10,485 mainly due to lower staff costs (the budget allowed for increases in current wage levels, apart from the manager there has been no increase). The move of premises proved to incur lower professional fees than anticipated, bad debt provisions although the budget was set at lower than the previous year this has been beaten by some £3,500. **CUEP has been a non-event as we do not to use ALD to its full potential.** This has been offset by occupancy costs which include £3,500 write off for the telecoms system.

The net income at £41,869 was £29,711 better.

**Balance Sheet**

**The comparisons are to the 30 September 2013**

Net loans to members rose from £188,429 to £249,165 an increase of 32%. Including Family Loans the net loan book is £490,906 an increase of 63%. The Value of Member's Shares has risen from £247,230 to £342,439.

**Liquidity**

The bank balance excluding FLS balances remains healthy at £127,825 after transfer of £50,000 to FLS Account. The balance at bank remaining for FLS loans is £29,934

	£
Members Shares	342,439
Current Liabilities – Grants in advance etc.	82,069
Total	424,508

5% = 21,225: 10% = 42,451

**Capital Asset Ratio**

Excluding "Capital Reserves" the Capital Asset Ratio is:

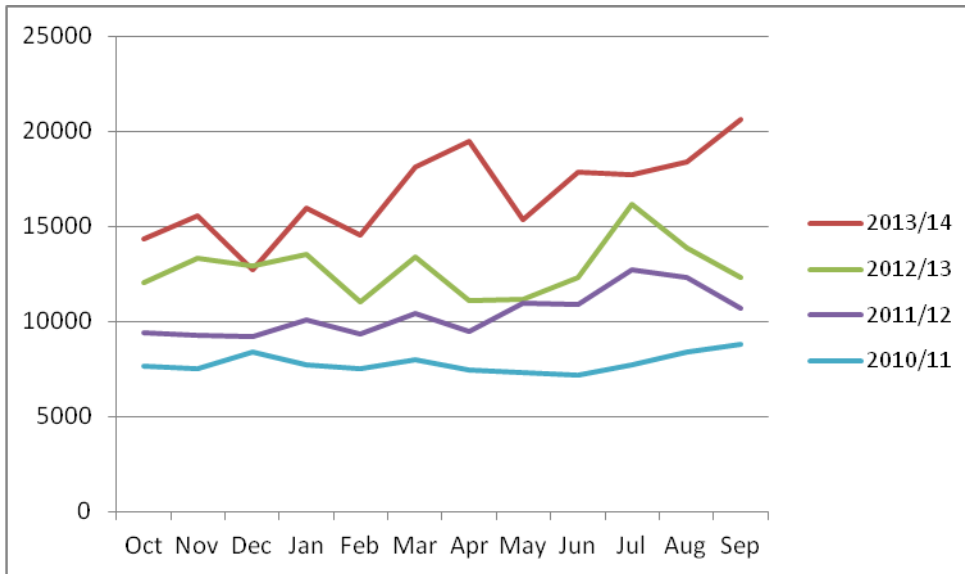
**Audited Reserves + Accumulated Profits** =  $\frac{7221+41,869}{11,693 + 654,627} \% = 7.4\%$   
Assets

**Bad Debt Provision**

100% of all exposure of loans that are over 12 months behind, 35% of loans that are behind by 3-6 months, 60% of all loans between 6-9 months, 80% of all loans between 9 to 12 months and 2% of all other loans. Bad debts written off during the year were £16,933 some of these being the older debts. The bad debt provision has reduced by £10,741 therefore the net increase was £6,192.

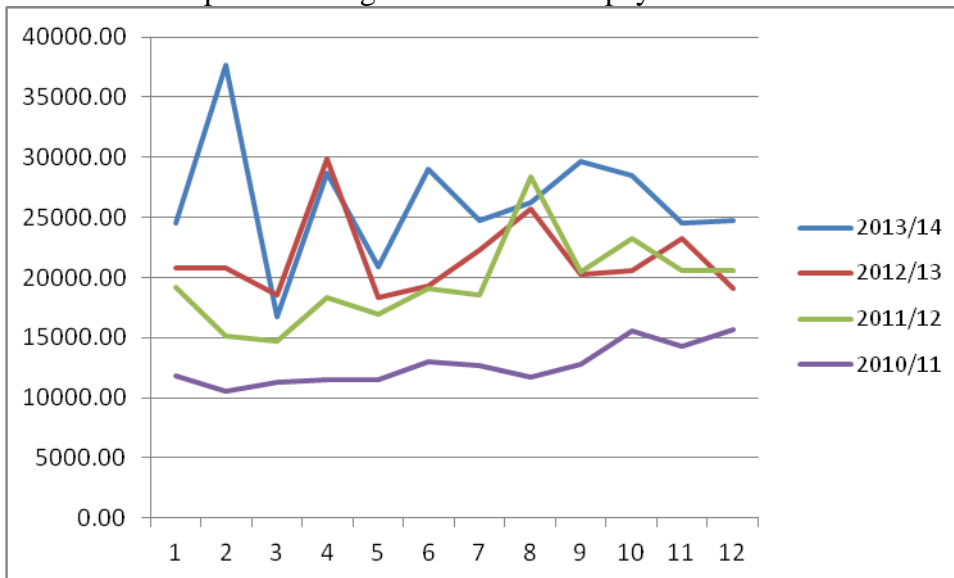
## Standing Orders

A good month for standing orders (excluding FLS) at £20,642 was £8,000 above previous year...



## Cash collections

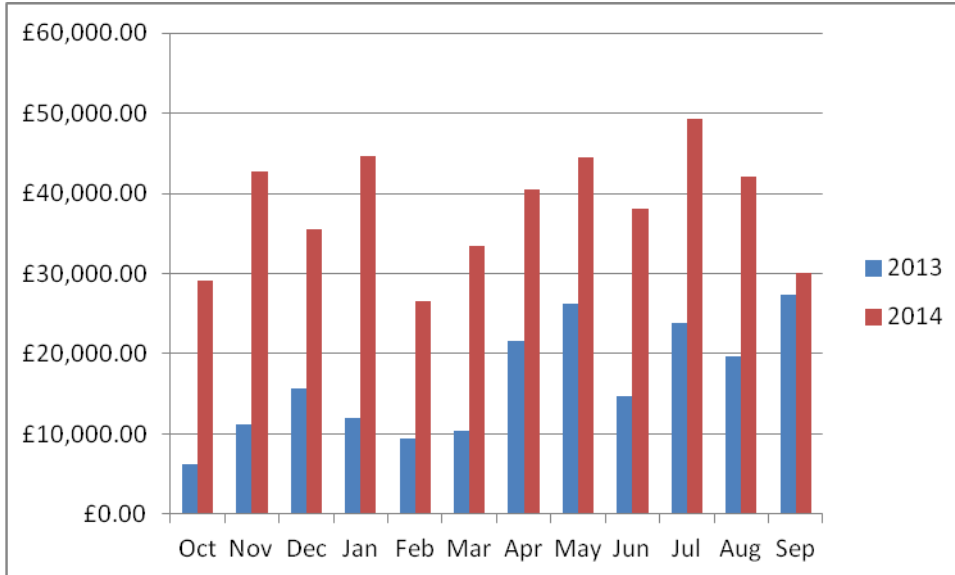
Total cash receipts excluding FLS from loan repayments and shares were £24,775.



## **FLS Activity**

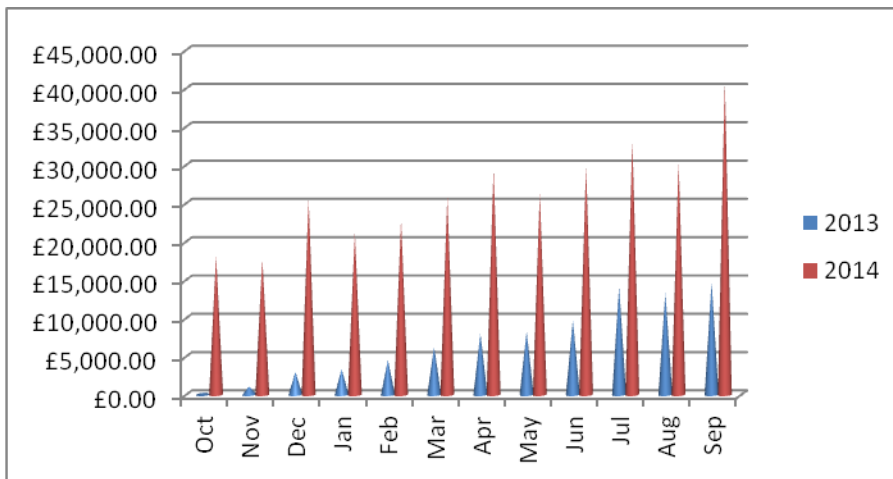
### **Loans made:**

In the first 12 months 580 loans were made totalling £198,145. This year 1631 loans were made totalling £456,256.



### **Repayments Received:**

Repayments during the first 12 months amounted to £86,545. This year repayments of £321,263 have been received



Repayments are being received at over £35,000 per month and the handling of benefit repayments are now over £20,000 per month with an additional £10-15,000 being handled as regular savers/withdrawals. It is acknowledged as a low risk product but a high cost as each repayment and reimbursement is of very small amounts usually on a weekly basis.