Frequently Asked Questions

When will the dividend and loan interest rebate be paid?

The dividend will be allocated to member's accounts by Monday 22nd January 2024.

When will the ISA interest be paid?

The ISA interest will be allocated to member's accounts on 8th April 2024.

What period does the dividend cover?

The dividend covers the period of 1st October 2022 to 30th September 2023. The percentage dividend we pay is applied to your average savings balance during this period of time.

How much is the proposed dividend and loan interest rebate?

We are proposing a dividend and loan interest rebate of 4%. In order to pay this competitive return, the board are proposing to return all of the surplus made in the last financial year, as well as some previous years' surplus from our reserves.

Will I get taxed on the dividend?

Dividends paid by credit unions are treated as interest for tax purposes and fall within the Personal Savings Allowance. Find out more at: www.gov.uk/apply-tax-free-interest-on-savings, including how to include the dividend on your Self-Assessment tax return. You are responsible for paying any tax liabilities to HMRC.

Is our capital still sufficient to meet regulatory requirements?

Our capital to assets ratio was 15.2% at the end of the financial year (30th September 2023). The regulatory requirement was for it to be 8.8%.

How did you determine which firm to propose for our external audit?

We invited four different audit firms to tender a bid for our next external audit. We received bids from all four firms, which were reviewed by our Audit and Risk Sub-Committee (ARSC). The ARSC considered a number of factors, including the experience of the firm within the credit union sector, the advantages and disadvantages of the proposals, and the potential costs. The ARSC then provided a recommendation to the board to propose Alexander Sloan to our members.

Why have we paid more tax this year compared to last year?

The amount of corporation tax we pay is based on deposit account interest we earn. As rates went up in the last year, we earnt more in interest than last year and our tax liability was therefore higher.

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Why have fixed assets increased so significantly?

Last year we invested in new office premises (2 Summerhouse Road) which shows as a fixed asset on our balance sheet. We're in the process of selling our offices at Duncan Close and these are also still showing as assets in the financial statements. Once sold, the value of our fixed assets will reduce.

Why have certain expenditure lines increased?

Wages and Salaries	To ensure a smooth transition between the interim CEO and the new permanent CEO, there was a long period of overlap whilst Dominic went through his extensive training and induction. We also increased staff salaries in line with the Living Wage Foundation, enabling us to stay accredited as Living Wage Employers. Our average number of staff increased from 33 last year to 42 employees in 2022/23.
Rates	The council tax we have to pay on our new offices is a higher rate than we were paying previously, due to it being a larger building. We are also still paying for the buildings at Duncan Close until they are sold.
Bereavement Fund Reserve	The payments to the Bereavement Fund this year (£390k) were similar to the payments made last year (£380k). The board made the decision last year to take back the initial capital payment that was put into the Bereavement Fund of £200k, which is why the expenditure last year shows much lower.
Property Insurance	We have incurred increased costs due to insuring an additional property and still paying insurance for the buildings at Duncan Close until they are sold.
Light and Heat	We have incurred increased costs for utilities for the new property and are still paying utilities for the buildings at Duncan Close until they are sold.
Bad Debt Expense	Our provision rose significantly compared to last year, which was the main cause of the increased expenditure for bad debts. We are required by the regulators to ensure we put some money aside for doubtful debts and have seen an increase in members in arrears due to the cost of living and other factors.
Marketing & Communication	The Board established new growth objectives in the three-year business plan that began in October 2022. Various new opportunities were identified to help grow Commsave, including factors such as new sponsorships to raise awareness of our services.
Telephone	The increase here is predominantly due to an increase in the amount of promotional activity we've done through text messages.
Legal & Professional	Recruitment costs have increased in comparison to the previous year in order to recruit for some more specialist roles within the business. We have also had an increase in legal costs in relation to chasing loans in arrears and bad debts, to ensure that we do everything we can to recover our member's money.
Regulation & Compliance Fees	This includes a payment of £112k to HMRC for breaches found during an audit under 'HMRC Inspections of ISA Managers', in relation to tax years 2016/17 to 2022/23. We have updated our systems and controls to ensure there are no further breaches.
Depreciation	We have incurred increased costs for the depreciation of the new property and are depreciating the buildings at Duncan Close until they are sold.

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