

COMMSAVE

Friendly • Ethical • Professional

Helping you afford life



Annual Reports and Accounts

For the year ended 30th September 2019



The easy way to save, the better way to borrow



 hello@commsave.co.uk  0303 0402 660  commsave.co.uk

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (213407).

Our Promises

At Commsave treating customers fairly will be at the heart of how we operate and all staff and volunteers must have our members at the centre of everything they do.

Our six key promises ensure that you are treated fairly at every stage of your dealings with us, now and in the future.



Fair Treatment

You can be confident that when dealing with Commsave, your fair treatment is central to our culture.



Good Value

Our priority is to provide our members with good value products and services.



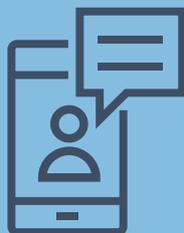
Meeting Your Needs

The products and services offered by Commsave are designed to meet the needs of our members.



Keeping Quality High

We will treat members fairly and deliver high quality products and services throughout their relationship with us.



Fully Informed

Commsave will provide you with clear information and will keep you informed throughout your dealings with us.



Easy to Understand

You can expect that all services provided by us will be as described within our policies and literature.

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Directors' Responsibilities

The directors present their report and financial statements for the year ended 30 September 2019.

The principal activity of the Credit Union continues to be that of the provision of savings and lending facilities for the benefit of its members as defined in the Credit Union Act 1979.

The directors are required under credit union legislation to prepare financial statements, for each financial year, which give a true and fair view of the state of affairs of the Credit Union at the end of the financial year, and of the income and expenditure of the Credit Union for the year.

Directors

The directors who held office during the year were as follows:

Mr M Braimah

Mr D G Keith

Mr H Mansuri

Mr R Munro

Mr D W Jackson

Mr S Doyle

left Board 2nd March 2019

Mr K Kafamba

Mr M Duodu

removed from Board 14th October 2018

Mrs R Owusu

Mr S Jacob

co-opted 12th October 2019

Ms L Walkden

co-opted 7th December 2019

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The directors are also responsible for:

- keeping proper accounting records;
- maintaining a satisfactory system of control over the accounting records and transactions;
- safeguarding the Credit Union's assets; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Credit Union's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Credit Union's auditors are aware of that information.

On behalf of the Board of Directors

Mr K Kafamba

Chairman,

7th December 2019

Chairman's Report



Dear Member - Owner,
On behalf of your Board of Directors,
I am delighted to report another year
of continued growth for your Credit
Union. During the year, your board
and staff have worked hard to deliver
our plans and build on the success of
previous years.

A few of this year's highlights are:

Member satisfaction

As a member owned co-operative your feedback is essential. Our annual member survey in the summer showed that 97% of members were either satisfied, or very satisfied with Commsave. Please continue to provide your feedback and ideas on how we can improve, and continue to best serve your needs.

Loans

During the year we trialled a new consolidation loan product. As this was a new type of lending for Commsave, the board allocated £5m of funds and we will monitor the performance of this part of our loan book. This new type of loan proved very popular and the £5m allocated for this product was disbursed within a few months.

Audit & Risk sub-committee

During the year, we strengthened the independent membership of this sub-committee by recruiting two additional independent members, Chris Okafor and Kamran Haider.

Diversity

Under our code of governance we are required to monitor diversity within the Credit Union. The board engaged an independent diversity consultant to conduct the survey and collate the responses. No major issues were highlighted in the consultant's report.

Twinning partnership

Katie and Callum from our management team joined me in visiting our 'twins' in Atlanta during the summer and we hosted a visit from Members First Credit Union in the autumn. As part of the twinning partnership Amanda, our CEO, has started a three-year study programme at the University of Georgia. The South Eastern Regional Credit Union School is a management development programme for credit union professionals. We have nothing like this in the UK and we are grateful for the financial support from Members First Credit Union.

Common Bond

As part of our growth and diversification strategy we continue to widen our membership base and we are asking members to support a motion at our Annual General Meeting (AGM) to make some changes to our common bond. These changes should help us to diversify our membership base, continue our growth and open up new opportunities.

Finally, on behalf of the board, I thank our staff and volunteers for their continued dedication and hard work, which has seen Commsave achieve another successful year.

Mr K Kafamba

Chairman

7th December 2019

Treasurer's Report



I'm pleased to report another year of continued growth for your Credit Union. Your board is delighted to propose a very competitive return on your savings and again we are recommending a loan interest rebate to members who have made their loan repayments, in line with their agreement. We have continued to invest in service improvements and set aside some of our surplus to continue to build our capital.

Income & Expenditure

This year, our income increased by £791k whilst our expenditure rose by £880k. The increase in expenditure is due to:

- A higher level of loan write offs and provisioning.
- Our investment in developing our IT systems. We have speeded up our loans processing and introduced e-signature which gets funds to members quicker. We also improved our joining process for new members.
- Developing a bespoke well-being hub for Commsave members.

Members' Savings

At the end of the financial year, members' savings rose from £47.2m to £56m representing a growth of 19%.

This year, we are proposing to pay our planned dividend of 2.25% on member savings. For the third year running, we are proposing to pay a loan interest rebate of 2.25% to members who have made loan repayments in line with their agreement.

Our proposed dividend and loan interest rebate are to ensure members who played a role in the success of Commsave receive their share of the surplus - this is the credit union difference!

Loans to Members

Loans to members at the end of the year stood at £46.3m, an increase of £6.9m, representing a growth of 17%. The loan products and their corresponding interest rates we offer, shows how the needs of members always form the focal point of our decision making.

Membership

2018/19 saw an increase in membership from 22,201 to 24,210 representing 9% growth in membership.

Bad Debt & Loans Written Off

Although bad debt written off has increased, this was not unexpected and we had planned for it. Our robust systems ensure a significant amount of these write offs are recovered. Members' wellbeing is paramount to the decisions we make, and we urge members facing changed circumstances, which impact their ability to meet their loan repayments, to fully engage with us.

Capital & Reserves

At the year end, our General Reserve stood at £13.4m, an increase of £2.3m, a growth of 21%. The growth of our reserve is to ensure the board can continue to meet members' expectations and provides a buffer against any unexpected events in the future.

External Independent Audit

Our accounts have been audited by Burgis & Bullock of Leamington Spa and the board has received their unqualified report.

Mr M Braimah

Treasurer

7th December 2019

Auditors' Report

The summary information presented within this annual report does not constitute the full financial statements of the Commsave Credit Union for the years ended 30 September 2019 and 2018 but represents extracts from them. These extracts do not provide as full an understanding of the financial performance and position as the full financial statements, which are available from the office.

The independent auditor of the Credit Union, Burgis & Bullock, Chartered Accountants, has issued an unqualified audit opinion on the full financial statements for the years ended 30 September 2019 and 2018.

Their opinion on the full financial statements for the year ended 30 September 2019 was issued on the 7th December 2019 and was as follows:

Opinion

We have audited the financial statements of Commsave Credit Union. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Credit Union's affairs as at 30 September 2019 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, and the Credit Unions Act 1979.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinions on other matters

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the Treasurer's Report, Chairman's Report and the Directors' Responsibilities Statement for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Treasurer's Report, Chairman's Report and the Directors' Responsibilities Statement have been prepared in accordance with applicable legal requirements.

Income and Expenditure Account

	2019	2018 (as restated)
	£	£
Income		
Interest on loans to members	6,757,994	6,077,316
Interest on other CU Loans	12,033	-
Bank interest received	187,571	94,516
Dormant account charges	5,295	4,369
Funding from FOCCU	42,419	42,358
Rent receivable	4,712	-
Engage Card commission	72	265
	7,010,096	6,218,824
Less: Administrative Expenses		
Wages and salaries and staff welfare	505,909	418,757
Training costs	22,445	26,965
Rates	3,006	3,305
Bereavement fund reserve	225,621	183,952
Fidelity bond insurance	31,185	13,387
Property insurance	2,686	2,159
Light and heat	3,721	4,299
Cleaning	8,766	7,970
Repairs and maintenance	24,357	5,633
Bad debts expense	1,712,304	1,232,180
Printing, postage and stationery	42,393	58,212
Advertising and marketing	109,632	72,554
Telephone	38,134	32,452
Computer maintenance	26,696	25,680
Equipment leasing	4,340	2,842
Meetings, seminars & conferences	110,522	75,568
Association fees	24,961	19,469
Legal and professional fees	61,661	-10,563
Regulation fees	2,690	4,562
Business development	67,163	33,658
Audit & accountancy fees	19,265	16,123
Bank charges and credit agency fees	146,576	118,697
Sundry expenses	4,866	5,485
Depreciation on tangible fixed assets	20,294	15,080
Ring fenced projects - Furniture	-	6,806
Ring fenced projects - IT Improvements	79,828	52,085
Ring fenced projects - Rowland Hill Fund donation	20,000	20,000
Ring fenced projects - Wellbeing hub	8,434	-
Ring fenced projects - Diversity Survey	3,000	-
CU loans commission	-	2,627
	3,330,456	2,449,945
Operating surplus before taxation	3,679,641	3,768,879
Less: corporation tax	(37,747)	(18,903)
Operating surplus after taxation	3,641,894	3,749,976

Balance Sheet

	2019	2018 (as restated)
	£	£
Members' loans		
Loans due from members	50,097,714	42,608,057
Bad debt provisions	(3,879,485)	(3,217,147)
	46,218,229	39,390,910
Fixed assets		
Tangible assets	496,813	508,049
Current assets		
Cash at bank and in hand	23,942,267	19,222,009
Prepayments and accrued income	506,424	548,177
	24,448,691	19,770,186
Creditors		
Amounts falling due within 1 year	(1,374,325)	(1,164,423)
	23,074,366	18,605,763
Net current assets		
	23,074,366	18,605,763
Total assets less current liabilities		
	69,789,408	58,504,722
Bereavement fund provision	(396,565)	(264,313)
	69,392,843	58,240,409
Capital reserves		
Share capital	56,041,424	47,194,997
General reserve	13,351,419	11,045,412
	69,392,843	58,240,409
Shareholder's funds		
	69,392,843	58,240,409

Declarations

Training

As Commsave continues to grow we are committed to developing both our staff and volunteers.

Each director and independent Audit & Risk member has completed their allocated on-line training which ensures we all have basic knowledge and understanding of the practice and principles of credit unions.

This year Amanda Ivey our CEO enrolled on to a three-year credit union development programme at the University of Georgia - South Eastern Regional Credit Union Management School (SERCUS). This programme has run successfully for many years, but we have nothing like it in the UK. We are grateful for the financial support from our 'twin' Members First Credit Union in Georgia.

Caterina Angieri, our Business Development Officer, successfully completed the CU Futures programme. We were delighted to hear that Cat's final project was judged to be the best from her course and she was rewarded with a trip to the US when she attended their credit union conference.

Congratulations to Katie Moore (Accounts Team Leader), Tony Woods (Chairman – ARSC), Cat Angieri (Business Development Officer) who successfully passed the London Institute of Banking & Finance examination for credit unions.

Callum Skears (Member Services Team Leader) has qualified as a mental health first aider and this will enable us to better support members and staff.

Aaron Bowers (Members Services Administrator) and Dean Keith (Vice Chairman) attended the seven-day Development Educators (Europe) programme at Liverpool University.

We continue to support staff to achieve recognised qualifications through our apprenticeship scheme and during this year Georgia Naylor, Lucy Jones, Sariya Manning, and Caitlin Connelly achieved level two customer service qualifications and Callum Skears achieved level three customer services.

Code of Governance

The Board has agreed to implement the Association of British Credit Unions Ltd (ABCUL) Code of Governance. Richard Munro (Executive Director) has been given the responsibility to monitor our compliance with the Code and put in place actions to achieve 100% compliance with the required standards. At the end of this year we assessed our self as 100% against the required standard.

Audit & Risk sub-committee (ARSC)

Independent Members:

Anthony Woods (Chairman)
 Samuel Ayiehfor (Vice Chairman)
 Chris Okafor
 Kamran Haider

Amanda Ivey (Chief Executive Officer)
 Katie Moore (Accounts Team-Leader)
 Richard Munro (Executive Director & Secretary – Interim)

Derek Jackson (Director)
 Alice Markham (Internal Auditor, JR Watson & Co Accountants)

Note – The Chairman of the Board has the right to attend ARSC meetings

Internal Controls

During the year our independent internal auditor has carried out audit reviews and reported her findings to our Audit & Risk sub-committee. Her internal audit work includes checking for compliance with legislation, regulation, policies and procedures. She also carries out random samples of transactions to ensure they comply with our policies and procedures.

No significant deficiencies in internal controls have been found during the year.

Single Customer View

We have complied with and tested the Single Customer View requirements.

Additional Activities

As we undertake 'additional activities' as set out in regulation, we are required to monitor a range of financial ratios. The board reviews these ratios each month.

Insurances

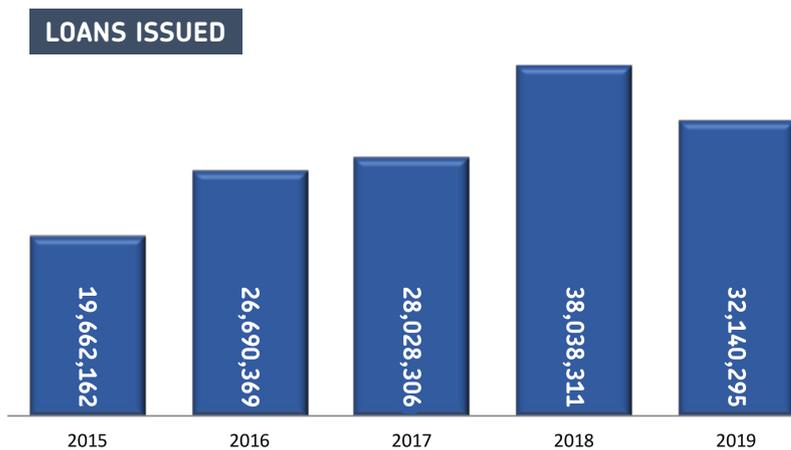
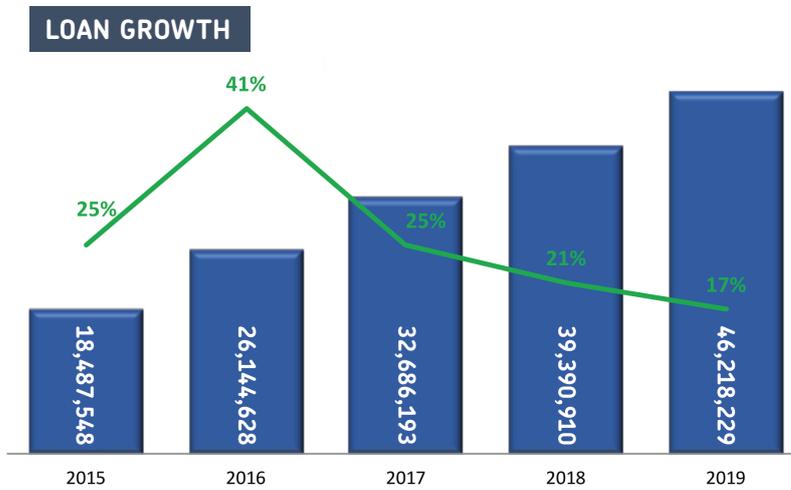
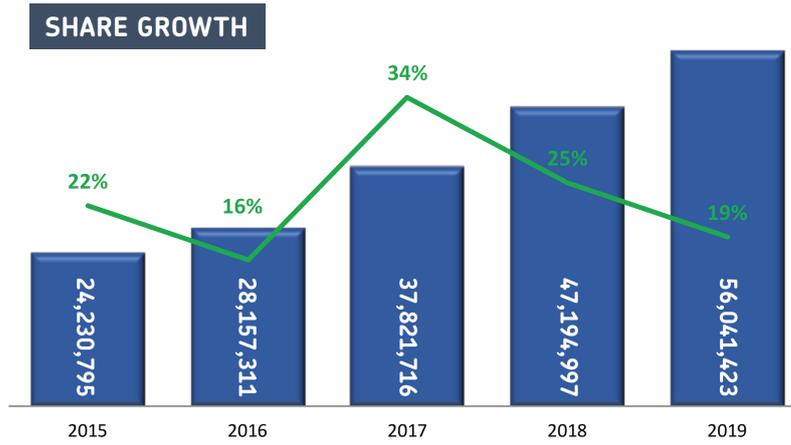
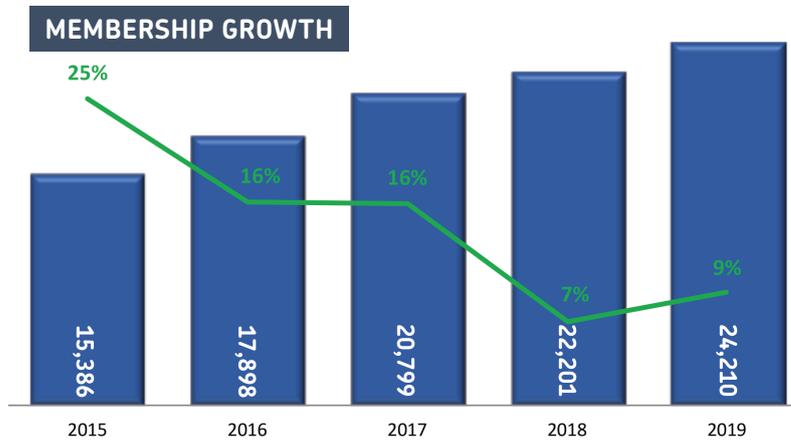
We have maintained adequate insurances according to legal requirements and in addition we have also taken out cyber insurance.

Director Attendance

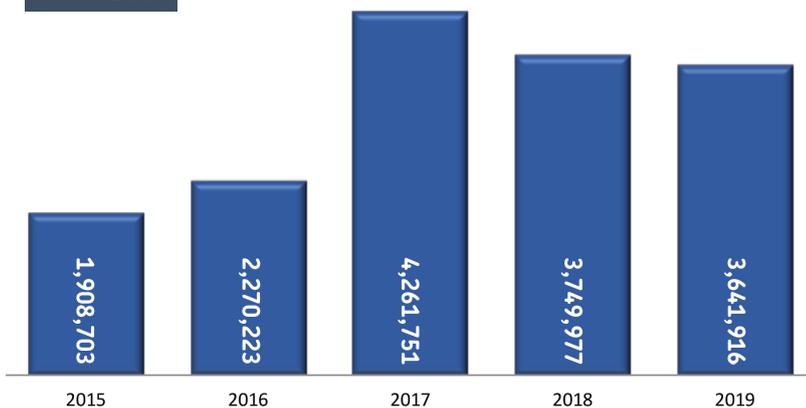
	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jul '19	Aug '19	Sep '19
Mohammed Braimah	P	P	P	P	P	P	P	P	A	P	P	P
Dean Keith	P	A	A	A	P	P	P	P	P	P	P	A
Habib Mansuri	P	P	P	P	P	A	P	P	A	P	P	P
Richard Munro	P	P	P	P	P	P	P	P	P	P	P	P
Derek Jackson	P	P	P	P	A	P	P	P	P	P	A	P
Scott Doyle	P	P	P	P	P	N	N	N	N	N	N	N
Kundai Kafamba	P	A	P	P	P	P	P	P	A	P	P	P
Michael Duodu	N	N	N	N	N	N	N	N	N	N	N	N
Rose Owusu	A	P	A	P	P	P	M	M	M	M	M	M
Sony Jacob	N	N	N	N	N	N	N	N	N	O	O	A
Lisa Walkden	N	N	N	N	N	N	N	N	N	N	O	O

P = Present O = Observer N = Not Applicable A = Apologies M = Maternity

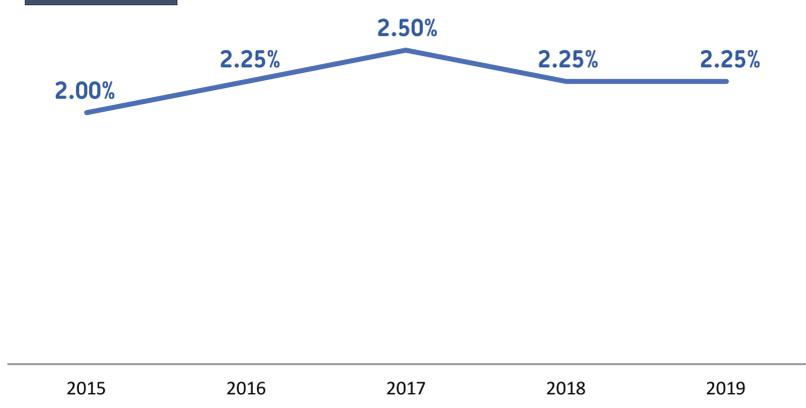
Performance Graphs



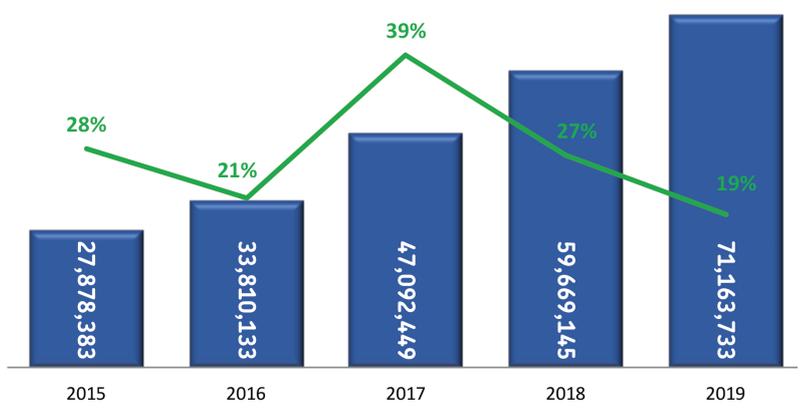
SURPLUS



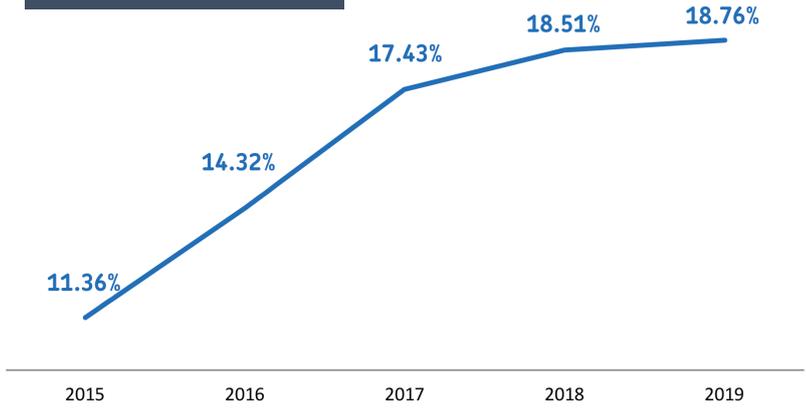
DIVIDEND



ASSET GROWTH



CAPITAL ASSETS RATIO



Performance Graphs

2019 Highlights



2,000

We welcomed more than 2,000 new members.

96%

of members feel that our products and services suit their needs.

91%

of members are happy with our loans process.

£8.8m

Members savings grew by £8.8 million, a 19% increase on last year!

2.25%

We're proposing a 2.25% dividend and loan interest rebate of 2.25%.

Member Feedback

"Love the service and have had numerous loans and always paid on time. Thanks for all the help your loans have given my family over the years."

"A big THANK YOU to Commsave for being there for me over the years. You've been such a huge support to me financially."

"Thank you. Genuinely helping me to sort my finances and slowly become debt free. An amazing company!"

"Thank you very much for your support and help. I'll recommend all my friends from my workplace."

"You've always been so helpful and always helped me with my emergencies."

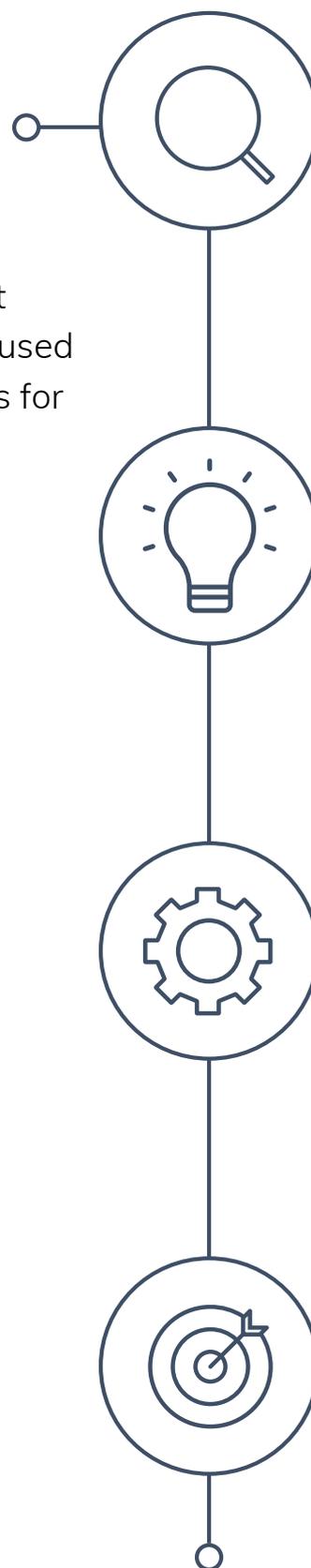


Business Planning

On the weekend of 19th to 21st July 2019, the Commsave Board of Directors and staff team got together for a business planning weekend. They used feedback from our members to help identify ideas for developing the business over the next year.

Among the plans agreed were the following priorities.

- Launch new PrizeSaver Account to encourage members to save and have the chance to win prizes.
- Enhance member secure area to improve members' online experience through enhanced functionality.
- Sign up new employers to offer payroll deduction services to their staff.
- Recruit more workplace representatives to help increase awareness of Commsave and membership take-up levels.
- Implement improved systems to enable members to provide feedback and to enable the Commsave team to respond promptly and effectively.
- Develop a financial well-being hub to offer educational materials and resources that will help members develop their money management skills.
- Explore the development of a 'white goods' scheme to help members access affordable products.
- Offer card payments online to enable members to transfer money to their accounts more easily.



Members Sadly Missed

Our deepest sympathies to the families of the following members who have passed away this year.

Clive Ellis

Denise Woods

Pulavan Salavudeen

Owen Doherty

Peter Boadi

Barry Savage

Stephen Pearl

Maurice Walsh

Ishmael Solomon

Richard Massey

Amanda Gough

Martyn Pace

George Sarpong

Ben Lefevre

Lee Peterson

William Cotter

Edgar Esteban

Justina Edekemi

Kelly-Mary Fauvrelle

Robi James

Yvonne Allen

David Haine

Siu Mak

Alan Eason

Ahmed Egeh

Steven Lambert

Nicholas Munns

Nicholas Aimeloglou

Nicholas Edgar



Bereavement Fund

What is a Bereavement Fund?

At Commsave, your savings and loans are protected by our Bereavement Fund at no extra cost, ensuring peace of mind without any added expenses.

This protection means that in the event of your death, the Fund will:

- Pay off all outstanding Commsave loans
- Pay a minimum of £500, up to a maximum of £5,000 into your savings to help your nominated beneficiary at such a difficult time

Who are the funds paid to?

You are able to nominate up to five beneficiaries to receive your savings held in your Commsave account.

Keeping your beneficiary details up to date is essential. Relationships and contact details can change over time, so it is important that you notify us of any changes. This ensures that we are able to contact the nominated person(s), and carry out your wishes.

We aim to make the process as easy as possible for your loved ones. We provide them with clear communication on the next steps to take, to claim the funds due to them.

What is my beneficiary entitled to?

To determine the payment due from the Bereavement Fund, we will calculate the average savings balance over the last 12 months before the date of your death. The more you save, the more your loved ones receive, which can provide them with an extra helping hand towards funeral costs.

The Bereavement Fund payment is in addition to any savings held in your Commsave account. Up to £5,000 will be paid straight to your nominated beneficiary, and any remaining funds will be included as part of your estate.

Below are three examples of how the Bereavement Fund is calculated for members with different amounts held in their savings.

	Member A	Member B	Member C
	Savings balances at month end (£)		
January	50	600	11,000
February	60	700	12,000
March	70	800	13,000
April	80	900	14,000
May	90	1,000	15,000
June	100	1,100	16,000
July	110	1,200	17,000
August	120	1,300	18,000
September	130	1,400	19,000
October	140	1,500	20,000
November	150	1,600	21,000
December	160	1,700	22,000
Sum of month end balances	1,260	13,800	198,000
Average Savings (Sum ÷ 12)	105	1,150	16,500
Payment From Fund	500	1,150	5,000

MEET
OTHER
MEMBERS



FREE
PRIZE
DRAW



HOT
BUFFET
LUNCH



LEND
WITH CARE
RAFFLE

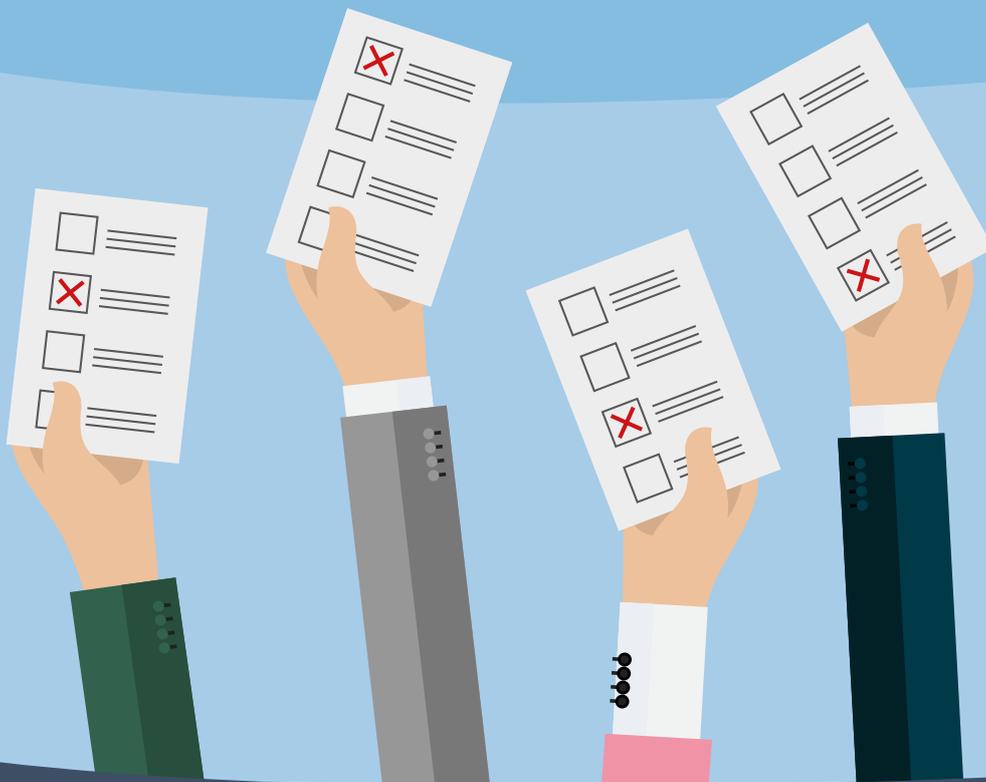


You are invited to the AGM

You should by now have received your digital invitation to our AGM, which is being held on 26th January 2020. The meeting is taking place at the Marriott Hotel, Eagle Drive, Northampton NN4 7HW, with arrival from 10.30am for an 11.00am start.

Our AGM is a great way for you to learn more about the business, have your say about how we are run, and meet other members from around the UK. We will be providing a hot buffet lunch and will pay all members travel expenses for attending (based on 45p per mile).

We look forward to seeing you there!



We have sent an email invitation to our members through Eventbrite. If you have not received an Eventbrite invitation, please contact us on **0303 0402 660** and we will send you the link.