

COMMSAVE

Friendly • Ethical • Professional

Helping you afford life



Annual Reports and Accounts

For the year ended 30th September 2020



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 Mission

Commsave exists to provide excellent service for members, with products tailor made for their needs.

Our Values

Our values are to meet our mission by providing our service in a friendly, ethical, and professional way.

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 2020.

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 (deceased 14th August 2020)

Mr K Kafamba

Mrs R Owusu

Mr S Jacob

Ms L Walkden

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,

5th December 2020

Chairman's Report



Dear Member - Owner,

Well, what a strange year!

On behalf of your board of directors I am pleased to report that despite many challenges, your Credit Union has continued to serve you, its members, and deliver our services effectively.

During the year we all had to adapt to different ways of working due to the effect of Covid-19 on our lives. I would like to thank our staff who very quickly moved to working from home, with an almost seamless affect on our members. The economic effect of the pandemic has been felt and there are further details in our Treasurer's Report.

In April, we completed the merger of Harvest Money in to Commsave and we warmly welcome those new members to the Commsave family.

Commsave was selected to take part in a pilot savings scheme, Prizesaver. This pilot was launched by HM Treasury to encourage people to save with a credit union. As I write this report, another Commsave member has been announced as a £5,000 headline prize winner! So far, Commsave members have won £48,160 from this scheme.

During the year, as part of our governance process the board commissioned an independent review of board effectiveness. The recommendations from

the review will be considered and implemented over the coming months.

In August, we saw the passing of Derek Jackson. Derek was instrumental in launching the Credit Union in 1991 and was our very first chairman. He was a long serving director, and we will miss Derek's experience, common sense, and good humour. As a memorial to Derek, Commsave will fund two scholarships to an annual credit union development programme. Our condolences and thoughts are with Derek's wife and family.

Our Audit & Risk sub-committee have continued to meet remotely, and we thank them for their work in the important areas of risk, governance, and audit.

We thank our network of Workplace Reps for their sterling efforts in continuing to promote Commsave to their workmates.

Our Annual General Meeting will be held online at 11am on Sunday 24th January and I hope to see as many members as possible joining us to hear about the year past and vote on key issues.

Finally, a BIG thank you to the staff team led by Amanda for their fantastic response to the challenges during this year, your efforts are very much appreciated.

Mr K Kafamba
Chairman

Treasurer's Report



Despite the challenges of Covid-19, I am pleased to report another successful year for Commsave.

As the first lockdown kicked in, in March, we found members were able to increase savings but the demand for loans dropped off. This is not surprising as the majority of our members are key / essential workers who continued to receive full pay but had limited opportunities to spend it! Loans for 'big ticket' purchases like holidays, cars, weddings, home improvements etc dropped off.

We appreciate that for some members Covid-19 did have an impact on their household income and our staff worked quickly to put in place a range of measures to support those who were affected.

The impact of this has been felt with year-end savings increasing by 33% (£18.7m) but loans declining by 2% (£1.0m). In the short-term this is not a problem, and part of our mission is to provide a safe and easy way for members to save. However, we do need interest from loans to pay our bills, build our regulatory reserve, and pay our dividend. Also, we have to hold reserves against savings and so we need to keep the balance between savings and loans in kilter.

During the year we have continued to invest in improving the service and security of our IT systems, recruiting and developing new staff, and promoting Commsave across the whole of our common bond.

Write-offs have continued to increase and this is an area where constant vigilance is needed. Our staff are always ready to discuss alternative repayment plans should a member's circumstances change, but we will pursue all debts as far as we can to ensure loans are repaid.

We have continued to build our reserves (capital) which now sits at 15.9%, significantly above the regulatory minimum. Your board takes a prudent view on capital and wishes to continue building for the future so that we can meet members expectations and provide a buffer against any unforeseen events in future.

Your board is delighted to propose a very competitive return on your savings of 2.25% and again we are proposing a loan interest rebate of 2.25% to members who have made their loan repayments in line with their agreement. We believe it is important to make sure that all members who have played a role in the success of Commsave receive their share of the surplus. This is the credit union difference!

Looking ahead, we believe it will be necessary to reduce the level of dividend proposed at next year's AGM. We are planning on 1.5%, but of course this will depend on our financial performance through the current year. Our objective is to pay a competitive return on your savings.

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

Mr M Braimah
Treasurer

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 2020 and 2019 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 2020 and 2019.

Their opinion on the full financial statements for the year ended 30 September 2020 was issued on the 5th December 2020 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 2020 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

	2020	2019
	£	£
Income		
Interest on loans to members	7,344,361	6,757,994
Interest on other CU Loans	4,650	12,033
Bank interest received	340,575	187,571
Dormant account charges	11,008	5,295
Funding from FOCCU	50,688	42,419
Rent receivable	11,623	4,712
Grant income	20,000	-
Engage Card commission	134	72
	7,783,039	7,010,096
Less: Administrative Expenses		
Wages and salaries and staff welfare	595,652	505,909
Training costs	36,430	22,445
Rates	2,649	3,006
Bereavement fund reserve	265,105	225,621
Fidelity bond insurance	23,110	31,185
Property insurance	2,565	2,686
Light and heat	4,448	3,721
Cleaning	7,739	8,766
Repairs and maintenance	17,709	24,357
Bad debts expense	3,002,918	1,712,304
Printing, postage and stationery	36,111	42,393
Advertising and marketing	125,099	109,632
Telephone	46,449	38,134
Computer maintenance	33,620	26,696
Equipment leasing	7,084	4,340
Meetings, seminars & conferences	41,762	110,522
Association fees	31,196	24,961
Legal and professional fees	100,539	61,661
Regulation fees	3,022	2,690
Merger costs	20,000	-
Excess of assets aquired on Harvest Money transfer	(10,529)	-
Business development	75,332	67,163
Audit & accountancy fees	23,082	19,265
Bank charges and credit agency fees	179,424	146,576
Sundry expenses	413	4,867
Depreciation on tangible fixed assets	23,106	20,294
Ring fenced projects - IT Improvements	101,978	79,828
Ring fenced projects - Rowland Hill Fund donation	25,000	20,000
Ring fenced projects - Wellbeing hub	8,885	8,434
Ring fenced projects - Diversity Survey	-	3,000
	4,829,898	3,330,456
Operating surplus before taxation	2,953,141	3,679,640
Less: corporation tax	(64,335)	(37,747)
Operating surplus after taxation	2,888,806	3,641,893

Balance Sheet

	2020	2019
	£	£
Fixed assets		
Tangible assets	505,624	496,813
Members' loans		
Loans due from members	51,645,257	50,097,714
Bad debt provisions	(6,439,037)	(3,879,485)
	45,206,220	46,218,229
Current assets		
Cash at bank and in hand	45,538,269	23,942,267
Prepayments and accrued income	668,624	506,424
	46,206,893	24,448,691
Total Assets	91,918,737	71,163,733
Liabilities		
Share capital	74,745,929	56,041,424
Creditors: falling due within 1 year	2,022,047.00	1,374,325.00
Bereavement fund provision	526,412.00	396,565.00
	77,294,388	57,812,314
Capital reserves		
General reserve	14,624,349	13,351,419
Total liabilities	91,918,737	71,163,733

Declarations

Code of Governance

The board has agreed to implement the Association of British Credit Unions Ltd (Abcu) 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 and gold standards. At the end of this year we assessed ourselves as 100% against the required and gold standards.

Audit & Risk sub-committee (ARSC)

Independent Members:

Tony Woods (Chairman)

Samuel Ayiefor (Vice Chairman)

Chris Okafor

Kamran Haider

Amanda Ivey – CEO

Katie Moore – Accounts Team-Leader

Richard Munro – Executive Director

Dean Keith – Director

Russel Vann – Internal Auditor (R Vann Ltd)

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 his findings to our Audit & Risk sub-committee. His internal audit work includes checking for compliance with legislation, regulation, policies and procedures. He 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.

Training

We place a high priority on the ongoing training and development of our staff and volunteers.

Each director and independent Audit & Risk member has completed their allocated online training which ensures we all have basic knowledge and understanding of the practice and principles of credit unions. All directors have passed or are working towards Certificate in Credit Union Principle & Practice awarded by Chartered Bankers Institute.

Amy Tompkins from our loans team is participating in this year's CU Futures development programme.

Several of our staff have attended mental health awareness workshops.

Callum Skears, our Member Services team-leader is studying to achieve accreditation by Institute of Leadership & Management.

Our Treasurer, Mohammed Braimah and Accounts team-leader, Katie Moore are both studying with the Association of Corporate Treasurers.

Our Chairman, Kundai Kafamba and Vice-Chairman, Dean Keith have both attended training workshops with the Association of Chairs.

We continue to support staff to achieve recognised qualifications through our apprenticeship scheme. This year, Luke Duffy, Grace Goodwin, Faith Layzell, Viktoria Melnik, Christopher O'Connor, and Holly Paulden are studying towards their apprenticeships.

Single Customer View

We have complied with the Single Customer View requirements, and these have been independently tested.

Insurances

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

Director Attendance

	Oct '19	Nov '19	Dec '19	Jan '20	Feb '20	Mar '20	Apr '20	May '20	Jun '20	Jul '20	Aug '20	Sep '20
Kundai Kafamba	P	P	A	P	P	P	P	P	P	P	P	P
Dean Keith	A	P	P	P	P	P	A	A	P	P	A	P
Mohammed Braimah	P	P	P	P	P	P	P	P	P	P	P	P
Lisa Walkden	O	O	A	P	A	P	P	P	P	P	P	P
Richard Munro	P	P	P	P	P	P	P	P	P	P	P	P
Rose Owusu	M	M	M	P	A	P	A	P	P	P	A	P
Derek Jackson Deceased 14th August '20	P	P	P	A	A	P	P	P	P	A	A	
Habib Mansuri	P	P	P	P	P	P	P	A	P	P	A	P
Sony Jacob	A	P	P	A	P	P	P	A	P	P	P	P

P = Present O = Observer A = Apologies M = Maternity

Chief Executive's Report



As Commsave enters its 30th year, I am extremely proud to have been part of its development for the past 15 years, and have seen a great deal of change over that time. As the organisation grows, we continue to invest in our staff and technology to ensure that we are able to serve you, our members, to an excellent standard.

For this financial year, all areas of the economy have had to adapt rapidly in response to the challenges of continuing to operate during restrictions placed on us all due to COVID-19.

Some of our plans such as visiting workplaces, and other member recruitment opportunities, were unfortunately cancelled, but our dedicated staff looked for other innovative ways in which we could support members during this difficult time.

When the first lockdown began, some members experienced complete isolation, with no one to speak to for many days. Our staff wanted to find ways we could help, and launched our 'Let's Talk' campaign. In the months that followed, we had conversations with members in all kinds of situations, which we hope was as useful for our members as it was rewarding for staff.

Perhaps the biggest changes this year, were welcoming our new members from Harvest Money as a result of the successful merger, and

finding new ways of working remotely for our staff team.

Taking part in the HM Treasury pilot of the Prizesaver account has been a fantastic opportunity for us, giving members access to instant access savings that not only earn our dividend, but also the chance to win £5,000 every month. We now have over 4,400 members with Prizesaver Accounts, with 167 winners totalling £48,160!

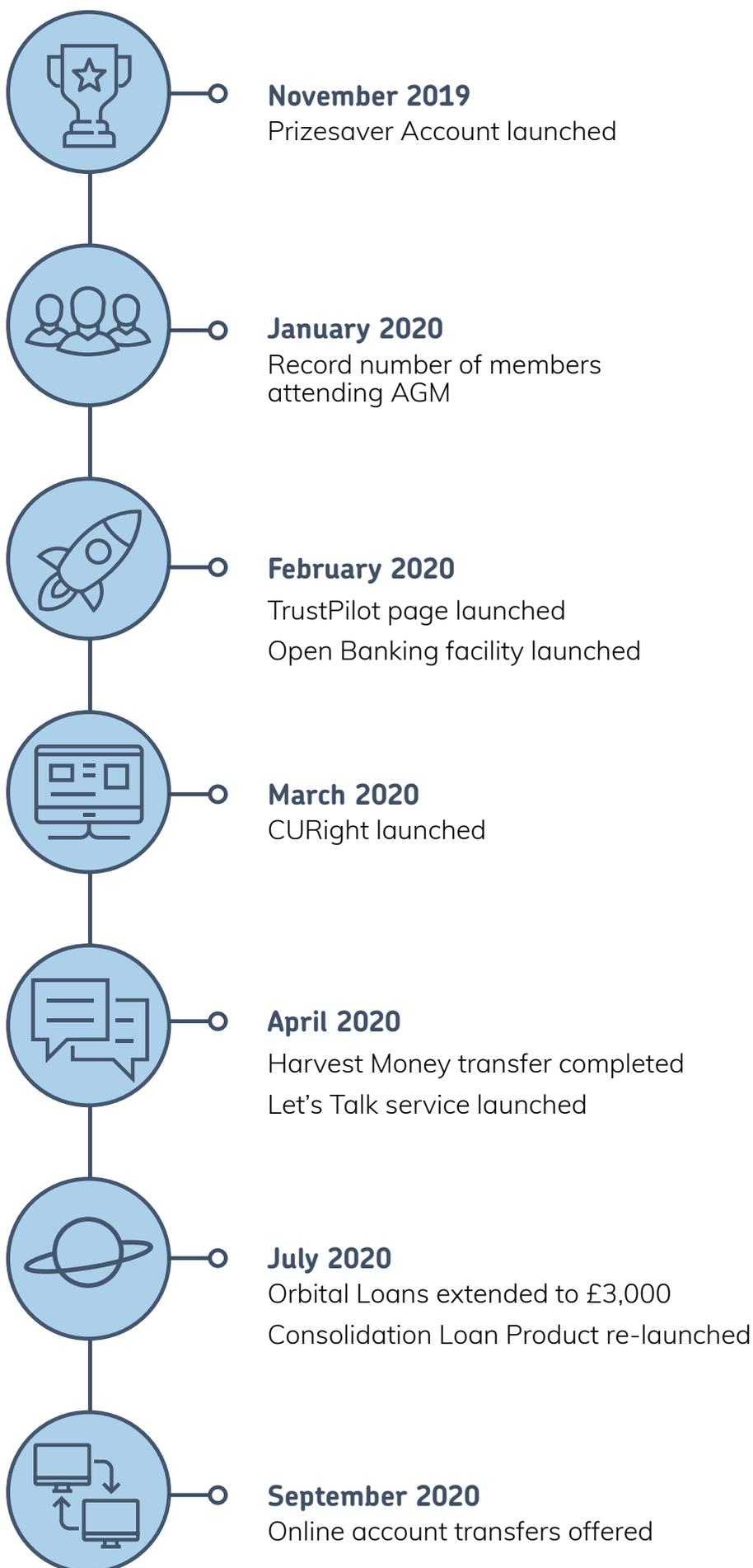
We also launched CURight.co.uk, an online financial wellbeing hub, packed with tools and useful articles to help our members keep up to date with latest money management skills.

Giving members access to affordable credit is one of our primary goals, and in response to member feedback we relaunched our Consolidation Loans, helping members reduce their debt repayments and make significant savings to their interest costs. For those needing credit that they can access quickly in an emergency, we increased our Orbital Loans limit, while reducing the minimum payment requirements, giving more flexibility to the accounts.

We have lots of new features allowing all accounts to be managed online or via our mobile app, with more on the way, and look forward to gathering feedback from you about services you would like to see.

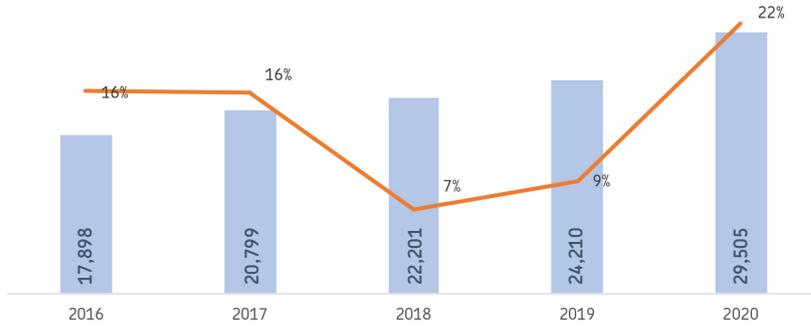
Amanda
Chief Executive Officer

2019/2020 Achievements

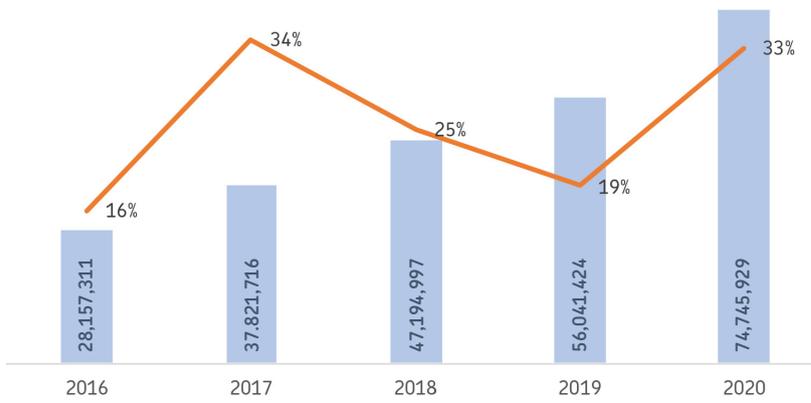


Performance Graphs

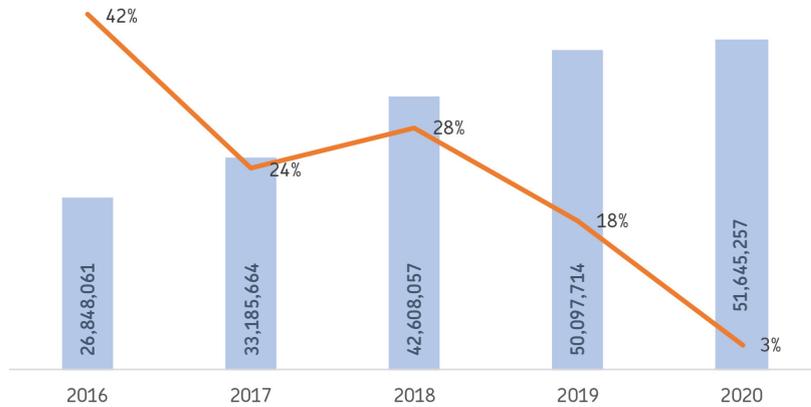
MEMBERSHIP GROWTH



SHARE GROWTH



LOAN GROWTH



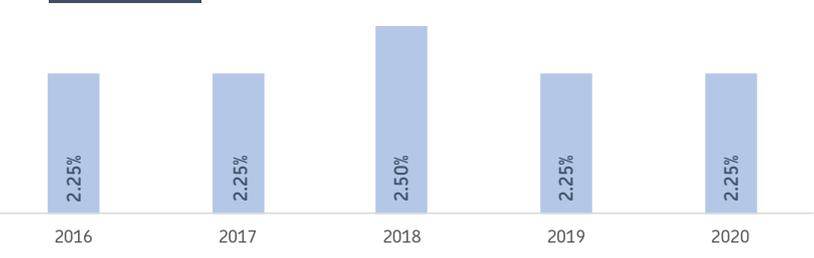
LOANS ISSUED



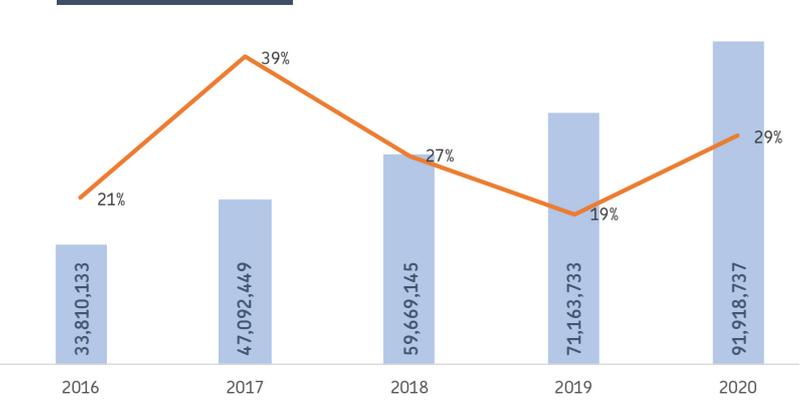
SURPLUS



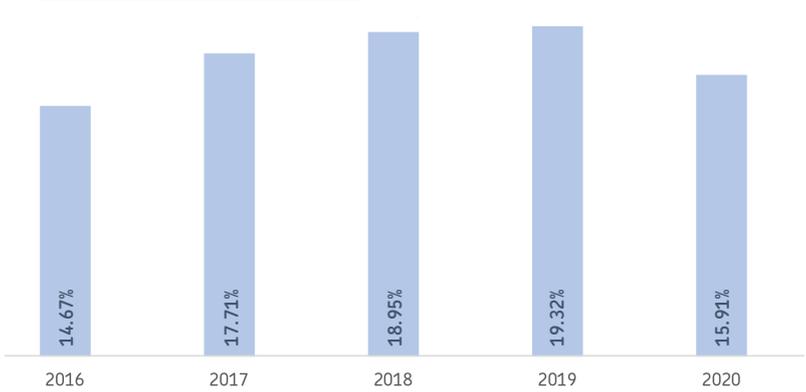
DIVIDEND



ASSET GROWTH



CAPITAL ASSETS RATIO



Performance Graphs

2020 Highlights

5,295

We welcomed more than 5,295 new members.



97%

of members are either satisfied or extremely satisfied with Commsave.

£18m

Growth in members' savings – a 33% increase on last year!

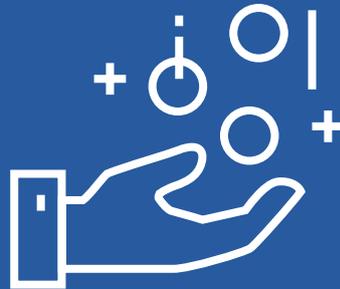


2.25%

dividend and loan interest rebate paid to members.

£26m

in new loans approved.



£219

average increase in savings balances.

30

new Workplace Reps signed up!



£48,160

won by members with PrizeSaver Accounts.

Member Feedback



Here's just some of the great feedback we've received from our members during the year.



"Thank you for treating me like a person and not just a credit score as so many lenders do. I am completely new to Credit Unions but I hope to stick with you for years to come."

"Commsave is the most efficient company I have ever dealt with from any sector of any business. They are always professional with their approach to any query you have and offer a very quick service."

"Opened a savings account with ease online. Had a small query and Commsave quickly dealt with it. Excellent customer service, thank you."

"Speedy and fantastic service. Always there to help with the best way possible. By far the best credit union."

"Fantastic people to help with emails and form filling and nothing is ever any trouble."

"Commsave has been a real life saver in getting my life sorted out!"



All of these reviews are taken from our Trustpilot page, which was launched back in February 2020. Since then, we've received well over 400 reviews, with an average rating of 4.8 out of 5!

We're grateful for all the feedback from our members and we provide a personalised response to each review we receive.

You can leave us a review by visiting uk.trustpilot.com/review/www.commsave.co.uk.



Commsave Credit Union

Reviews 471 • Excellent



A Tribute to our Founding Chairman

In August, our founding chairman and long-time director of Commsave, Derek Jackson, passed away.

Derek was a member of the steering committee that founded Northamptonshire Postal Workers Credit Union in 1991, and supported our development into a national Credit Union.

While working for Royal Mail, he served for many years as a volunteer director of the Credit Union. Derek became our first chairman of the board back in 1991 and he also served as secretary. Following Derek's retirement from Royal Mail he re-joined our board and also served on our audit and risk committee.

Following Derek's passing, the board of directors discussed various ways of providing a lasting tribute to him. The decision was taken to rename Commsave's offices in Northampton as 'Derek Jackson House'. A plaque bearing Derek's name now sits proudly on the front of our building.

In addition, the board announced that Commsave will fund an annual scholarship to help volunteers and staff from smaller credit unions attend the Development Educator programme. We will also be planting a memorial tree in a public park close to Derek's home, as a permanent tribute to the contribution he made to the establishment and growth of our Credit Union.



Members Sadly Missed

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

Ahsanuddin Khan	Fakher Malik	Nathan Adeseko
Alan Greene	Fiona Lloyd	Nigel Fricker
Alan Plummer	Gebremedhin Berhe	Paul McCristall
Alec Brown	Geoffrey Quelch	Peter Baxter
Andrea McAuliffe	Gino Schiavetta	Peter Tanner
Andrew Stoakes	Gordon Suttle	Philip Morgan
Anthony Kelly	Heather Carter	Philomena Fraher
Ashraf Bhana	Ian Dearing	Pragji Pankhania
Balthazar Mutangana	Ian Herring	Ralph Constantine
Baptiste Williams	Jackie Brown	Raymond Harris
Barrie Taylor	James Antwi - Brefo	Richard Aidoo
Bola Omoyeni	James Corcoran	Robert Copeland
Charlotte Fletcher	James Hawker	Rose Webb
Colin McDonald	Jean Sloane	Rosemary Quinn
Darren Bowles	John Clifford	Roy Gaisford
Darren Willey	John Dempsey	Runa Khan
David Cleaver	John Edward Newton	Scott Malcolm
David Evans	John McGrady	Stephen Hill
David Filz	John Walton	Steven Brammer
David MacIntyre	Josephine Shittu J' Aim	Stewart Haw
David Taylor	Joynal Hussain	Stuart Spencer
Dawn Barlow	Julie Edward	Susan Atherton
Deborah Bennett	Katherine Grayson	Thomas Kay
Dennis Nash	Kathleen McCarthy	Thomas Palmer
Derek Jackson	Lady Wou Mac	Thomas Wilkinson
Don Harrison	Leroy Morton	Tracey Maynard
Dorothy Llewellyn	Louise Mortlock	Valentin Kabalisa
Ebehiremhen Obhiozele	Luke Broomhead	Vicki Gilliver
Edward Kelly	Mary McGee	
Emma Duckworth	Melvyn McCulloch	



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

Bereavement Fund

	2020		2019	
	£	£	£	£
Balance brought forward 1st October		396,565		264,313
Payments to the fund		265,105		225,621
		<hr/>		<hr/>
		661,670		489,934
Released from the fund				
Savings Benefit	58,163		50,616	
Loan Benefit	<hr/> 77,095		<hr/> 42,754	
		135,258		93,369
Balance carried forward 30th September		<hr/> <hr/> 526,412		<hr/> <hr/> 396,565

The Bereavement Fund accounts have been reviewed by an independent actuary. The actuary periodically reviews the amount held in the Bereavement Fund and advises whether the overall reserve and the payments made to the fund are sufficient, given the assessed level of risk.

