

Frequently Asked Questions

Why has the presentation of the accounts changed since last year?

Our new auditors – Alexander Sloan – made some recommendations regarding our reporting. The way in which we account for our dividend and loan interest rebate, and the provisioning of some loans, are presented differently in this year's accounts. To enable us to make comparisons, last year's Revenue Account and Balance Sheet have been re-stated.

When will the dividend and loan interest rebate be paid?

The dividend will be allocated to member's accounts by Monday 20th January 2024.

When will the ISA interest be paid?

The ISA interest will be allocated to member's accounts on 7th April 2024.

What period does the dividend cover?

The dividend covers the period of 1st October 2023 to 30th September 2024. 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 15.04% at the end of the financial year (30th September 2024), which is significantly above the regulatory requirement of 8.83%.

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

We pay Corporation Tax on the deposit account interest we earn during the year. Over the last year we have been able to achieve an improved return on the funds we have placed on deposit with various providers and, as a result, the actual amount of Corporation Tax paid has also increased.

Classification: Public

COMMSAVE



Friendly • Ethical • Professional

Why have certain expenditure lines increased?

Wages and Salaries	During the year, the number of staff we employ has risen – reaching 49 by the year-end. This has been to ensure we have the appropriate level of resource to serve our members as we grow, and to put in place the specialist skills we need in certain areas, such as compliance and fraud prevention. We also increased staff salaries in line with the Living Wage Foundation, enabling us to stay accredited as a Living Wage Employer.
Rates	We've now had a full year of paying the higher business rates associated with our new, larger building. We've also paid rates for the buildings we owned on Duncan Close as we went through the process of selling these. We anticipate this figure falling in 2024/25.
Property Insurance	As with business rates, we have now had a full year of paying increased insurance for our larger property, as well as still needing to cover insurance for the buildings at Duncan Close until they are sold. As with our rates, this figure should now fall in 2024/25.
Light and Heat	Our utility costs have been higher this year due to the size of our new building, which has resulted in an increase to our costs for heating and lighting. As part of our Environmental Strategy, we are looking at a range of energy saving measures to ensure we are operating as efficiently as possible, and have recently installed LED lighting, which will reduce our energy consumption.
Cleaning	Our cleaning costs have risen due to the need to clean a much larger premises.
Advertising & Marketing	We have refreshed our marketing strategy as we aim to significantly increase our membership. In particular, we have invested in preparation for our 321 campaign which launched on 1 st January 2025 (more information included in your AGM packs). We have also incurred costs related to the development of our recently launched new website.
Computer Maintenance	During the year we have refreshed some of our computer hardware. We have also upgraded our Microsoft Office licences to give us additional security and compliance functionality. In addition, we carried out some penetration testing exercises to verify the security of our systems and ensure member data is fully protected.
Legal & Professional	We have incurred some recruitment costs and legal fees during the year, such as some additional cost for recovering bad debts.
Internal Audit Fees	We were re-certified for our ISO27001 (Information Security) accreditation during the year, and incurred costs in preparing for, and undertaking, that process.
Depreciation	Our depreciation costs have increased due in large part to the value of our new property, which means our annual depreciation charge is also higher. We have also still incurred some depreciation costs for our buildings on Duncan Close.
Debt Advice	This relates to our new partnership with Citizens Advice, through which our members have access to specialist advice, where they would benefit from more in-depth support.
New Building Costs	We have incurred some additional costs in relation to our new building, including some partitioning work, signage, site surveys, servicing and handyman costs.
Disposal of Assets	We sold two of our old units on Duncan Close during the year. The income we realised from those sales was greater than the 'book value' of the properties, with the difference being shown as a negative expenditure (i.e. a profit) item in the accounts.

Classification: Public