

KENT SAVERS
ANNUAL GENERAL MEETING
TREASURERS REPORT

This report is written in my capacity as the Acting Treasurer of Kent Savers.

As we are all aware the overall operating environment for Kent Savers is a difficult one. We need to generate enough income from the loan book to cover our operating costs, but given our overall business objectives we need to make loans to individuals who are excluded from mainstream financial organisations. That represents a very significant financial risk to Kent Savers.

The scale of this financial risk is reflected in the annual accounts where a “clean up” of the loan book has led to a very high figure for the write off of bad debts going back a number of years. So the total amount taken to the revenue account for “Impairment on loans for bad debt and doubtful debts” is £268,028 and this resulted in a deficit of £233,622 in the year. It also adversely impacted on the key capital ratio which we have to monitor for the Prudential Regulation Authority (PRA) and we had to formally notify the PRA of the position.

Whilst this is concerning I believe the organisation has moved forward enormously in the last year. I would highlight:

- The recruitment of a new Chief Executive and Head of Finance. This hugely strengthens the professional and managerial base of the organisation,
- New board members bringing a wealth of relevant experience and new ideas for the business, and
- The relationship with the London Borough of Bexley managing housing loans which now represents a significant proportion of the total loan book.

I believe these changes plus other initiatives will lead to an improvement in the financial position moving forward.

Nick Vickers B.Sc (Econ), CPFA
Acting Treasurer