

Kent Savers Credit Union Ltd  
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## **Kent Savers Credit Union Limited – Treasurer’s statement – year to end September 2019**

Firstly, I would like to extend my thanks to Nick Vickers, our previous Treasurer for his support of Kent Savers over many years.

As I am sure we all know this remains a challenging economic time for many members of our community and our results continue to reflect this position. I am however pleased to report good progress has been made on the main focus during the financial year of lending more and reducing loans in arrears.

Interest and fee income increased reflecting our growing loans and arrangements with London Borough of Bexley and Maidstone Borough Council. Operating costs increased reflecting the full year of costs for the changed staffing structure together with other operating costs. We experienced a significant fall in the amount of loans impaired reflecting action taken in the prior year to write off historic loans in arrears and also the recovery of previously written off loans in the current year.

Our total loan balances net of impairment have increased by 24% to £1.224m of which Bexley loans account for £0.545m and our other loans are £0.679m. Total loans made year on year increased by 42%. As you will see we have aimed to improve reporting in our financial statements to show the split of impairment relating to Bexley and our other loans which is detailed on page 23 of the financial statements. This new reporting shows a much lower level of impairment of non-Bexley loans over the last year. The impairment of Bexley loans is supported by drawing of their loan fund which is treated as capital.

I am pleased to report that our capital position has improved to 4.37% above the minimum 3% regulatory ratio. I would like to thank our local authority and housing association partners who have supported us through this financial year with their subordinated funding.

Looking forward to the current financial year, it will be another challenging year while we continue to grow. We are forecasting another loss due to slower growth in our interest income and increase in our staffing costs reflecting the recruitment of our new Revenue Manager. This new role should help in reducing our loans in arrears, however there may be a transition period before we see the expected benefits.

I have instigated a review of our other operating costs to identify efficiencies that we can generate, this is already bearing fruit.

I am conscious that a dividend has not been recommended again, I believe that it is important to recognise both our savers and well as borrowers and I will be seeking approval of a progressive dividend policy as soon as possible subject to our financial performance.

In closing I would like to extend my thanks to our Head of Finance for her hard work over the last year in improving the quality of financial reporting and diligence in supporting the preparation of the financial statements.

With kind regards

{{signature to be added}}

**Gavin Richards**  
Treasurer