

Kent Savers Annual General Meeting 2022

Treasurer Report 2022

In my third and final report as Treasurer I am pleased to report the continuing trend of improved financial performance despite the continuing impact of Covid during the year to the end of September 2021.

I am pleased to report that for the first time since 2016 Kent Savers and returned to profitability with a surplus of £20,150. The surplus was achieved due to two main changes in performance. Firstly, our bad debts reduced to by nearly 50% to £87,935, £61,930 of the impairment related to loans underwritten by the London Borough of Bexley via their loan fund to alleviate homelessness. Secondly, we continued to receive grant and donations support from the Kent County Council, other local authorities in Kent and the Kent Community Foundation with grant funding which totalled £115,576. We also received donations from members of £7,046 to support the work we do to help our financially vulnerable customers.

Demand for our loans improved in year with new loans issues increasing to £557,980, up from £453,803. Although an improvement, this remains below our pre pandemic loan issuance and therefore has held back our improving financial performance.

The surplus for the year and funding to the London Borough of Bexley loan fund which is treated as capital pending utilisation has improved our capital ratio to 12.59% from 3.77%, this was significantly above the minimum 3% required by our regulators.

Looking forward to the current year we are continuing to see improved performance with increased outstanding loans and a marginal reduction in the percentage of loans that are not performing. We are however aware of the cost of living crisis that has been building over the last year especially the rising energy and day to day living costs. We therefore anticipate that the current financial year will remain challenging with weaker loan demand and more customers struggling with repayments due to less disposable income. In light of this we are anticipating a loss for the current financial year.

A dividend has been considered by the Board especially in view of the surplus made in the year to September 2021, however as this was only achieved through grant and donations and with a forecast loss for the current year, it is recommended that no dividend is paid this year. We will continue to keep this under review in view of the backdrop of rising interest rates.

I would like to thank the whole team at Kent Savers for their hard work and diligence and especially our Finance and Operations Director, Mary, who continues to lead on our monthly financial and yearend reporting.

Gavin Richards

Treasurer