



Boom Community Bank
17 Liverpool Gardens
Worthing
West Sussex
BN11 1RY

T: 01903 237221
E: info@boomcb.org.uk

JOINT TREASURER AND CEO REPORT – AGM [18th April 2024]

I would like to thank you, our members, for your continued support throughout the last financial year. This has enabled us to continue delivering essential financial services to our growing membership.

The last year continued to present a series of economic challenges for both our membership and our credit union – with everyone feeling the impact of the cost of living crisis with the continuing impact of stubbornly high energy, fuel and food costs.

The team and I are determined to provide support to our membership during these turbulent times to enable them to overcome the challenges posed by the current cost of living crisis to emerge from it financially stronger and more resilient. I encourage any member who is experiencing financial difficulty to reach out to my team, We have lots of ways to help at this time, please just get in touch we will offer you a non-judgemental, supportive, and fair service. The earlier we engage with the problem the more solutions and mitigations we can explore. Our members are frequently surprised at the options available to help them.

My sincere thanks to our loyal savers. You know that by saving with the credit union you are quite literally changing lives, providing important access to affordable credit when it is needed the most. Without your support and belief in our mission, we would not be where we are today. I appreciate for the first time in many years at the current time the dividend that we can offer is not as attractive as savings rates elsewhere. However, I have confidence that you will continue to be part of our mission, and in return I offer you a commitment to bridge that gap steadily over time through scale and efficiency of operation for the benefit of all our savers. I can also assure you I will be fully focused on achieving this without compromising our competitive offering to borrowers, our *raison d'être*.

This year our members have seen the benefit of investment in a new mobile app, an improved website with the facility to deposit and withdraw balances seamlessly, and from a back office perspective an improved loan application process ensuring that when a member applies for a loan, a decision is made as quickly as possible.

Over the next year my focus will continue to be on:-

- Growing our membership and reach
- Continued investment in the membership experience and product options
- Strengthen our regulatory capital
- Building relationships with employers and the third sector

It is very pleasing to report that, despite the challenging environment this year has been another successful one. Our continuing focus on sound financial disciplines delivered by our dedicated professional team, with the support of my fellow directors continues to yield results, with an operating surplus for the year of £37,110 (before last year's dividend of £31,008)

During the year, £4.4m of loans were repaid (excluding interest) and new loans of £3.6m were advanced. Our provision for potential bad debts stands at 22.7% of the Gross Loan Book. Bad debts written off during the year amounted to £434,053 for accounting purposes.

I can report that as at the balance sheet date we have positive retained earnings of £165,952 [2022: £159,850]

Our steadily improving capital asset ratio comfortably satisfies the Prudential Regulation Authority capital requirement of 5% and their rules around distributable surplus enable your Board of Directors to recommend the payment of a dividend of 0.2% [2022: 0.4%] which will benefit both our savers and borrowers.

The role of our external auditors is to provide an independent and objective perspective on our financial health and the effectiveness of our financial controls on behalf of our membership. However, the cost of the audit must be proportionate to the risks and scale of our organisation. The board felt the quotation to undertake the audit of our 2023 accounts by Carpenter Box did not reflect the scale of our operation, and when balanced against our limited financial resources represented poor value for money for our membership and they agreed to resign from the role. I would like to thank them for their work over several years, which was carried out to a high standard and thank Lindley Adams, a specialist credit union audit firm, who agreed to step in at short notice for their timely, diligent, and comprehensive audit.

It is the auditor's opinion that the financial statements (attached) give a true and fair view of the Credit Union's affairs as at 30 September 2023, and of its income and expenditure and cash flow for the year ended on that date. I am also pleased to confirm our continuing compliance with:

- FSCS requirements, including the single customer view.
- The provision of fidelity insurance at the levels required by PRA rules 2.12.
- Additional Activities and compliance with the PRA's additional requirements set out in PRA rules 10.3 and 10.4.

Looking at the year ahead, the uncertain climate we undoubtedly create challenges. However, we will tackle these in the knowledge that, with your help over a number of years we have steadily built sound financial foundations from which to grow sustainably and with confidence.

Finally, I would like to thank my management team of Greg Mullins, Nicola Parsons and Graham Mayes, and the wider staff, board and supervisory committee whose commitment, skill and hard work have delivered another good year for Boom. Finally in my role as Treasurer I'd like to pay tribute to our Finance Manager Ahad Qazi who works tirelessly to deliver the quality financial analysis upon which our operational and strategic decisions are based.

Mark Jasper

Treasurer and CEO - West Sussex and Surrey Credit Union.