

Reflections,
 milestones
and new
horizons.

Annual Report 2023/24

“We are proud that despite these testing times, we continue to prioritise supporting those with the least reserves and most at risk of falling into vulnerability. This is what credit unions are all about”

David Fawell – Chair of the Board of Directors

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Chair's report

Our financial year 2023/24 has been another challenging one for us all. Whilst inflation has receded, and real incomes are growing on average, there is a lot of lost ground to make up for many.

For the credit union, that means that we have been continuing to do what we can, granting nearly 3,000 loans to members, but where that means not offering a loan, supporting people through other means. This year saw us add the Money and Pensions Service's Money Helper tools to our website alongside the benefits calculator and wider support.

But we are proud that despite these testing times, we continue to prioritise supporting those with the least reserves and most at risk of falling into vulnerability. This is what credit unions are all about and our Impact Report below demonstrates our success.

As we look to the future, we recognise that our success in supporting those struggling the most means growing what we do for a wider audience of borrowers and savers. That's why in our 25th anniversary year we were proud to launch the Silver Saver regular savings product paying 5% interest for up to £250 per month.

And it's also why we've spent a lot of time this year thinking about how we return to the levels of growth we enjoyed back in 2020 and 2021. The conclusion we have come to is that we need to begin to look beyond our core co-op retail audience within the wider common bond that our members agreed some time ago - the broader retail, co-op, charity and housing sectors.

But to address that wider audience, we have also come to the conclusion that our identity as The Co-op Credit Union is neither clear enough about what we do nor who we are for. While we're proud of being a credit union rooted in The Co-op Group that's not all that we are or can be.

That's why we are excited to be launching our new identity as The Money Co-op with a fantastic new website and supporting marketing strategy which we will be launching very soon.

This fresh, professional, approachable new identity will give us a platform to reach into the wider social economy and retail sector with confidence and to really drive the benefits of a growing, thriving credit union, which will ultimately reward all of our members with better services.

Alongside our exciting brand development we have undergone another year of internal investment and strengthening this year which we are confident will bear fruit into the future. Not everything we have tried over recent years has been successful, but that certainly doesn't mean we're going to stop pioneering the possibilities for a modern co-operative organisation.

Everything that we do relies upon the hard work and dedication of our staff team, the commitment of our volunteer directors and a whole range of valued partners: from the co-op employers we support to the tech suppliers who make the service possible.

To everyone who makes our continued support for financial wellbeing and resilience possible, I would like to say thank you.

David Fawell
Chair of the Board of Directors

“We are excited to be launching our new identity as The Money Co-op with a fantastic new website... This fresh, professional, approachable new identity will give us a platform to reach into the wider social economy and retail sector with confidence”



Chief Executive's report

The world around our credit union continues to be really tough. We have seen the cost-of-living pressure created by the post-pandemic inflation, exacerbated by war and the climate crisis, take a big bite out of our members' finances.

Unfortunately, this means that we have had to continue to rely on offering support to our members other than the loans they are looking for on many more occasions than we would have liked. This is both the right thing to do for us to safeguard the credit union and also the right thing to do by our members, but that doesn't make it any easier.

And it does unfortunately mean that we have achieved little lending growth in the year.

But more positively, our regular savings proposition – Silver Saver – launched to mark our 25th anniversary year, has been a huge success paying the attractive interest rate of 5%. This has allowed us to return to a positive growth in our savings in the year having seen a decline in the year before.

As a small business, we adopt an entrepreneurial approach to exploring growth opportunities. We have tried some things this year, such as piloting a nursery loan scheme, 'Play Now, Pay Later', in collaboration with MidCounties Co-op and their chain of nurseries, Little Pioneers – which we were hopeful would deliver new growth opportunities but were unsuccessful. But we will continue to try new things and pioneer new approaches in pursuit of growth in 2025 and beyond.

Despite the challenges on growth, we have continued to invest in our future success this year, notably:

- Significant success in relation to collections and recoveries, reaching record levels of funds returned to members from written off debts
- Successfully completing a migration of services to a new app and web portal which has enabled us to process record numbers of applications
- A very successful review of our progress on governance, risk management and compliance from our Internal Audit partners
- A new workplace wellbeing partnership with Heart of England Co-op
- A £52,000 grant secured from Fair 4 All Finance to fund future growth initiatives

Most notably of all, we are really excited to be launching with this report our new brand identity The Money Co-op with which we will address our broader common bond audience. We are confident that this – along with our new website and marketing strategy to be launched soon – will provide a platform for future growth.

What's more we have exciting plans approved by our board recently to pilot a new Credit Union Service Organisation which will pioneer a new way of lending for not only our credit union but the wider credit union movement with the potential to transform our reach.

Challenges or not, as our Impact Report below makes clear, we continue to deliver on our social impact goals and now estimate the savings to our members in interest over the last 5 years to be £1.65 million. That's money we're putting back in our members' pockets every day.

Little wonder then that our Net Promoter Score – a benchmark measure of our members' satisfaction with our products and services and their likelihood to recommend us – just gets better and better rising from +75 in 2023 to +81 in 2024. This is a testament to the hard work and dedication of our team of staff and volunteer directors who work tirelessly on your behalf every day.

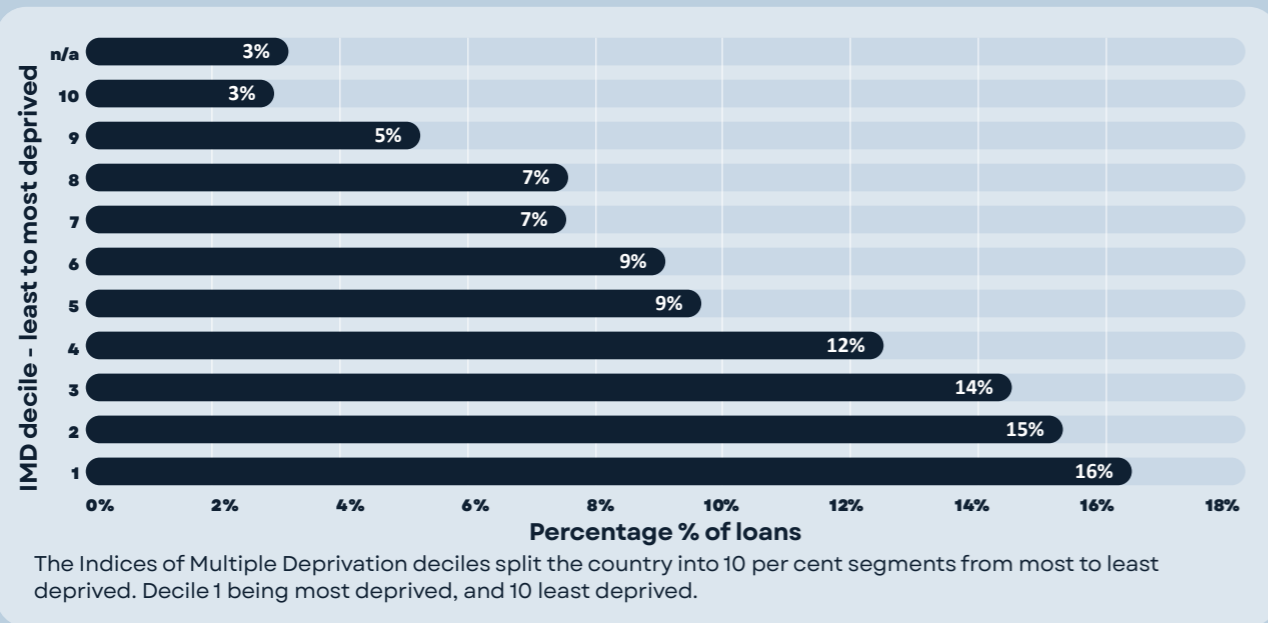
Finally, a thank you to our partner employers and the many suppliers and supporters we work with – we are truly grateful for the trust and confidence you place in us every day.



Matt Bland
Chief Executive

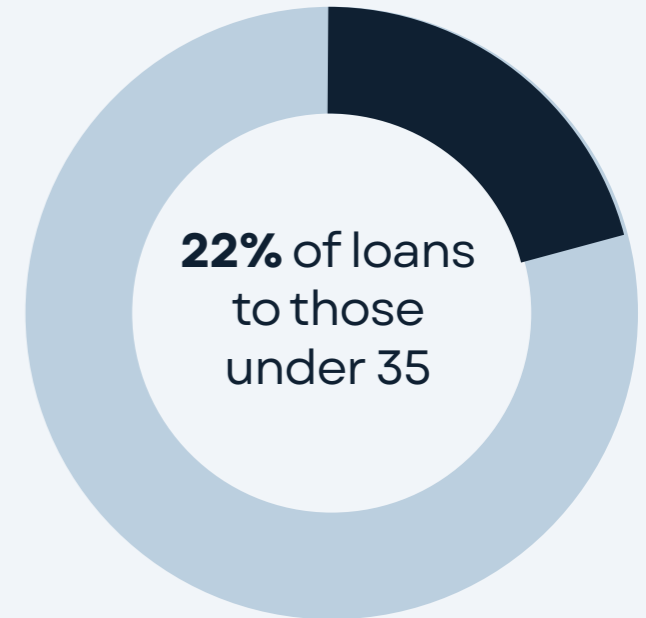
“We continue to deliver on our social impact goals and now estimate the savings to our members in interest over the last 5 years to be £1.65 million. That's money we're putting back in our members' pockets every day”

Our impact in 2023/2024



We estimate annual interest savings for our borrowers of **£350,000-£1.65m** over the last 4 years.

£1.65m



57%
57% of loans to the most deprived
40% of communities

Average (mean) loan value of **£961**

Consumer Credit Awards 2024: Highly commended customer service champions

Median loan value of **£500**

Our benefits calculator was accessed by 286 members who identified an average benefit entitlement of **£835**



Our year in pictures



- 1. CCU Team and Directors at The Co-op Credit Union's 25th Anniversary Celebration Event
- 2. Matt Bland at the launch of the Enterprising Communities Fund collaboration with the GM Credit Union Consortium
- 3. Matt Bland speaking at the 2024 ABCUL Conference.

- 4. CCU team at the 2024 ABCUL Conference
- 5. Promoting CCU at the Co-ops UK Practitioners Forum Event
- 6. CCU take part in digital marketing training organised by No1 Copperpot Credit Union
- 7. Better Business Network's 'Ethical Finance: Industry Catalyst

- 8/9. Usdaw 2024 Annual Delegate Meeting in Blackpool
- 10. CCU Team and Board Directors taking part in a brand strategy day with MP&Co
- 11. Promoting membership at the Morrisons Manufacturing Site, Deeside

- 12. CCU Team Training & Development Day
- 13. G.M Good Employment Charter & Sound Pound Credit Union Consortium's Financial Wellbeing and DEI Event

Purpose project commitments

In January 2022, we published Defining our Purpose which set out a number of key commitments that the credit union would pursue to fulfil our social purpose as an organisation.

Our commitments were grouped under 5 themes and we set out below how we assess our success so far in delivering on our commitments.

Overarching theme

The overarching theme of our commitments is 'supporting good mental wellbeing' and continue to be confident that our services support good financial resilience and thereby have the effect of supporting good mental health through reducing money-related stress.

This year we integrated the Money Helper online tools from the Money & Pensions Service into our website to add to our Benefits Calculator and wider financial wellbeing support offering. We continue to work towards our vision of a 'one stop shop' for financial wellbeing with the deployment of our new member app.

Theme 1 – campaigning

We continue to be active in having a conversation with our members about their wellbeing online. We actively working with our employer partners to deliver meaningful and relevant support and content around financial matters. We have lent our voice to public policy debates relating to financial wellbeing & resilience – in particular, we take a prominent role in the work of Nest Insight to promote the concept of opt-out workplace savings schemes or 'autosave'.

Theme 2 – social goals

We aim to focus on those seeking small-sum credit and savings facilities to support their family financial situation. These are the people who are least served by other financial institutions, and we continue to aim for at least half of our loan book at loans of £1,000 or less and two-thirds of our savings book at £500 or less. For our financial year 23/24, 48% of loans were for £1,000 or less (just under our 50% aim), and 80% of our savings accounts were under £500 (above our target). Those seeking small-sum credit and savings facilities are some of the least well-served in the marketplace and we are proud to offer a fair and affordable alternative to these financially vulnerable groups.

Our new app creates opportunities to meaningfully begin to integrate the different elements of our digital solutions to financial challenges. We still have more to do in building links with charities to support the vulnerable.

Theme 3 – code of good practice

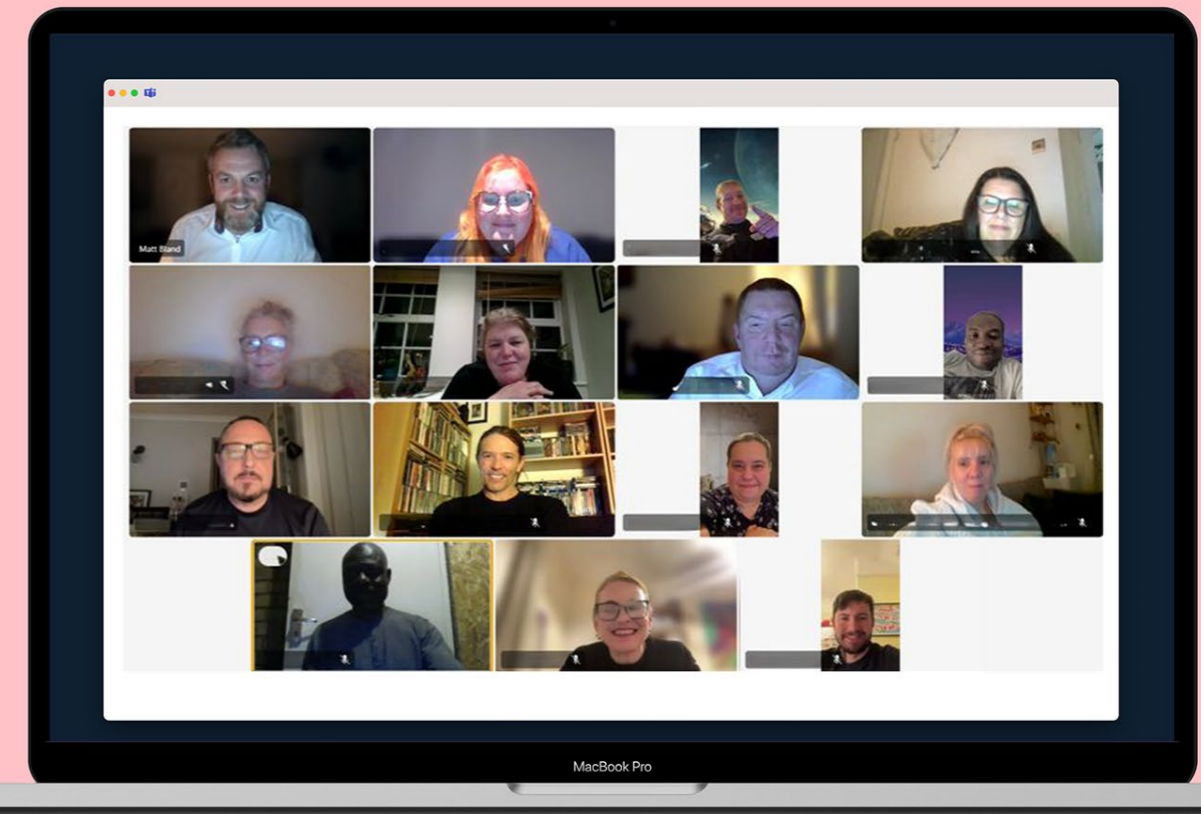
We remain in broad compliance with the Fair 4 All Finance code of good practice for community lending. Our continued support from Fair 4 All Finance relies on our compliance with the code.

Theme 4 – co-operative principles

We are an active member of the co-operative and credit union communities and our Chief Executive was vice-president of the Association of British Credit Unions during the year under review. We are also now a leading member of the SoundPound Group of Greater Manchester credit unions and led a process to formally establish SoundPound as a new co-operative society. We are also leading an initiative to develop a new Credit Union Service Organisation for credit unions wishing to access new lending opportunities. The tools, support and educational content we offer supports our commitment to the education of members.

Theme 5 – inclusion & diversity

We held our third annual meeting of the Inclusion & Innovation Member Forum in 2024. Our new digital solution enables us to plan towards deepening and embedding our monitoring of diversity in a safe and anonymous way in 2025. We continue to prioritise progress made on the diversity of our staff and board team in recruitment.



Right: Members participating in our online Inclusion & Innovation Member Forum, 2024.

Governance

The Co-op Credit Union has a current board of 8 with an additional Secretary role which is not formally part of the board. The board and secretary roles are entirely voluntary. They are:

David Fawell	Chair
Andrew Cheatle	-
Samuel Hale	-
Peter Harris	-
Claire Dalton	Secretary
Lisa Parry	-
Nisha Ravat	Chair of Nominations & Reward Committee
Justina Grey	Resigned – July 2024
Robin Webster	Chair of Risk & Compliance Committee
Grant Mitchell	Treasurer & Chair of Audit Committee and Vice-Chair

The full board meets 6 times each year with board committee meetings taking place on alternate months. Each director is a member of at least 1 board committee – the three committees are: Risk & Compliance, Nominations & Rewards, and Audit.

Attendance at full board meetings through the year was as follows:

	13/11/23	18/01/24	21/03/24	16/05/24	18/07/24	19/09/24
David Fawell	Y	Y	Y	Y	Y	Y
Andrew Cheatle	Y	Y	Y	Y	Y	Y
Samuel Hale	Y	Y	Y	Y	Y	Y
Peter Harris	Y	Y	Y	Y	Y	Y
Claire Dalton	Y	Y	Y	N	Y	Y
Robin Webster	Y	Y	Y	N	Y	Y
Lisa Parry	Y	Y	Y	Y	Y	Y
Nisha Ravat	Y	Y	N	Y	Y	Y
Justina Grey	Y	Y	Y	N	N	n/a
Grant Mitchell	Y	Y	Y	Y	Y	Y

Board meetings take place via online video conferencing or in person in central Manchester. The board considers standing items such as a regular update from the Chief Executive, Risk Register & Management Actions as well as topical papers on a range of subjects. Each July the board meets for an extended strategic planning discussion and agrees a new Business Plan and Annual Budget at the September meeting.

The credit union’s CEO – Matt Bland – provides a link between the strategy and oversight provided by the board and the operational delivery of the credit union’s business. Working with the leadership team he is responsible for informing and supporting the board in its decision-making and pursuing the strategic goals the board set within the constraints of the agreed budget.

Committee reports

Risk & Compliance Committee

Chair: Robin Webster
Members: Samuel Hale, Grant Mitchell, Andrew Cheatle, Peter Harris & Lisa Parry
Meets: April, August & December

- Responsibilities**
- Oversees risk framework and leads monitoring of Key Risk Indicators
 - Commissions ad hoc reviews & annual thematic reviews on key risk areas
 - Commissions, oversees and reviews compliance and policy material
 - Commissions regular stress testing exercises to test resilience to key risks

Nominations & Reward Committee

Chair: Nisha Ravat
Members: Robin Webster, Peter Harris, & Lisa Parry
Meets: February & October

- Responsibilities**
- Oversees board recruitment and succession planning ensuring skills and inclusive representation
 - Oversees training and development programme for directors
 - Sets and oversees policy on staff remuneration and wider employment package including approving employment policies.

Audit Committee

Chair: Grant Mitchell
Members: Nisha Ravat, Samuel Hale & Andrew Cheatle
Meets: June & November

- Responsibilities**
- Overseeing and appointing Internal & External Auditors
 - Reviews annual reports on financial crime prevention, anti-money laundering & whistleblowing
 - Oversees the process of responding to recommendations from Internal Audit and assures the wider board on financial MI, controls and annual audit

The three committees are formed based on the board’s discretion and the committee structures, Terms of Reference and membership are subject to an at-least-annual review.

Summary financial accounts

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	2024	2023
		£	£
Net interest receivable			
Interest receivable and similar income	4	763,773	685,032
Interest payable and similar charges	5	(108,517)	(22,933)
		655,256	662,099
Other operating income			
Fees and commissions receivable		-	-
Grant income	6	20,337	43,423
Other income		20,500	19,500
		40,837	62,923
Expenditure			
Impairment losses on loans to members	7	(104,774)	(117,961)
Administrative expenses	8	(546,083)	(478,985)
Other operating expenses	11	(12,438)	(12,039)
		(663,295)	(608,985)
Surplus before taxation		32,798	116,037
Taxation	12	(23,473)	(13,703)
Surplus for the financial year		9,325	102,334

All income and expenditure derives from continuing activities.
There are no other items of comprehensive income.

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

	Note	2024	2023
		£	£
Assets			
Bank and cash balances	13	3,295,961	3,044,639
Loans and advances to members	14	3,519,506	3,490,445
Tangible fixed assets	15	-	-
Receivables	16	36,232	41,882
		6,851,699	6,576,966
Liabilities			
Members' deposits	17	5,989,259	5,788,652
Payables	18	100,958	36,157
		6,090,217	5,824,809
Retained earnings		761,482	752,157
		6,851,699	6,576,966

These financial statements were approved and authorised for issue by the Board of Directors on 21 November 2024 and signed on their behalf by:



David Fawell
Chair



Grant Mitchell
Director



Claire Dalton
Secretary

Accounts continued

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Note	2024	2023
		£	£
Cash flows from operating activities			
Surplus for the financial year		9,325	102,334
Adjustments for non-cash items:			
Interest on members' loans	4	(661,043)	(616,589)
Interest on members' deposits	5	106,351	22,933
Loan impairment	7	162,142	152,760
Corporation tax	12	23,473	13,703
		(359,752)	(324,859)
Changes in operating assets and liabilities:			
Loans advanced		(2,839,960)	(2,847,609)
Loans repaid		3,309,800	3,254,595
(Increase/reduction in receivables		5,650	(24,519)
Deposits received		5,632,730	5,204,496
Deposits withdrawn		(5,538,474)	(6,083,490)
Increase/(reduction) in payables		55,031	(526)
		265,025	(821,912)
Corporation tax paid		(13,703)	(3,568)
Net cash provided by/(used in) operating activities		251,322	(825,480)
Net increase/(decrease) in cash and cash equivalents		251,322	(825,480)
Cash at bank and in hand as at 01 October 2023		3,044,639	3,870,119
Cash at bank and in hand as at 30 September 2024		3,295,961	3,044,639

These summary financial accounts do not include the detailed notes and disclosures which form an integral part of the accounts and are required to fully understand the credit union's financial position.

The full accounts are available to download from the credit union's website.

Meet the team

(Left to right) Andrew Davey, Katie Walker, Nicole Laughton, Veronica Aninda, Joel Williams, Matthew Watkins, Mel Phillips, Matt Bland and Joan Pollitt.



The Money Co-op

Have your say

We welcome feedback and suggestions from our members and would love to hear from you. If you would like to discuss anything from this document or anything else regarding The Co-op Credit Union or The Money Co-op, please get in touch:

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Protected

The Co-operative Family Credit Union Limited, trading as The Money Co-op and The Co-op Credit Union, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Credit facilities are provided by The Co-op Credit Union, are subject to status and only available to those aged 18 or over and resident in the UK. The Co-op Credit Union subscribes to the Lending Code and is a member of the Financial Services Compensation Scheme (FSCS) and the Financial Ombudsman Service (FOS). Firm Reference No 213649. Registered No 558c. Registered office address: 1 Angel Square, Manchester, M60 0AG.