

The Board's Annual Report

for the financial year 1 October 2013 – 30 September 2014

(as presented to the Annual General Meeting, 27 February 2015)

2014 was our 10th Anniversary year.

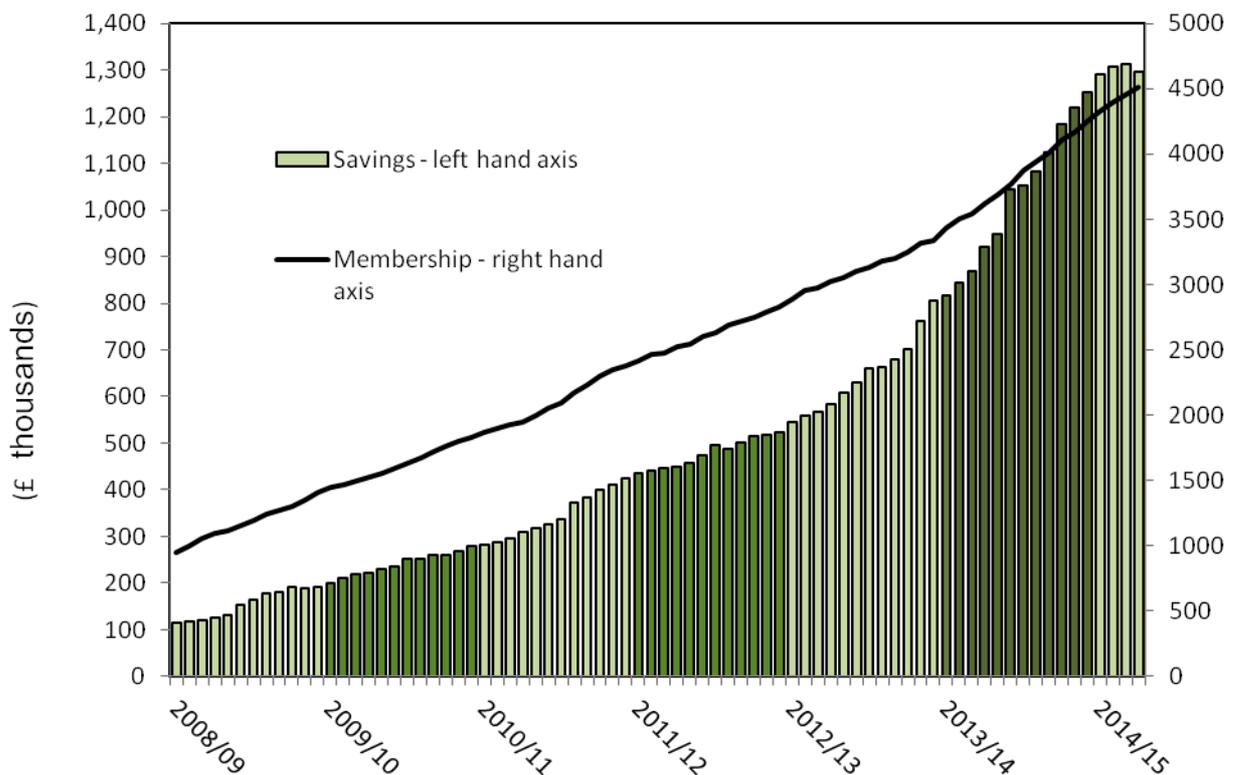
It was an exciting and productive year with new initiatives and partnerships as well as challenges.

The year proved to be extremely busy as we grew rapidly: in membership, savings and, most of all, lending, sadly a sign of our times! People, employed or not, are struggling financially. Many are turning to Payday loans and other high cost lenders, adding to their problems rather than solving them, as they quickly become over indebted.

Essex Savers services have therefore been much in demand, from those who know about us. The need to raise awareness remains. We need people joining us and saving so we can help them if they do have a crisis.

The demand for credit is proving a challenge, so we continue to need more 'saving' members to be able to meet this demand which will increase our level of business and enable us to more quickly become sustainable.

Savings grew strongly through the last financial year



A further challenge has been the tighter regulation from the Bank of England requiring us to increase our capital and further increase it as we grow! Capital is built up by increasing earned income, which we are doing steadily, but also by attracting investment (subordinated loans and deferred shares) as well as grants. We need these until we can meet the fully capital requirement from income.

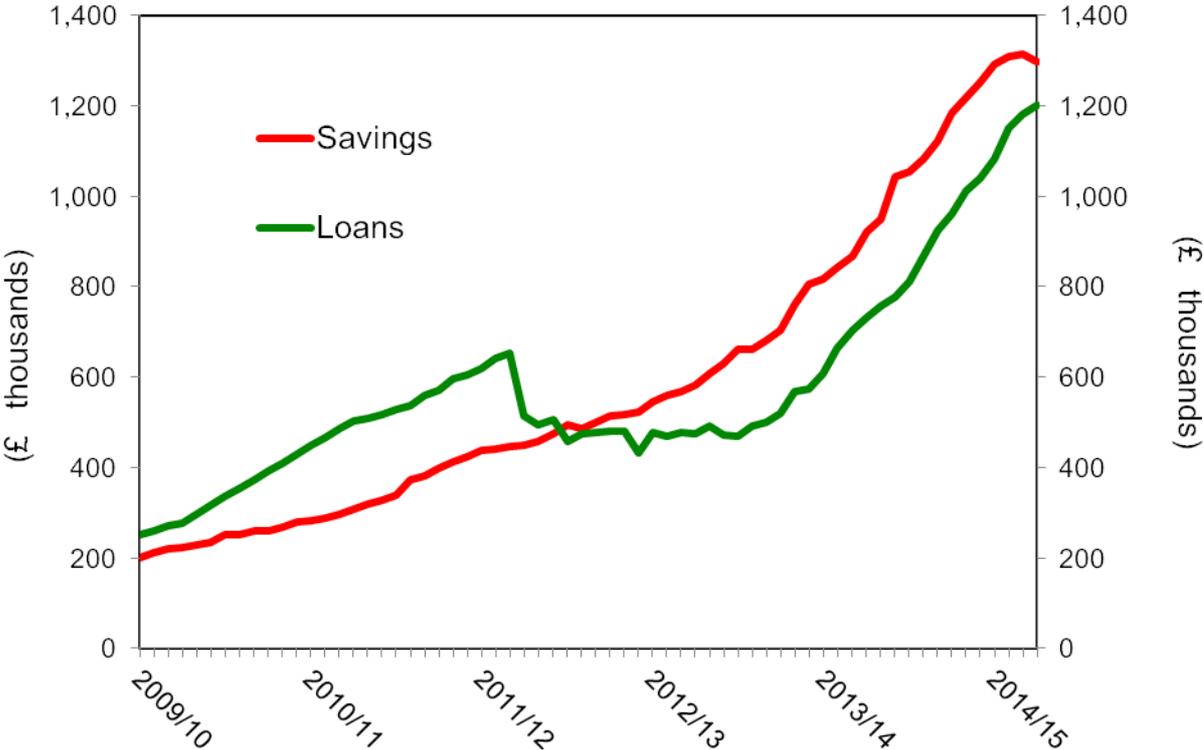
Membership is up 879 in the year to 4,246 and is currently 4,517

Members Shares increased from £755K to £1,214K and is now £1,295K

Loans balance increased from £573,630 (642 loans) to £1,039,190 (1011 loans) and now stands at £1,201,900 (1,134 loans). Average loan has moved from £925 to £1,028 and is now £1,060. The average size of loan increased dramatically last year having been between £400-700 prior to this.

Corporate membership became possible in 2012. We have a steady flow of Corporate members joining us, currently 29 with shares = £48K and loan £7K but also with investments of £85K in deferred shares and £20,600 in subordinated lending which is building our capital to remain compliant with the higher Bank of England capital requirements.

The demand for loans matched the growth in savings last year



At last year's AGM, we mentioned the Archbishop's public support for credit unions which helped people better understand credit unions and what they could offer. This publicity increased interest in Essex Savers, boosted our membership and brought us volunteers with useful experience. 2014 was the year he visited Essex Savers to show his support and learn more of what we had been doing over 10 years, which fits very closely to his vision for new local ethical banking services in the UK. During his visit, we announced our own short term loan as an affordable alternative to PayDay loans.

As a result of the Archbishop's rally to churches to get involved, Churches Together have provided a team to run our Billericay Service Point with another opening in Maldon. Other Service Points and our main office have benefited from professional people offering their expertise to assist us in: delivering and running our wide range of banking services; marketing; recruiting organisation and businesses.

Other successful partnerships being developed are with:

Barclays initiative – we run Service Points weekly in six branches with a programme to add to these as we are able to recruit a team of volunteers in an area.

Contis who provide us with VISA prepaid debit card. Together with our Budget account this functions as a simple current account so that members can better manage their finances.

Libraries – we continue to provide weekly service in several libraries and will be using more this coming year to increase local access

UNISON is promoting us and we provide services to their members. They are lobbying to get payroll deduction from employers for payments to credit unions so that their members can take advantage of the full range of services offered by credit unions.

DWP Job Centre Plus – this year has seen regular referrals from the Job Centres to Essex Savers. A new initiative is planned so that more claimants will become members and benefit from using our Budget account with the debit card.

CABx – we arrange mutual referrals with CAB where we have Service Points and continue to use CAB premises in Southend. We also refer members to other local money support, eg. CAP and Step Change and to Food Banks.

Illegal Money Lending Team – we have joined their 'Loan Shark' awareness campaigns across Essex, refer people to them and offer our services to those who have been victims of loan sharks (illegal money lenders)

PROJECT 250 (RC Diocese of Brentwood) – continues and has provided us with over £100K in deposits from 50 members. It has also inspired members of other churches to make similar deposits of £1K each, all these enabling us to lend to more people who are struggling financially.

LIGHTHOUSE – recycled household goods. This is a great resource for our members. These goods make it possible for members to get the essentials to set up home with a small loan from us.

For Essex Savers to reach a sustainable level quickly, we still need to increase our savings, now at £1.3 million, to £2.5 million which would facilitate lending of over £2 million which in turn would generate sufficient revenue to pay for our main office costs. This would include employing the small full time staff team that is needed at our main office and so better support our service points across Essex. With such a team in place, we would function more efficiently, fully utilising our comprehensive back office system as well as better utilising, training and supporting our many volunteers both centrally and in the field to provide them with opportunities to develop their skills and gain more experience while benefiting our members with better customer service regardless of where they access Essex Savers services.

Despite Essex Savers excellent progress, Key Performance Indicators (KPIs) again moving in the right direction, and the exciting events of the year, it has been a tough year. At head office we have all added more and more hours of voluntary time to cope with the workload. Yet we must to grow to survive!

We have now lent almost £5 million in 5,500 loans, which has potentially saved Essex £13 million on rental repossessions alone. Other savings are being made by reducing crime, avoiding health problems, improving wellbeing and family relationships by helping people in crisis with their finances and turning their lives around for the better in many cases. As a result, we hope in the coming year, with greater recognition of what Essex Savers is saving Essex financially and socially, we will at last gain the financial support needed and expected as we began 10 years ago, so that we can employ the professional staff needed to meet the demand for the financial services of a changing society in Essex and beyond and grow into a sustainable social enterprise that will continue indefinitely.

We look to you our members to help us reach our goals and fulfil the vision of Fair Finance for All. Do use our services more and encourage friends, family and colleagues to join us too as the ethical alternative for banking services. Our services are becoming more comprehensive and accessible and will continue to do so as we make greater use of technological. Thank you.

Alison Davies
President
February 2015