



Hoot Credit Union

Annual Report 2023-2024



Welcome from Chris Canham, CEO of Hoot

Welcome to the Hoot Credit Union Annual Report for the year to September 2024

This is my first annual report as CEO, having taken the reins in June 2024.

Although I have been with Hoot for 12 years, and working in the credit union and co-operative sector for over 30 years, I am honoured to have been chosen by the Board to lead Hoot through its next phase of development.

We have a lot of exciting things in the pipe-line, but the first six months of tenure has been spent consolidating our business plan and working with Board and staff to develop strategies for meeting some challenging targets. These strategies became necessary after the unexpected loss of funding halfway through the year, leaving a shortfall in projected income.

For this reason we have projected a deficit for the next two years, but have a robust business development strategy to bring us to sustainability within three years.

We have also been planning for our 20th birthday year in 2025. Keep an eye out for news on what will be happening.

None of this would be possible without the hard work and dedication of our staff and directors; and of course our members.

Thank you for being a Hoot member.

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Hoot Credit Union Ltd is a Co-operative and Community Benefit Society, FRN 400120, Registered no: IP00716 and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.



**Introduction
by Rob
Andrews, Chair
of the Board of
Directors**

I am delighted to present this annual report as Chair of the Hoot Board. This has been a challenging year for us, as well as our members, and I am proud to know that we have continued to serve existing and new members with affordable savings and loans.

In the year our loan business continued to grow, and we fostered new partnerships in our mission to increase membership.

Members have over £2.4m in savings, and many new savers are saving for the first time ever. This is a measure of success of our mission to encourage responsible borrowing and a good savings habit, both of which contribute to financial well-being.

As we continue to develop digital services and re-connect with community and support organisations, we are raising awareness of the work we do, bringing even more people into membership.

In 2024 we faced the challenge of a major funder withdrawing their support earlier than anticipated. This resulted in a reorganisation, where some staff were assigned new roles, and some left us.

Our business strategy was re-focused into bringing in new income to plug the financial gap caused by the withdrawal of support, and our staff deserve the thanks of the Board for their efforts in developing services and improvements for members.

The challenge remains to trade our way to sustainability, and I am confident that our strategy is robust enough to achieve our targets.

Appreciation

In June 2024, CEO David Batten left the business for new challenges, and I want to record my personal thanks to him for his commitment and contribution over the past 12 years.

Finally, I want to place on record thanks to our Board of Directors.

The Hoot Board is made up of volunteer, elected members and continues to lead with a strategy for growth and sustainability.

This has been supported by a series of strategic discussions on aspects of the credit union such as governance, product development, community and member engagement and operational resilience.

There is more about organisational and governance arrangements on page 8.

Rob Andrews
On behalf of the Board of Directors

**795
new
members**

**£2,409,909
in
savings**

**£61,300⁴
Christmas
savings**

**638
new
borrowers**

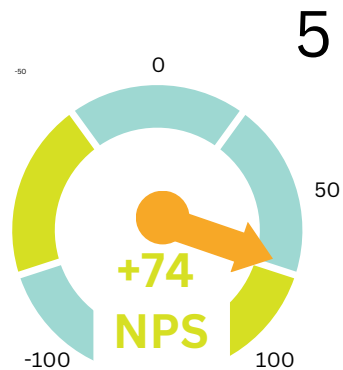
**2,320
loans
granted**

**£2,174,000
loans
granted**



*by borrowing from Hoot
rather than a high-cost lender*

On average a
member would
pay x5.3 more in
loan interest with
a high-cost lender
than with Hoot.



Net promoter score



20 financial
well-being sessions



40 community
group accounts



4 new
employer partners

Regular savings

Peace of mind knowing that you are building a savings pot that you can dip into at any time day or night.

Pledged savings

The confidence to know that you are saving whilst borrowing, and over time will have funds available.

Nest Egg

Savings for your dreams and goals by setting your target and keeping your savings safe until you reach your goals.

Christmas savings

Plan ahead, save all year round and feel ready for Christmas.

Young savers

Savings for under 16s getting them into a good savings habit.

£61,300
deposited in
Christmas Savers
in 2023/2024



£56.100
deposited in
Young Savers in
2023/2024





Personal loan

Borrow up to £15,000 at affordable rates and easy repayments, for whatever you need.

Family loan and savings plan

An easy way to borrow up to £750 with repayments via your child benefit, and a commitment to save whilst you borrow.

Secured loan

Your loan fully secured by savings means you get our lowest interest rate and satisfaction that you have not had to dip into your savings.

Bee Bus Ticket

Buy your annual Bee Network bus ticket with weekly or monthly payments and save £240.

*By borrowing from Hoot rather than a high-cost lender. All loans are subject to eligibility and affordability. Loan interest is charged on the reducing balance.

The Board of Directors

Directors of the Hoot Board are elected by members to represent their interests and to oversee the strategic direction of the credit union. The Board has continued to meet monthly online to discuss and make decisions on matters of strategy, business development, regulatory compliance and to oversee risk strategy and management in the credit union.

At each monthly meeting the Board and Chief Executive review an element of the ongoing strategic and business plan, look at business resilience and report on the day to day management and performance of the credit union.

The Board also determines policy and has maintained an ongoing schedule of policy review.

Sub-committees of the Board

- Staffing Committee
- Remuneration Committee
- Audit and Risk Committee
- Investment and Treasury Management Committee

Board members at September 2024

Attendance	Possible	Actual
Rob Andrews, Chair	12	10
Kenneth Gilkes	12	10
Des Grogan (retired Oct 23)	1	1
Tim McGuire	12	10
John Martindale	12	12
Sandra Morris	12	10
Cllr. Robert Morrissey	12	8
Malcolm Ngouala	12	9
Andy Pearson	12	12
Jack Speight	12	10

The Board and CEO of Hoot wishes to thank Des Grogan who retired from the Board in October 2023.

Become a Board member

The Hoot Board of Directors is made up of elected volunteer members of the credit union.

Are you the missing piece of our puzzle?

To help us achieve our aims and ensure a sustainable governance framework, we are seeking to recruit new members to the Hoot Board.

We are looking for individuals who align with our values and principles, who are able to commit to working with us to reach our strategic goals.

The Board meet monthly on a Monday evening and meetings last about one and a half hours.

Training and support will be given.

“*Being on the Board has been a fulfilling experience. Everyone is very supportive, and I feel I am giving something back to my community*”

Want to know more?

Contact us connect@wisewithmoney.org.uk for a chat and an information pack.

Appreciation

In June 2024 CEO David Batten left Hoot for pastures new. David has been steering the development of the credit union since 2012 and has been key to delivering growth and innovation.

During his tenure membership has grown by 150%, loans by over 300%, and savings by an incredible 500%.

With the support of the Board, David has delivered development of new products and services, including digitalisation; as well as building the reputation of Hoot as a community-owned financial services provider.

Despite some challenging times, particularly through Covid and the cost of living crisis, David has supported and developed staff to deliver the best they can for the benefit of members.

The Board would like to thank David for his service and wish him the best of luck.

Audit Committee

The Audit Committee is responsible for monitoring the credit union's outsourced internal and external audit functions, risk management and regulatory reporting, ensuring that they are performed in accordance with prescribed terms of reference.

The Committee meets and reports to the Board of Directors on a quarterly basis.

The Risk Register is reviewed quarterly, and is approved on an annual basis by the Board.

Membership of the committee in the year was:

Andy Pearson Director
Sandra Morris Director
Tim McGuire Director
David Batten CEO
Neil Colley Auditor

Compliance Statement

The Board of Directors confirms that in accordance with the requirements of the Regulator:

The credit union is complying with its Single Customer View requirements;
The credit union has maintained adequate insurance;
The credit union is carrying out additional activities and is in compliance with the rules around those activities

Internal Auditor's Statement

The Internal Audit Review has been carried out in accordance with the agreed Internal Audit Programme.

Overall, the fundamental systems of control are operating properly and are compliant with the regulator and statutory guidelines.

It was pleasing to see the continued efforts to improve governance, reporting, and systems of control, which is testament to the dedication of the management team.

Neil Colley FMAAT

Compliance Checks

Standard met 

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Governance

Board meetings are conducted in accordance with the credit union's own rules

Regulatory standards of governance and control have been applied and roles and responsibilities are properly understood and observed.

Adequate reporting arrangements are in place to apprise the board of performance, risk and key decisions required to properly direct and drive the business forward.

Membership

Members' accounts are maintained to regulatory standards, with appropriate checks and verifications.

Compliance with common bond requirements is at a standard required by credit union rules, policy and of CREDS.

Consumer Duty regulations are followed according to requirements.

Treasury & Risk Management

Appropriate robust governance arrangements are in place to manage financial risk and treasury.

This includes credit risk, liquidity risk and market risk, of which security of investment in terms of placement of funds in financial institutions/products, and return on investment should be and intrinsic components, in accordance with regulatory standards.

Fraud and Anti-Money Laundering

Accounts are monitored accordingly to ensure that individuals do not pose any risk, and appropriate anti-money laundering checks are in place to identify any unusual or suspicious transactions.

Appropriate training is in place to enable staff to deal with suspicious activity or attempted fraud.

Financial Management

Management Accounts have been compiled correctly in accordance with the credit union's accounting records and with the requirements of generally agreed accounting principles and those required by CREDS.

The bank reconciliation is maintained on a timely and adequate basis, and outstanding items are promptly investigated and actions initiated.

Loan Administration

The loans policy is compliant with appropriate legislation and regularity requirements in terms of maximum value and repayment period.

All loans have been properly administered and accounted for in accordance with current Credit Union Policy and with adequate division of duties.

Compliance and Regulatory

An appropriate framework is in place to monitor and report whether the credit union is meeting strategic compliance obligations.

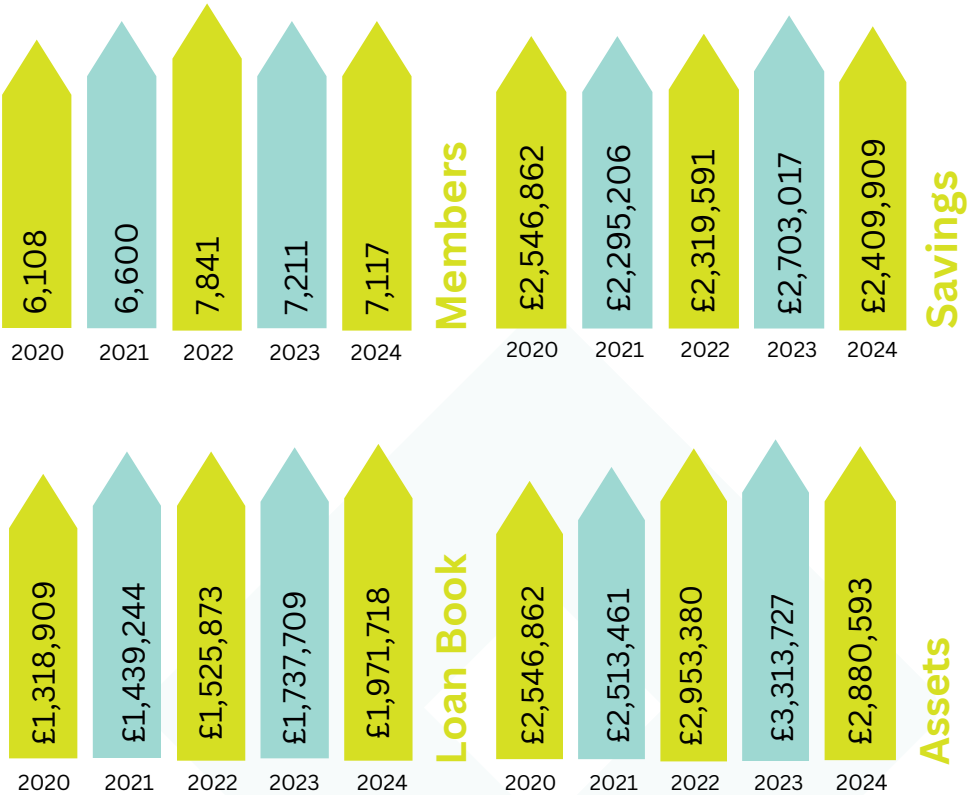
The relevant regulatory returns have been correctly completed in accordance with CREDS and in line with the credit union's accounting records and submitted to the PRA/FCA on a timely and adequate manner.

Credit Control

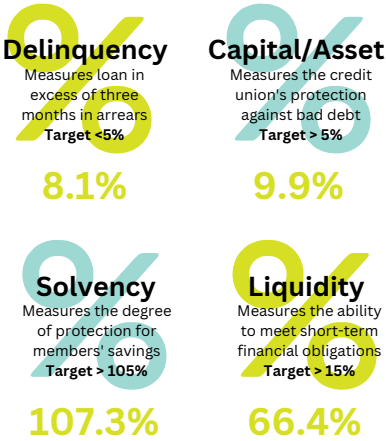
The delinquency policy is compliant with appropriate legislation and regularity requirements.

All recovery action has been properly administered and accounted for in accordance with current credit union policy.

Highlights



Key Ratios



A copy of the detailed Hoot Credit Union Report and Financial Statements of the credit union for the year are available to members on request by calling 01204 365024 or by email from: enquiries@wisewithmoney.org.uk

Financial Statements

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Revenue Account for the year to 30 September 2024

	2024	2023
Income	£	£
Interest income on loans	342,609	311,072
Interest income on bank deposits	33,733	22,582
Fees and commissions receivable	1,643	3,907
Other income	218,274	309,157
	596,259	646,718

Expenditure

Administration expenses	381,732	407,711
Depreciation and amortisation	(7,485)	9,949
Other operating expenses	152,500	88,627
Impaired on loans for doubtful debts	104,970	92,726
	631,717	599,013
Surplus before taxation	(35,458)	47,705
Corporation Tax	6,407	4,291
	(41,865)	43,414
Distributions	6,211	(41,242)
Surplus (Deficit) for the year	(48,076)	2,172

Financial Statements

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Balance Sheet for the year to 30 September 2024

	2024	2023
	£	£
Assets		
Cash and balances at central banks	25,588	41,485
Loans and advances to banks	1,114,526	1,690,854
Loans and advances to members	1,327,219	1,174,255
Debt securities	296,010	277,030
Intangible assets	-	(35,776)
Tangible assets	25,006	47,160
Other receivables	89,526	115,189
Prepayments	2,718	3,350
Total Assets	2,880,593	3,313,727
Liabilities and Reserves		
Member accounts	2,409,909	2,703,017
Other liabilities	138,671	211,459
Deferred income	16,884	36,046
General reserve	297,791	345,749
Other reserves	17,338	17,456
Total liabilities and reserves	2,880,593	3,313,727

Hoot Credit Union is your local cooperative financial services provider; run for and owned by the community

Since 2005, Hoot Credit Union has been there for its members with flexible, approachable financial services, whether it's for personal loans or savings.

Our only shareholders are our members, which means they – and their community – are in control. Our members are more than just customers because we put them first.

Our products and services are designed to help our members manage their money well and our profits are shared amongst members or used to benefit the whole community.

As a community and member-owned business, our mission is to improve the financial well-being of everyone in the community.

Our Objects

- The promotion of thrift among its members by the accumulation of their savings.
- The creation of sources of credit for the benefit of its members at a fair and reasonable rate of interest.
- The use and control of members' savings for their mutual benefit.
- The training and education of members in the wise use of money and in the management of their financial affairs.

Our Social Goals

- To contribute towards the alleviation of poverty within the community.
- To contribute towards the economic regeneration of the community.

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