

Hoot Credit Union

Annual Report
to September 2025



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hoot
wise with money



Welcome, Chris Canham CEO

Welcome to this annual report for the year to 30 September 2025.

This has been a challenging year for us as we embarked on our three year recovery plan, to develop and build on the good work done in previous years, to bring the credit union to a position of sustainability.

We have achieved a 30% increase in our income, mainly from loan interest, demonstrating that the need for affordable credit is obviously still relevant. Unfortunately, members are not saving at the same rate. This is due to the increased cost of living, and the day to day challenges we know our members face. We have to react to those challenges by supporting members where we can. This includes the release of tied savings where appropriate.

Whilst we did project a deficit in the year, we find our challenge then becomes the balance of service to members, against increasing costs and lower levels of liquidity.

This is becoming increasingly difficult, and has led the Board to the decision to seek a partnership and strategic merger with another credit union. We are convinced that this is the best way to ensure the future for credit union services in Bolton and Bury.

I would like to thank the staff of Hoot, who are all dedicated to providing the best service they can, and are the clearest example of how values and service to the community can bring positive effect.

Thank you also to our members who have continued to be supportive and to provide great feedback on the services they receive.

We exist to serve members and our community, and whilst we continue to face challenges as a business, we strive to make sure that this has no adverse affect on our service.

Contents

Chair's Report	3
Highlights	4
Hoot in the Community	5
Governance	6
Audit Committee	7
Financial Report	8
Financial Statements	9
About Hoot	11



Chair's Report



Introduction by Sandra Morris, 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. In the year an incredible 1,200 new members signed up to benefit from our products and services.

Members now have over £2.2m 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.

Despite the increase in income from loans, our business strategy of steadying the ship and securing long-term sustainability has been challenged by a drop in savings, (something happening throughout financial services), and increased costs. The Board have been monitoring progress, and have continued to update the strategy. This has included discussions about collaboration and consolidation with neighbouring credit unions.

Whichever way our strategy takes us, we are certain that we can secure a future for credit unions in Bolton and Bury.

Sandra Morris
On behalf of the Board of Directors

Appreciation

Thanks is due to Hoot staff who have worked hard throughout the year to make sure our members get the best service. Hoot employees believe very strongly in our values and ethos, and are always enthusiastic about the impact they have on individuals and the community.

Thanks is also due to our Board of Directors.

Our directors are volunteer, elected members and continue to lead with a strategy for growth and sustainability, 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.

And finally, thank you to our members, stakeholders and community leaders for their loyalty and support.



Highlights

**1,220
new
members**



**£61,300
Christmas
savings**

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

**2,320
loans
granted**



by borrowing from Hoot rather than a high-cost lender

**795
new
borrowers**



670 members supported with School Uniform Savings & Loan Plan

**£3.02m
loans
issued**



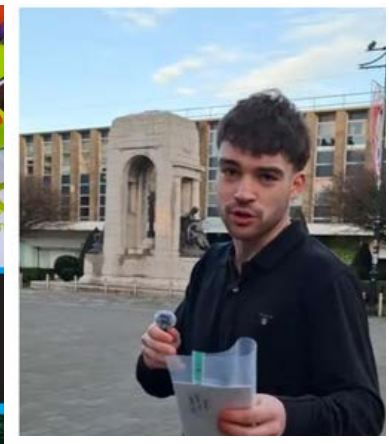
25 financial well-being sessions delivered to adults and children

**Two new
employer
partners**



46 community group accounts

Hoot in the Community



Governance

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.

Appreciation

The Board and CEO of Hoot wishes to thank Rob Andrews and Tim McGuire who retired from the Board at the last AGM.

The Board also wishes to thank the CEO and staff who have worked tirelessly in the year to serve members and to promote Hoot as the key ethical community financial services provider in Bolton and Bury.

“Being a director of Hoot has been a great experience. You get a real sense of how you contribute to the financial well-being of your community.”

Board members to September 2025

Attendance	Possible	Actual
Sandra Morris, Chair	12	11
Kenneth Gilkes	12	9
Dilini Kankanamge	5	5
John Martindale	12	9
Rachel Moore	7	6
Cllr. Robert Morrisey	12	8
Malcolm Ngouala	12	10
Andy Pearson	12	10
Jack Speight	12	8



Audit Committee

Audit Committee

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

Through a series of meetings, checks and assessments, the committee was able to report progress to the Board of Directors on the credit union's performance in regard to:

Risk management framework. This means that it considers, with the staff team, all the different risks that the credit union faces, and how these can be mitigated, reduced or overcome.

Internal audit reviews. Conducted by an outsourced partner, these are quarterly checks on the compliance, governance, financial systems, management and member service functions of the credit union.

External audit. Conducted annually by an independent auditor.

Regulatory returns. Ensuring that all quarterly and annual returns are completed accurately and submitted on time.

The Committee can assure the membership that MCU complies fully with the relevant legislation and regulation.

Audit Committee

John Martindale Director
Malcolm Ngouala Director
Kenneth Gilkes Director
Chris Canham 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

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*

Consumer Duty



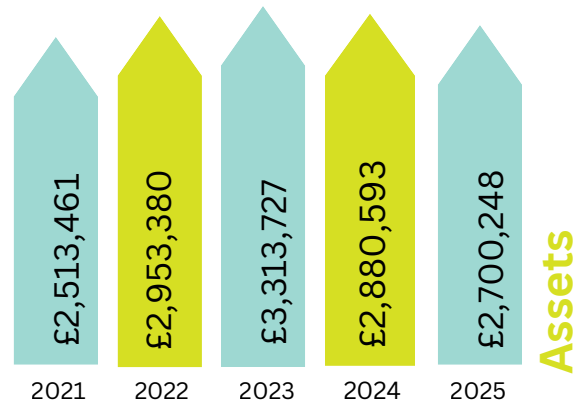
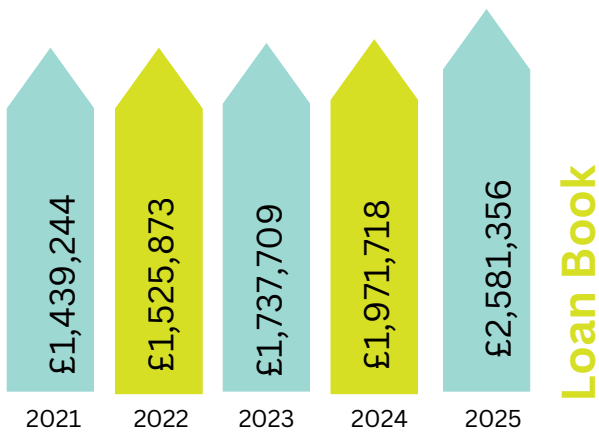
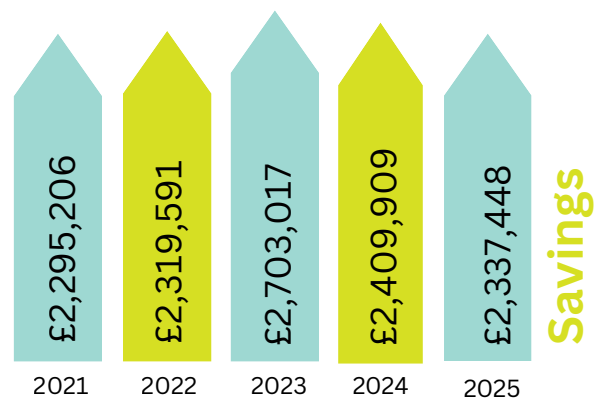
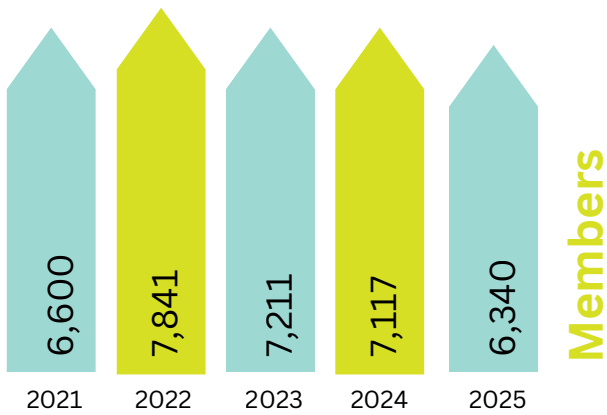
To meet its obligations for Consumer Duty, Hoot must act in good faith to deliver good outcomes for members and support them in achieving their financial objectives.

Board members and staff have all received training on consumer duty, particularly around the appropriate level of care and support offered to vulnerable members, and signposting to appropriate help and advice.

Hoot has always strived to be an inclusive and fair financial services provider, with the interest of members at the heart of everything we do. We will continue to improve our service to members, and promote the credit union to the broadest sections of our community.

To this end, the Board of Directors receives reports on how Hoot meets its obligations for Consumer Duty, and determines actions aimed at improvement.

Financial Report



Key Ratios

Delinquency

Measures loan in excess of three months in arrears
Target < 7.5%

7.1%

Capital/Asset

Measures the credit union's protection against bad debt
Target > 5%

8.0%

Solvency

Measures the degree of protection for members' savings
Target > 105%

107.7%

Liquidity

Measures the ability to meet short-term financial obligations
Target > 15%

20.8%



Financial Statements

Revenue Account for the year to 30 September 2025	2025	2024
	£	£
Income		
Interest income on loans	450,591	342,609
Interest income on bank deposits	33,975	33,733
Fees and commissions receivable	4,914	1,643
Other income	82,230	218,274
	571,710	596,259
Expenditure		
Staff Costs	225,516	232,672
Administration and operating expenses	311,605	301,560
Depreciation and amortisation	16,541	(7,485)
Impaired on loans for doubtful debts	123,531	104,970
	677,193	631,717
Surplus before taxation and distributions	(105,483)	(35,458)
Corporation Tax	5,882	6,407
Distributions	6,175	6,211
Surplus (Deficit) for the year	(117,540)	(48,076)

Financial Statements

Balance Sheet for the year to 30 September 2025

	2025	2024
Assets	£	£
Cash and balances at central banks	39,649	25,588
Loans and advances to banks	588,593	1,114,526
Loans and advances to members	1,838,422	1,327,219
Debt securities	199,320	296,010
Tangible assets	10,871	25,006
Other receivables	11,439	89,526
Prepayments	11,954	2,718
Total Assets	2,700,248	2,880,593
Liabilities and Reserves		
Member accounts	2,337,448	2,409,909
Other liabilities	148,790	138,671
Deferred income	16,421	16,884
General reserve	180,251	297,791
Other reserves	17,338	17,338
Total liabilities and reserves	2,700,248	2,880,593

About Hoot

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

Hoot Credit Union is 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.

When you join Hoot you become a member and you can start saving straight away.

The members' pool of savings is used to provide affordable loans to other members and at the end of the year, savers receive a share of the profit.

You can access your regular savings at anytime and they are protected by the Financial Services Compensation Scheme (FSCS).

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.

Regulated and Authorised

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.





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