

Clockwise Credit Union

safe savings & affordable loans

ANNUAL REPORT 2024



MEET OUR DIRECTORS

The Clockwise Board of Directors is made up of volunteers from many different backgrounds. They have a wide variety of skills and they all share the vision and mission of Clockwise Credit Union. Their dedication is why we are a successful Credit Union with a fantastic reputation within the credit union movement. Visit the About section of our website to read the full bios for each director.



PAUL MATTIOLI (CHAIR)

Paul has a degree in Economics and is a qualified Chartered Accountant. He set up his own company before retiring and has been a Director of the board since 2010 and Chair since 2015.



PAUL HARRIS (TREASURER)

Paul is a qualified Accountant and has over 30 years' experience in financial services. He is an experienced Board Trustee and Director. He has been a Director of the board since 2021.



KEITH ROSE (VICE CHAIR)

Keith is a retired Chartered Engineer. He was a volunteer at the Loughborough Community Access Point for 10 years and has served as a Director of the board since 2009.



SUSAN BARTON

Sue has a career in primary teaching and was previously on the New Central Credit Union Board. Sue joined the Clockwise board in 2021, when NCCU merged with Clockwise.



JEREMY EDWARDS

Jeremy is an Independent Financial Advisor, working with individuals and small businesses. Prior to this, he held posts in accounting, to include Financial Director.



MARY HIRST

Mary has 39 years experience in education and was a headteacher. She set up an academy, managing a £15m budget. Mary has been a Director since 2017 and is now Chair of the HR Committee.



JEREMY SIDDALL

Jeremy has spent much of his career as a Company Secretary. He is a qualified solicitor and has been a Director of the board since 2023.



ROY STEPHENSON

Roy was previously a VP and GM of American Express before launching his own consultancy company. He is a published author and has been a Director of the board since 2016.



BRIAN WILSON

Brian is a Chartered Management Accountant with wide commercial experience as a Financial Director. He is a member of the HR Committee and has been a Director of the board since 2004.



MARK BAILHAM (INDEPENDENT CHAIR)

Mark is a qualified Chartered Accountant with over 35 years' experience in financial services. He joined Clockwise as Chair of the Audit and Risk Committee in 2022.



LIZ BLACKMAN

Liz taught for 25 years before becoming MP for Erewash for 13 years where she helped to set up a local credit union. Liz was Chair for Notts & Lincs CU for 9 years.



JASON EAVES

Jason has over 40 years' experience in Financial Services to include Bank Manager, and Operations Director with a free to consumer debt advice and management company and CEO for a Credit Union.

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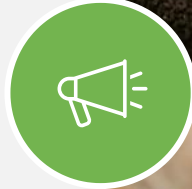


VISION, MISSION & VALUES

VISION

We want to be the first and best choice when it comes to helping people with their money.

Whether you're already a member or someone who wants to join us in the future, we aim to be the best choice for providing financial services. We'll work hard to earn your trust and show you that we can take care of your needs and help you achieve your financial goals.



MISSION

Our Credit Union's mission is to be responsible and caring, not just focused on making money.

We want to show something special called the "credit union difference." This means we will be fair, honest, and creative in how we offer financial products and services to our members. We value our members' opinions and want to work together as a team.

Our goal is to build strong relationships with our members and the community. Because we are owned by our members, we consider their needs first: this helps us stand out against banks and other financial organisations. By being strong financially, we can offer reliable and affordable options to our members. This will help them and the community as a whole to be financially better off. Our main focus is on people, not just profits.

VALUES

At Clockwise, we believe in doing the right things to keep our Credit Union sustainable and successful. Here are the important principles we follow:

Managing our money wisely:

We make smart decisions to ensure that the Credit Union is strong financially. We are careful with our assets and invest our funds responsibly. We also work with partners who share our values to build a stronger community together.



Helping our members with their financial goals:

We treat our members with respect and dignity, giving them trustworthy advice on the best financial options available. Our products and services are tailored to their unique needs and offer great value. We take privacy seriously, ensuring their personal information is protected. We also strive to provide essential financial services to those with lower incomes and marginalized backgrounds.



Engaging our members in shaping the credit union:

We value our members' opinions, and we offer multiple channels for them to provide feedback. Whenever they raise concerns, we address them promptly, so they feel heard and valued in the decision-making process.

Creating a positive work environment:

We care about our employees and create a workplace that is diverse, stimulating, and rewarding. By providing strong leadership, resources, and opportunities, we empower our employees to do their best work and reach their full potential.

Being accountable to the community:

We are committed to keeping our promises to the community. We continuously work towards our goals and measure our progress. Through our community grants programme, we provide support to diverse groups in need within the communities we serve. We also share our social impact findings with our members annually.

Supporting the Credit Union community:

We believe in collaboration and cooperation with other Credit Unions. We offer our expertise and help those in need. Additionally, we actively participate in regional and national initiatives to promote financial inclusion and raise awareness about the Credit Union movement.



CHAIR'S REPORT

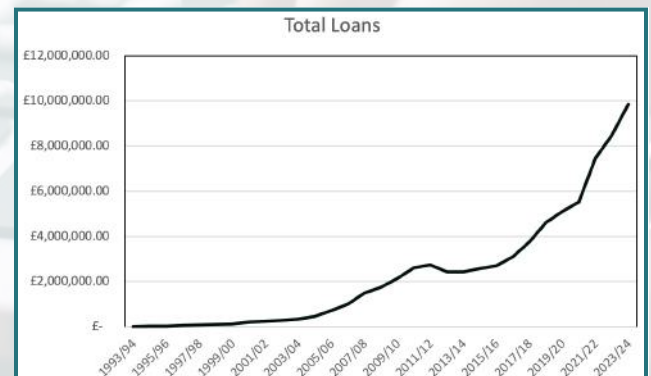
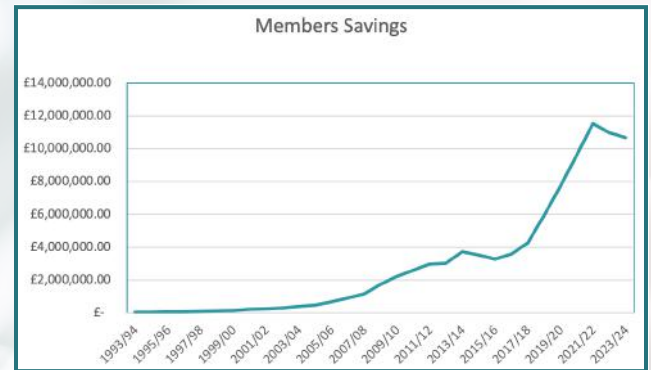
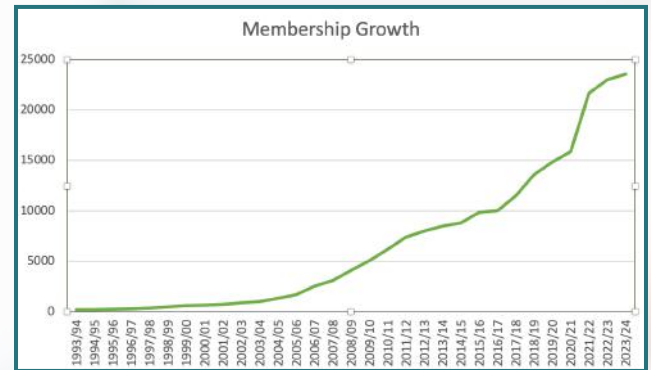


It is my pleasure to address you on behalf of the Board and staff of Clockwise to report on our activities in the year 2023-2024. It has been a challenging but rewarding year, with the ongoing cost of living crisis and wide economic pressures impacting both our members and the credit union.

As we reported last year, our members have continued to access their savings to supplement their incomes and support day to day expense. And whilst the demand for loans has increased, our overall lending is down, as we see members requesting smaller loans or being unable to pass affordability checks. It is difficult to have to turn down a loan but more important to ensure loans granted are prudent and manageable – we pride ourselves on being ethical and fair lenders and I know our members would not wish to see us lend to anyone who would struggle to repay. I know we do our best to offer support and help to anyone who has been declined and to signpost to appropriate advice agencies.

Clockwise has always had a strong tradition in collaboration, as the last two mergers have shown – New Central Credit Union in 2021 and Rugby Credit Union which took place successfully in October 2023. We are now approaching our third merge, having been approached by Notts and Lincs Credit Union to consider a strategic merger.

Whilst Clockwise has not adopted a strategy in seeking out mergers, in each case being approached by the credit union, nevertheless it demonstrated how strength in unity and collaboration can support the ongoing financial resilience of the people in our communities. Following due diligence by both Clockwise and Nottingham Credit Unions to ensure the proposed merger was in the best interests of both sets of members, we approved the merger which is due to take place on 1st February 2025. Nottingham Credit Union are by far the largest of the credit unions we have joined forces with so far, bringing us to around £17 million in assets and making us one of the larger community credit unions in the UK.



Common Bond:

Seeking approval for the merge has not been without its challenges. However, there is a limit to the number of potential members any credit union can have, topped at three million. This meant both Clockwise and Notts & Lincs had to adjust their existing common bonds to fit the regulatory requirements. For Clockwise, that meant removing Northamptonshire from our common bond – thankfully also covered by Commsave Credit Union so still able to access credit union services. For Notts & Lincs, they decided to remove Lincolnshire from their common bond, though that county will shortly be taken up by Hull and East Yorkshire, so again new members in that area will still be able to access credit union services.

It is important to stress that existing members in both Northamptonshire and Lincolnshire will retain their membership and still be able to access their existing accounts and services. Our new combined common bond is as shown here.

For the Notts and Lincs Board, one of the key drivers was a desire to improve the products and services to its members by harnessing those already enjoyed by Clockwise members. For example, 24/7 digital services, faster payments, faster account opening and loan decisions.

The merger will also enhance our financial resilience by increased economies of scale with the potential for improved operational and cost efficiency. For example, pricing for many of our services such as payments, credit checking are volume driven. The increase in volume post-merger helps to increase our bargaining power. It will also bring additional skills and resources through the 12 members of staff who are joining the Clockwise team from Nottingham, and we are delighted to welcome them.

So, another interesting and exciting year ahead for Clockwise – I have every faith in my fellow directors to ensure the governance of the credit union remains strong and that they continue to provide excellent strategic direction and I thank them for their hard work throughout the year. I would also like to thank our hugely committed and talented staff – you, our members and your accounts, are safe in their hands.

Looking forward to 2025.

Paul Mattioli
Chair

“

The experience I have with Clockwise is amazing. I am so happy that I have found a company that I could get a loan for my unexpected expenses that would just take out of my child benefit. So highly recommended.

”



CEO'S REPORT



As Paul noted in his report, it has been another challenging but exciting year at Clockwise. The ongoing cost of living and continuing increases in utilities has caused a considerable burden on many members. I would like to record my sincere appreciation and thanks to the staff who have risen to the challenge in supporting members in difficult circumstances.

Merger

We began the year, in October 2023, by merging with Rugby Credit Union. This was successfully achieved with a 15% growth in membership in the first 12 months which is fantastic. We have retained the office in Rugby which is open to member 2 days per week.

We are ending the year with a merger with Nottingham Credit Union (formerly Notts and Lincs Credit Union). As you will have read in the Chairs report, the process has not been without challenges but we are really excited to welcome both credit union members and Nottingham staff to the Clockwise family. The transfer will result in a combined loan book at of around £12.5 million and savings of around £17 million. Our staff numbers will move to over 40 and we are delighted to welcome our colleagues who bring with them a wealth of skills, talent and experience. We will retain the Nottingham office on Maid Marian Way. Through the merge, in expanding our geographical base, we aim to widen the positive impact credit union products and services have on the local economy and in supporting the financial wellbeing of the communities we serve.

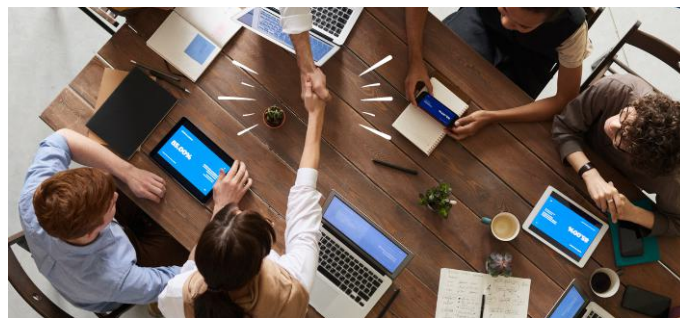
ABCUL Board

In March 2024, I was elected to represent the East Midlands as a Director on the Association of British Credit Unions Limited Board. I felt with my experience I could make a positive contribution to ABCUL's work in supporting the strategies for strengthening and growth of the sector. I am a passionate advocate for collaboration and co-operation with other credit unions and I truly believe the sector can deliver stronger outcomes when working together, and that credit unions are needed now more than ever.

ABCUL is the main trade association for credit unions in Britain, governed by volunteer directors, represents credit unions to governments, policy makers and the media and provides a full range of information, training and development services to help its members grow as sustainable financial services providers.

ABCUL Mission:

'To be the principal, democratically governed representative body of the credit union movement in Great Britain and to provide credit unions with the leadership, services and assistance they require to meet the financial needs and aspirations of the people of this country'



Staff Training and Development:

Giving staff the opportunity to access training and development opportunities is vital to the future of any successful organisation and Clockwise is no different. We recognise that our staff are one of the greatest assets we have – training not only can improve productivity but enhance job satisfaction and morale and improve retention. So, we are delighted to share a couple of examples of training and development opportunities took up this year.

In September our Head of People and Compliance, Emma Franklin-Keogh, successfully completed DE Europe, a week long residential programme facilitated by Marlene Shields OBE, CEO of Capital Credit Union and Lois Kitsch, co-founder of CUdifference. Emma acquired fresh skills in problem-solving, team building, and public presentations. Developing a global perspective on credit union challenges and opportunities and learning to promote cooperative principles in the competitive financial marketplace.

This challenging course culminated in a graduation ceremony held in Scottish Parliament. Emma said “this was a challenge I could not pass up, I worked outside of my comfort zone and made great friends and new colleagues from across the sector and around the world. It strengthened my belief that we work better when we work together, and the Credit Union sector has so much it can do for its communities not only locally but also globally”.



Mariyam Lalan, team leader in Rugby, is taking part in the ABCUL CU Futures programme, a 10-month intensive development programme for younger professionals in the credit union sector to develop their skills, knowledge and experience in the sector and support their career progression and retention.

Mariyam is pictured here (third from the right), with her fellow students, visiting the head office of Arbutnot Latham Bank in London.

Mariyam said, “Being part of the CU Futures programme has been such an exciting journey. It’s given me the chance to build new skills, deepen my understanding of the credit union sector, and see things from a fresh perspective. I’m looking forward to using everything I’ve learned to progress in my career and make a real difference for my credit union and the communities we serve.”



2024 HIGHLIGHTS

NEW PRODUCTS



Family Loan

This year we re-launched our Family Loan product, specifically designed for families. This loan allows those who receive Child Benefit to borrow up to £500 and pay back with their benefit payment. Members on this loan must also open a savings account and save at least £1 per week. We promoted this product across the common bond with our first ever TV ad!



Fixed Term Savings Account

Our new 12-month fixed rate savings account will allow members to lock away their money for 12 months in exchange for a market leading rate of interest. This allows our members to save for their short to medium term goals and get a great return on their savings.

CONFIRMATION OF PAYEE

In October 2024 we successfully introduced measures to satisfy Confirmation of Payee which was introduced in 2020 by the payment service regulator and made mandatory for all payment services like ours where we hold our own sort code. Confirmation of Payee (CoP) is a fraud prevention service used by banks and payment service providers to verify the account holder's name before processing a payment.

When you make a payment, our system checks whether the name you provide matches the name registered to the recipient's bank account. If there's a mismatch, you'll be alerted, allowing you to double-check the details before proceeding. This helps reduce errors and protects against scams, ensuring money is sent to the intended person or organisation. This process strengthens Clockwise's response to possible scams, giving members more comfort when sending money into or out of their Clockwise accounts.

WITHDRAWAL OF CARD SERVICES

On a less positive note, we heard that our card supplier, Contis, has gone into liquidation and would no longer be providing card services to our members using Contis Engage card, a prepaid card facility, or the Clockwise Debit Card. We are actively working on a replacement card and hope to have one in the near future. The current accounts remain unaffected and can continue to be used by members will be without a debit card for a while until the replacement is available and we will continue to support those members affected



POST OFFICE NOW

You can arrange for money to be available for collection at any UK Post Office. Clockwise will give you a unique, secure code to take into a Post Office branch to collect the money. It's an easy way to access cash. And you can make the request simply by going onto your Clockwise app and selecting 'new payment or transfer'. Alternatively, you can contact the office to arrange.



SUPPORTING OUR MEMBERS

We have given £65,000 back to members!

In 2024 Clockwise was delighted to pay £65,000 of interest into members savings accounts. We would like to thank you members for your continued membership with Clockwise Credit Union.

Blogs

We post regular blogs and social media posts to support our members; providing useful information, signposts and tips on ways to improve money management. We strive to encourage open communication through various media for members to provide feedback on these, and let us know what topics they would like us to focus on in the future. Here are a few examples:



New Year...How to Set Financial Goals for 2025

It's the perfect time to hit reset - starting with your budget. Many think budgeting means cutting out everything that makes life fun: no meals out, no small treats, no holidays.



How to Elevate Your Credit Score

Your credit score isn't just a number; it's a key player in your financial game, affecting everything from getting that dream home loan to securing the best interest rates on your car.



One in Six Adults in the UK has No Savings

How to avoid being one of them. Saving isn't just about putting money aside. It's about peace of mind, knowing that you're ready for whatever life throws your way. From round-up savings to Cash ISAs, there's a method for everyone.

“

“I am very happy with the services I get from Clockwise. It has helped me to save money over the years and offered me affordable loans whenever I needed one.

Their services are very fast. The staff are very professional, helpful and friendly. I would recommend family and friends to join the company.”

”

CLOCKWISE IN THE COMMUNITY

ELAINE & JO OUT AND ABOUT



Throughout the year, Elaine and Jo, our community Engagement Officers, have been out and about working tirelessly to raise awareness of Clockwise, its products and services, across our whole geographical area and to promote directly to potential members in the community. Below are just some examples of the work they have been doing.

LLR Homelessness Alliance Event

Many agencies and support groups came together for an event in Blaby on World Homelessness Day including Clockwise Credit Union, where Elaine chatted with other agencies about working collaboratively and directly with people present with a lived experience of Homelessness.

Action Homeless

"The children and families we support just want to be the same as everyone else, but unfortunately, they are trapped in a cycle of homelessness and living in temporary accommodation that is not a permanent home. Thanks to a generous donation from Clockwise Credit Union, families who were living in temporary accommodation at Christmas got the chance to enjoy a full festive lunch with all the trimmings, and experience some of the magic of the festive season".



Community Event - Leicester Cathedral

As part of Clockwise Credit Union's support to LLR Homeless Alliance - Feeding the Hungry, Elaine was asked to partake in Leicester Cathedral Carol Concert by doing a reading.

"I was so honoured to represent Clockwise Credit Union at this wonderful celebration of Christmas, held at Leicester Cathedral. My sincere thanks to The Very Revd Karen Rooms, Dean of Leicester for her kind invitation".

Angels and Monsters

Angels and Monsters are a Leicester based charity that are here to help young parents and their families, Elaine has visited on a couple of occasions to share the benefits of having a Clockwise Credit Union membership.



Christmas Community Events

Always fun to be able to attend community events especially at Christmas time with the magic of Santa being present. Elaine attended Grove Community Centre in Braunstone and St Thomas More Parish in Knighton and chatted away with existing members and raised awareness of Clockwise Credit Union to potential members, both those that wish to be an "Ethical Saver" and those that are struggling to access bank accounts, budget, or finding it challenging in current times to save and were unaware of the benefits of banking with a Community not-for-profit "bank".



Coventry Community Event

Jo attended several community fun days over the summer, including one run each year by Coventry police. Over 500 people attended the event, including many organisations who offer support services to the local community. Jo distributed Clockwise resources to local residents and to several local support organisations such as Haven Women’s Aid, Coventry City Council Job Shop, Carer’s Trust and local social supermarkets.

Coventry Cathedral

In November, the Carers Trust invited Clockwise to attend an event at Coventry Cathedral. The event gathered together local support organisations who showcased their services to the carers supported by the Trust throughout Coventry and Warwickshire. Over 300 people attended the event which provided an opportunity to promote Clockwise both to the visiting carers and the other organisations in attendance.



CLOCKWISE OPEN DAY

Clockwise Credit Union hosted an Open Day on 13th September 2024 at its Leicester Branch to celebrate UK Savings Week 2024. The event connected advice agencies with members, promoting savings, and highlighting the dangers of illegal money lenders. Safe borrowing options were also showcased.



Key partners included Paul Rhodes from Money Advice and Pensions, Alex from Leicester Community Advice and Law Centre, and Vinnie from Stop Loan Sharks England. They provided guidance on financial management, energy savings, and avoiding loan sharks.

Supporters such as Natasha Jolob, Zinthy Ganeshpanchan, and Leicester City Council representatives joined the event, emphasizing community collaboration. A new initiative offered a £25 bonus for members saving £5 monthly for six months to encourage consistent saving habits.



Angelina, a long-time member, shared her inspiring savings journey through a workplace scheme and her plans to open Cash ISA accounts for her grandchildren. Her story highlighted the benefits of disciplined saving.

The event concluded with Clockwise Credit Union receiving Accredited Partner recognition from Stop Loan Sharks England, acknowledging efforts to combat illegal lending and promote financial well-being.

The Open Day successfully reinforced financial education, community engagement, and Clockwise Credit Union's commitment to empowering members with ethical financial solutions.



CLOCKWISE IN THE COMMUNITY

COMMUNITY GRANTS

When you save or borrow with Clockwise some of your money is invested back into the community. Clockwise operates a Community Grant Scheme that awards local groups and individuals grants for a whole range of items that ultimately benefit the community the group and individual works to serve.

Under the scheme, any community group or individual in need of funds can apply in writing to us for a grant. To apply, the group or individual should be based in Leicester, Leicestershire, Rutland, Nottinghamshire, Coventry or Warwickshire. This can be for a whole range of items; for example, a small piece of equipment for a group such as food banks, community schemes aimed at under-represented groups, scouts/guides or a youth club or a laptop for a low-income student. See below for examples of groups we have supported.



Love4Life Charnwood

In September we gave £250 to Love4Life Charnwood who work to provide a safe space for local, vulnerable girls to access emotional and social support on challenges such as body image, self-esteem, confidence and healthy relationships.

Netherhall Community Association

Summer holidays are often a challenge for families and loneliness in the elderly is an all-year-round social problem so when Clockwise was approached by Rev. Matthew Creber for a community grant for food for a week at their holiday scheme, we were delighted to oblige.

Community Chaplain, Rev Matthew Creber welcomed Elaine with open arms and said, "This grant has enabled us to provide meals for a week through the Summer Holidays for families in Netherhall, along with those who are elderly and isolated, at a time when we know many are struggling."

Matthew continued, "This collaboration between the local church and the Netherhall Community Association allows us to build community around that most essential of things – food. We are delighted to be supported by an organisation who seek to offer a less exploitative form of lending, challenging the root of much food poverty."



Belgrave Community Garden Project

Clockwise was delighted to grant £250 to the Belgrave Community Garden Project who are a volunteer led community garden, running weekly sessions. They are on a mission to bring more nature into the city.

The volunteers led by Jit Dhanji, Service Delivery Manager, Belgrave Library & Neighbourhood Services, have already transformed an area into a vegetable patch and applied for a grant from Clockwise Credit Union to create a nature habitat garden, introduce a frog pond, plant up pond plants and fragrant flowers to attract pollinators to increase biodiversity to the area.

Raising Health

In October we gave Raising Health £500, who provide community health and mental health support to over 1 million people across Leicester, Leicestershire, and Rutland.



Jasmine House

In May we gave £250 to a small local charity, Jasmine House in Leicester, who make a big difference to women and girls impacted by domestic violence and rape.



Bodie Hodges Foundation

We were very happy to sponsor Bodie Hodges Foundation, a local charity that supports families bereaved of a child, as an Event Sponsor at their Annual Freddie's Festive Fun Run.

The event took place during National Grief Awareness Week. All participants had an extra challenge this year as Storm Darragh had turned up but swiftly moved on to ensure that nothing was going to stop the event taking place. Congrats to all the Bodie Hodges Team for a fantastic event.



CHRISTMAS GIVE-AWAY



At Clockwise Credit Union, the spirit of giving shines bright this holiday season! During the week leading up to Christmas, members visiting our Leicester or Rugby branches—or those connecting with our Member Services team—were in for a heartwarming surprise; festive Christmas hampers packed with delicious food and treats.

As you can see from our photos, even the Grinch can't resist spreading cheer this holiday season!

Clockwise Credit Union is committed to supporting our community, not just financially, but also by creating moments that bring smiles and foster goodwill. We're thrilled to have spread a little extra cheer just in time for Christmas

“ I've been a member for about 14 years, when I first joined I was homeless and unemployed. Clockwise Credit Union helped me to get somewhere to live. That was a starting point to getting a job and getting myself in a position where I have now been in employment over 11 years with the same company. ”

SROI REPORT 2022/2023

Our Social Return On Investment

Clockwise Credit Union serves members in Leicester, Leicestershire, Rutland, Coventry, Warwickshire, and Northamptonshire, focusing on financial inclusion through safe savings and affordable loans. This SROI evaluation, conducted by an advanced, accredited practitioner at Kai-zen Change for Good CIC, is a low rigour evaluation that assesses the impact of services over two years (2022-2023).

Challenges Addressed

Investment & Impact

- **£4.67 m** invested in services
- Generated min. **social value of £55.4 m** equating to at least **1:16 SROI ratio**



Major Social Outcomes

- Members better managing money: **£23.5 m**
- Proud and happy to support financial inclusion: **£18.4 m**
- Enhanced community belonging: **£6.7 m**
- Other outcomes include reduced homelessness and reoffending rates, improved tenancy management, and greater independence



Target Groups Supported

- Vulnerable groups like social housing tenants, older adults, refugees, ethnic minorities, and victims of domestic violence



Member Benefits

- **69%** improved financial management
- **55%** experienced reduced stress
- **74%** felt proud to support the community
- **46%** developed a stronger sense of community



Key Findings

- The closure of branches and fewer banking points caused difficulties for digitally less confident members.
- Financial pressures from the COVID-19 pandemic and cost-of-living crisis significantly impacted members.

Member Testimonials

Clockwise members shared impactful stories, underscoring the credit union's transformative role in their lives:

- A single mother expressed gratitude for loans that enabled her to provide for her children.
- A long-term member highlighted how Clockwise helped them transition from homelessness to sustained employment.
- Members emphasised the value of financial stability, reduced stress, and the pride of contributing to a cooperative.

Next Steps

- Set up a social value working group to respond to the data and inform planning and decision-making.
- Address loneliness and isolation due to branch closures.
- Strengthen focus on financial and emotional well-being.

Methodology

This SROI evaluation used both qualitative and quantitative measures to calculate the financial value of social outcomes. Transparency and adherence to Social Value International standards ensured credibility.

Clockwise continues to be a vital force in addressing financial exclusion, empowering disadvantaged communities, and creating lasting social change.



TREASURER'S REPORT

2023/24 has been another challenging year for Clockwise and its members. The cost-of-living crises and cost inflation continues to have an impact, resulting in a reduction in savings, a high demand but low approval of loans, increased operating costs and increasing bad debts. Members numbers continued to increase resulting in a 7% increase in loans, a lower growth rate to last year. This increase in loans, generated additional income, but after setting aside £156,562 for payment of interest to members resulted in a deficit of £10,715. Interest to members increased due to rises in interest rates during the year. The deficit is a breakeven result, reflecting the challenging times to Clockwise and its members.



Income

Total income of £3m is £345,518 higher than last year's income, due to the increase in loans. 88% of total income is loan interest, with the remainder being grants, membership service fees, bank interest, bad debt recoveries and other sundry sources of income.

Expenditure

Total expenditure of £2.8m is £370,214 higher than the previous year. This is largely due to the merger with Rugby credit Union, increasing operational costs and increasing bad debts. Although our loan book has grown, our level of bad debts, net of recovered debts, has increased faster to 10% of the total loan book. We continue to adopt a sensitive approach to the management of repayment of members' loans and are successful in ensuring that over 94% of all loans are repaid.

Merger with Rugby Credit Union

The merger with Rugby Credit union completed on 1 October 2023 resulting in the addition of £93,512 loans, £510,429 member savings and £435,343 cash balances.

Balance Sheet

Members loans increased by £221,377 to £8.8m, after provision for doubtful debts. Overall members savings increased by £229,165 to £10.5m. Standard member savings including those from Rugby Credit Union reduced by £554,019 and ISA savings increased by £820,583. Our bank balances reduced by £113,159 to £2.6m.

Capital

Clockwise continues to maintain a healthy level of reserves. The Bank of England Prudential Regulation Authority (PRA) has set regulations on minimum capital levels to be maintained by credit unions. Clockwise must maintain capital equivalent of at least 5.6% of Clockwise total assets. As of September 2023, Clockwise capital was 16% of Total Assets. This demonstrates the financial strength of Clockwise.

Bank of England Prudential Regulation Authority (PRA)

All credit unions are required to meet a number of financial ratios monitored by the PRA at quarterly intervals. Clockwise met these ratios at each quarter.

Budget and Business Plan

A five-year business strategy is maintained and a one-year budget has been agreed by the board for 2024/25. Monthly results are monitored against the budget with corrective action taken where actual results deviate from plan.

Paul Harris
Treasurer

INCOME & EXPENDITURE

	2024	2023
	£	£
INCOME		
Interest on Loans	2,635,729	2,477,241
Entrance & Service Fees	49,529	49,607
Bank Interest	80,219	34,865
Bad Debts Recovered	117,811	93,586
Grant Income	117,772	0
Other Income	(0)	243
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EXPENDITURE		
Employment Costs	1,069,433	862,346
Property Costs	39,095	34,880
IT & Office Costs	168,008	188,875
Insurance	11,778	13,205
Transaction Processing	135,773	115,693
Depreciation & Amortisation	78,994	32,535
Trade Association Fees	13,775	9,771
Audit Fees	13,000	12,000
Marketing	158,222	107,803
Debt Management	110,696	74,705
Other Operating Costs	53,123	46,936
Bereavement Fund	23,655	18,423
Rewarding Borrowers Refund	0	10,793
Bad Debt Provisions	984,508	961,882
	<hr/> 2,860,061	<hr/> 2,489,847
SURPLUS FOR THE YEAR BEFORE TAX	140,999	165,695
Corporation Tax	(14,356)	(6,624)
	<hr/> 126,643	<hr/> 159,071
Interest on member savings	(156,562)	(104,555)
SURPLUS FOR THE YEAR	(29,919)	54,516
	<hr/>	<hr/>
Rugby Credit Union merger Transfer of Reserves	19,204	0
TRANSFER TO RETAINED PROFIT	(10,715)	54,516

BALANCE SHEET

As at 30th September 2024

	2024	2023
	£	£
ASSETS		
Bank current & deposit accounts	2,598,324	2,711,483
Intangible assets	329,288	386,556
Loans and advances to members	8,830,043	8,608,666
Tangible assets	349,249	361,264
Sundry debtors	523,923	255,596
TOTAL ASSETS	12,630,827	12,323,565
LIABILITIES		
Share accounts	7,843,266	8,397,285
Junior savers	453,048	490,447
ISA accounts	2,223,050	1,402,467
Sundry creditors and deferred income	293,090	204,278
	10,812,454	10,494,477
General Reserve	1,818,373	1,829,088
TOTAL LIABILITIES	12,630,827	12,323,565

Approved on behalf of the Board of Directors
19th December 2024

Signed:



Paul Mattioli, Chair



Paul Harris, Treasurer



Brian Wilson, Director

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of Clockwise Credit Union Limited (the 'company') for the year ended 30 September 2024 which comprise the revenue account, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 30 September 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014 and the Credit Union Act 1979.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the credit union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the directors report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the directors report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion, based on the work undertaken in the course of our audit: the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' report has been prepared in accordance with applicable legal requirements.



Matters on which we are required to report by exception

In the light of the knowledge and understanding of the credit union and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the credit union in accordance with the requirements of the legislation; or
- a satisfactory system of control over transactions has not been maintained by the credit union in accordance with the requirements of the legislation; or
- the Revenue Account and Balance Sheet are not in agreement with the books of account of the credit union; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the credit union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the credit union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed on the next page.

We gained an understanding of the legal and regulatory framework applicable to the credit union and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Based on our understanding of the credit union and sector in which it operates we identified that the principal risk of non-compliance with laws and regulations related to breaches of PRA rulebook in relation to the credit union's activities as well as Credit Unions Act 1979, Community Benefit Societies Act 2014, UK Tax Legislation and UK Employment Law. We also evaluated management incentive and opportunities for fraudulent manipulations of the financial statements.

INDEPENDENT AUDITORS REPORT

Audit procedures performed included:

- Making enquiries of management as to any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing correspondence with regulators and authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates and assessing if these indicate evidence of management bias; Reviewing correspondence with regulators;
- Identifying and assessing the design effectiveness of controls management have in place to prevent and detect fraud;
- Reviewing the accounting records for large and unusual journal entries and testing any identified and in particular the rationale for any transactions outside the credit union's normal course of business;
- Reviewing the accounting records for large and unusual bank payments and testing any identified and in particular the rationale for any transactions outside the credit union's normal course of business;
- Testing a sample of debit entries in the revenue account to check they are bona-fide costs of the business;
- Testing a sample of credit entries in the revenue account to check interest income is genuine;
- Testing a sample of member loans to loan agreements;
- Testing a sample of member accounts have money laundering documentation;
- Enquiry of management and those charged with governance around actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the credit union's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the credit unions' members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's members as a body, for our audit work, for this report, or for the opinions we have formed.

For and on behalf of Burgis & Bullock

Date: 19th December 2024

Chartered Accountants
Statutory Auditor
23-25 Waterloo Place
Leamington Spa
Warwickshire CV32 5LA

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 30 September 2024.

Principal activities

The principal activities of the credit union continue to be that of the provision of saving and lending facilities for the benefit of its members as defined in the Credit Union Act 1979.

The Credit Union's common bond covers everyone who resides or is employed in Leicester, Leicestershire, Rutland, Northamptonshire, Coventry & Warwickshire.

Results

The results for the year are set out on page 19.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Mattioli	B Wilson
M Hirst	K Rose
R Stephenson	J Edwards
Paul Harris	S Barton
J Siddall	

Compliance statement

Under the Prudential Regulation Authority rulebook the Board of Directors must report to the members at the Annual General Meeting on certain areas of compliance within the credit union. The credit union is therefore pleased to report that during the year the credit union has been in compliance with:

- Depositor Protection Rules 11, 12, 14 and the requirements of rule 15 that relate to rule 11; and
- PRA Credit Union Rule 2.10 (fidelity bond insurance requirements); and
- The requirements of compliance under the PRA "additional activities".

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year.



DIRECTOR'S REPORT

Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the credit union and of the surplus or deficit of the credit union for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the credit union's transactions and disclose with reasonable accuracy at any time the financial position of the credit union and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the credit union's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the credit union's auditor is aware of that information.

On behalf of the board



P Mattioli
Director



B Wilson
Director



Paul Harris
Director

Date: 19th December 2024



AUDIT & RISK COMMITTEE REPORT

Role and Composition of the Audit & Risk Committee

The Audit and Risk Committee has delegated authority from the Clockwise Credit Union (Clockwise) Board to carry out specific duties primarily in relation to the support for the Risk function, Internal Audit function, Compliance function and external audits, which is set out in a Terms of Reference approved by the Board. The Committee ensures that its actions are taken in the best interest of members of Clockwise and in compliance with its delegated authority.

The Committee provides scrutiny over the work of both the Management and the Board, on behalf of Clockwise members. Its purpose is to make reasonable assessments as to whether Clockwise operates within the law, its own rules and policies, and within the framework laid down by the regulatory authorities. Its activities also include:

- assessing and recommending the appointment/re-appointment at the AGM of the external auditors; and
- confirming any compliance that the Board requires from the Committee for the Annual Statutory Accounts and external audit and Annual Report; and to ensure the Accounts and Annual Report are completed signed and submitted in the appropriate regulatory timelines.

At year end, there are four members of the Committee entitled to vote at Committee meetings, two of whom are Directors of Clockwise and the balance of members are independent of Clockwise, including the Chair. One independent member has indicated a desire to step down in the year ahead and a replacement is being sought. The Chief Executive Officer and Compliance Officer regularly attend meetings and the Internal Auditors can attend, on request, to present their work, if needed. I would like to thank all members of the Committee and participants for their contribution during the year.

The Chair of the Audit & Risk Committee is invited to all Board meetings and provides regular updates on the work of the Committee to the Board.

Activities during 2023/2024

During the financial year the Audit & Risk Committee maintained a detailed record of its actions and activities for the year. This includes minutes of its meetings.

The Committee continue to periodically update the Clockwise Risk Register for both IT and non-IT Risks, changes were presented to the Board during the year. In addition, all new and amended policies of Clockwise are reviewed by the Committee prior to their presentation to the Board for their approval.



“

When I came in to sign for my loan the young man on reception was incredibly patient and helpful. He was polite and helped me through the whole process. Quick and effective service.

”

AUDIT & RISK COMMITTEE REPORT

Clockwise internal auditors, BM Howarth, conducted an audit on Consumer Duty during the year, There were no critical findings in the report. The report which was pending completion at the end of last year on Anti-Money Laundering was finalised and as expected no critical issues were raised. The Committee has agreed two reviews for the year ahead, including an internal audit on Management Information and an independent review of Board Effectiveness.

Burgis & Bullock performed their year-end audit. The Committee reviewed the Audit Findings Report, as well as the proposed financial statements, after the year end when the documents were ready for review. It was pleasing to note that they expected to provide an unqualified opinion on the financial statements and that they had not identified any significant issues surrounding the judgements and estimates. As usual, Burgis & Bullock did raise some areas where they thought that the controls of Clockwise could be further improved. The Committee will provide ongoing monitoring on the management response and status of these recommendations in the year ahead. The Committee provided its positive recommendation to the Board for the signing of the financial statements.

Summary

The Audit & Risk Committee is aware of the very considerable strains that the Board and Management have continued to face this year, a year which has included the continuing cost-of-living crisis, the proposed merger with Notts & Lincs Credit Union, as well as the difficulties posed to recruitment by a tightening labour market. Nevertheless, confidence remains high that with their continued energy, focus and commitment, Clockwise continues to be well placed to face the difficulties to come in the year ahead.

Mark Bailham (Chair)

“

Fantastic service/done and received in minutes.
Will always be a member.

”

“

Clockwise go above and beyond when you are in need. Thank you for understanding and doing your best to accommodate.

”



NOMINATIONS COMMITTEE REPORT

During the year, the Nominations Committee has been involved with a number of aspects relating to the running of the Board.

A Board succession plan was approved by Directors in May. This recognises that in future our optimal Board will be smaller with officers such as the Treasurer being recruited for their particular skills and other members coming from as wide a cross section and as diverse backgrounds and professional skills as possible. As a result of past mergers and with the prospect of two experienced individuals from Notts & Lincs CU joining after that merger completes, the Board is currently larger than our target size. We anticipate that this will correct over time and through the application of term limits for our directors which came into force at last year's AGM.

With regard to ongoing training of our Directors, we have held the first of a series of pre-Board training sessions. Our directors have also completed the annual training pathway provided by the ABCUL Academy and many attended a Directors Training Day organised by a third-party provider. In addition, evaluations of directors by themselves and by them of the Board were completed and these show modestly improved ratings when compared to last year. They do, however, highlight areas for improvement which we are addressing. These include improvements to the selection, induction and ongoing training of our directors, and succession planning for our Chair and committee chairs.

With regard to our Chair, we began a search for a successor last February. We advertised widely on a number of independent platforms including one specifically directed at female candidates. Our search identified one well-qualified individual who began a process of familiarisation, including attending two Board meetings. Unfortunately, he decided to withdraw for personal reasons. Despite re-advertising the role we drew no suitable applicants and will be starting the selection progress again following the completion of the merger with Nottingham.

My thanks to Roy Stephenson and our CEO for the time and effort they have devoted to the work of the Committee this year.

Jeremy Siddall (Chair)

“

I have been a member of Clockwise Credit Union now for more than 5 years and it has never let me down.

”



Clockwise Credit Union

safe savings & affordable loans

ADMINISTRATIVE INFORMATION

ADMINISTRATIVE INFORMATION

Registered in January 1992
Register Number IP00280C
PRA/FCA Registration 213498

OTHER INFORMATION

Business & Registered Address:
1 St. Nicholas Place, Leicester LE1 5LB

Telephone:
0330 175 5792

Website:
www.clockwise.coop

Auditors:
Burgis & Bullock
2325 Waterloo Place
Leamington Spa
Warwickshire
CV32 5LA

