

ANNUAL REPORT

Year ending 30th September 2021



**PENNY POST
CREDIT UNION**



**BEST
CREDIT
UNION (SOUTH)**



Savings & loans straight from your pay
for Royal Mail Group employees and their families



PRESIDENT'S ADDRESS



Dear Members,

It's the time of the year when Penny Post Credit Union holds its Annual General Meeting and reports to members.

As the President, I have the responsibility of overseeing the business and chairing the Board of Directors meetings.

This year has once again been dominated by the COVID Pandemic, and I would like to pass on the Boards' condolences to any members that have lost loved ones.

We all hope and pray that we are starting to see some light at the end of the tunnel.

Penny Post has remained resilient throughout all of the turmoil of the last few years and we are able to look forward to some exciting developments due to the strong trading base we created prior to the Pandemic.

In the financial year to come we will again be looking to provide our loyal savers a handsome dividend which will be far more generous than any high street institution.

We will be offering a greater range of loan products to our borrowers at more competitive rates, that reward loyalty and reliability.

The team at Penny Post is growing from strength to strength with your CEO Matt Goulding at the helm supported by the senior management team.

I am also pleased to report that some of our junior members of staff have stepped up and taken on more responsibility including supervisory roles which is a credit to our succession planning strategy.

Last year the Board and senior management team engaged in some new and exciting projects to move the business forward and have been supported by Richard Jones, a Business Strategist.

We are looking to see all the hard work come to fruition this year.

With the completion of the merger with Voyager Alliance Credit Union on February 1st, 2022, this will nearly double our membership in size and make us one of the largest credit unions in the UK.

This was only achieved because our membership showed the confidence in the Board and staff to look after their financial wellbeing, thus gaining Penny Post the reputation and confidence of the PRA to see us as one of the best organised credit unions.

I would like to close by thanking Matt and the whole Penny Post team for all of their hard work and dedication, the Board of Directors for their vision and brave decision making, and you, the membership, for your continued loyal support.

Dave Jones
President



DAVE JONES - PRESIDENT

CEO REPORT

Dear Members,

It has been another successful year for Penny Post in these continued uncertain times and we were proud to celebrate the milestone of our 25th Anniversary by being recognised at award ceremonies which included winning Credit Union of the Year at the Consumer Credit Awards. A number of our team were also finalists at the Black Country Chamber of Commerce Business Awards and the National Apprenticeship Awards demonstrating how far we have come as a business in the last few years.

The coronavirus pandemic continues to impact all our lives on a daily basis and my thoughts are with those who have lost family, loved ones, friends and colleagues in the past year.

As with last year, we have looked to find ways of supporting our members in these challenging times. By offering a wider range of loan products, more flexible savings and the continuation of the payment holiday scheme we have delivered this help to our loyal members who have continued to work throughout lockdowns and restrictions and provide a vital service to the nation.

I'm incredibly proud of how the staff team at Penny Post have continued to deliver such excellent service whilst working from home and whilst maintaining "business as usual", and have also delivered a program of business improvement that has dramatically improved our loan process and decision-making and improved all areas of our customer service.

The key outcomes of this project are that we now process 98% of loan applications on the day that they are received, have reduced the cost of bad debt by £250,000 and can be highly confident that all of our lending decisions are made in the best interests of our members.

We have built very strong foundations to expand Penny Post and are planning for significant future growth that will deliver benefits to all our members as we look to improve the return that we pay to our savers, expand our range of loan products and interest rates and improve our members' online experience with some market-leading new technology.

The upcoming merger with Voyager Alliance Credit Union will make us one of the largest credit unions in the UK and provide us with the opportunity of growing our membership from a much wider audience. There are exciting times ahead!

Finally, I would like to close in thanking our staff team and our Board for their amazing hard work and commitment and most importantly, you, our members for all that you do and for your ongoing loyalty, support and trust in Penny Post to look after your finances with your best interests at the heart of everything that we do.

Matt Goulding
Chief Executive Officer

MATT GOULDING - CEO



HIGHLIGHTS

11,055

Adult
Penny Post
Members

NEW RECORD!

£30.36m

in Penny Post
Members'
Savings

NEW RECORD!

**MEMBERS'
RETURN ON
SAVINGS**

1.55%

Regular Savings Account
Young Saver Account
Jam Jar Account

2.05%

Plus Account

2.55%

Christmas Account

Subject to approval at AGM

19.3%

increase in
Total
Assets

Proud to be a
Rowland Hill Fund
Special Delivery Partner



BEST CREDIT UNION SOUTH!

Penny Post won Best Credit Union South at the national Consumer Credit Awards 2021 - what an achievement!

The Consumer Credit Awards are 100% voted for by customers, not industrial experts, with the aim to find those financial companies that are most dedicated to putting their customers first.

On hearing the news, Matt Goulding, Penny Post CEO, said "This is a fabulous achievement and great recognition for the work that the whole team have done over the past 12 months.

The Award being voted for entirely by members, makes it even more meaningful."

A massive thank you to every member who took time to vote for us - we couldn't have done it without you!



**BEST
CREDIT
UNION (SOUTH)**

**Penny Post
Bereavement
Fund**

£51,492

in financial help
was paid out to

23 families

following the death
of a member

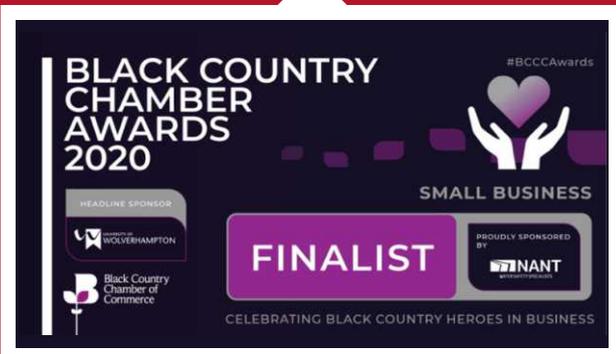
A **free** benefit
for all members

LOOKING BACK ON THE YEAR

OCTOBER 2020

Penny Post shortlisted as a finalist in the 'Small Business of The Year' category at the Black Country Chamber Business Awards.

This award recognises and celebrates the contribution businesses have made to support their community and demonstrated resilience in the face of new pressures, demands and challenges as a result of the COVID-19 emergency.



NOVEMBER 2020

Penny Post was awarded 'Highly Commended' for the West Midlands Regional Finals at the National Apprenticeship Awards 2020.

We're proud to invest time and money into developing these young people, and this year our very first apprentice, Jas Kaur, was promoted to Chief Operations Officer, whilst Hannah Copson, our second apprentice, is now Customer Service Team Leader!



DECEMBER 2020

Members enjoyed our December Festive Fun competitions, the highlight undoubtedly being members sharing pictures of their pets!

Jas Kaur joined the ABCUL Young Professionals Network (YPN) Steering Committee. YPN is a dynamic environment for young credit union professionals to connect, learn and live out their co-operative values.



JANUARY 2021

On 31st January 2021, Penny Post celebrated its 25th Anniversary, and not even a worldwide pandemic could stop us celebrating this achievement!

A special 25th Anniversary Members' Draw was just the start to the yearlong celebrations, during which 220 lucky members benefitted from rewards and prizes totalling £17,875.



LOOKING BACK ON THE YEAR

FEBRUARY 2021

We launched our 25th Anniversary eBook commemorating Penny Post's historic journey. Do take a few moments to *browse it here*.

We said goodbye to Finance Officer Jayne Walker who moved on to pastures new after 8 years at Penny Post. Jayne had also been a Voluntary Director prior to joining the admin team in 2013.



MARCH 2021

Our annual members survey had a great response – over 4000 replies & twice as many as last year! We were thrilled that 97.9% of members were either very satisfied or satisfied with our overall service.

Penny Post's Charissa Roswess started fundraising by running 5k every month for 7 months, raising over £500 for homeless charity Centrepoint.



APRIL 2021

Penny Post's Lewis Price graduated from the CU Futures programme, the ultimate young professionals' development programme.

Ravan Chahal joined the Penny Post team as Customer Service Apprentice, a role he has happily settled into.



MAY 2021

Our Green Fingers Giveaway was a great hit with members! Congratulations to Sandra from Stoke-on-Trent, the overall winner of our Bumper Green Fingers Giveaway, as selected by members.

Penny Post Pioneer, original board member and long-time employee, Vera Kelsey, retired in May after more than 25 years of involvement with Penny Post.



LOOKING BACK ON THE YEAR

JUNE 2021

June was Refer a Colleague month and an opportunity to celebrate Penny Post membership! Thank you to all those members who recommended membership to colleagues.

Penny Post's Charissa Roswess was the latest team member to be selected for the CU Futures programme.

WIN £250 BY REFERRING A COLLEAGUE IN JUNE!



"Savings and Loans straight from your pay!"

- Exclusively for Royal Mail Group Employees



REFER

a work colleague during June



RECEIVE

a £5 reward



REPEAT

unlimited referrals during June



WIN

Get a chance to WIN £250!

JULY 2021

July saw the launch of our Summer Holiday Festival! Cornwall was members' favourite UK location whilst the USA was revealed as members top worldwide destination.

Penny Post gained its Cyber Essentials certificate, giving us and our members peace of mind that our defences will protect against the vast majority of common cyber attacks.



AUGUST 2021

Penny Post Credit Union was named a finalist in the Consumer Credit Awards for two categories: Best Credit Union (South) category and the Customer Service Champion.

It was great to welcome many new junior members during Young Savers month. Young Savers receive a £10 birthday bonus each year in addition to our competitive annual dividend.



SEPTEMBER 2021

Penny Post Credit Union was crowned Best Credit Union South at the national Consumer Credit Awards 2021 - what an achievement!

The new Penny Post website was launched, the first stage of our online improvement plan.

Penny Post joined other credit unions across the UK to offer members the chance to win £5,000 with PrizeSaver.



25 YEARS OF PENNY POST

On 31st January 2021, Penny Post celebrated its 25th Anniversary, and not even a worldwide pandemic can stop us celebrating this fantastic milestone!

25 years serving the Royal Mail family is a great achievement, only made possible by the support of you, our members.

JANUARY

25th Anniversary Members' Draw

To launch our celebrations, and to say a massive 'thank you' to all our members, every adult member was automatically entered into our 25th Anniversary Members' Draw with a fantastic £3,500 prize fund.

The £1000 winner was Emily Buckley from Shrewsbury, a member since 2010. Emily said to us **"What a wonderful surprise! I've never won anything before – thank you so much!"**

A further 25 members each won £100.



APRIL

AGM Prize Draw

Congratulations to member Mark Holt from Gloucestershire, the lucky winner of a £250 in our AGM Prize Draw.



FEBRUARY - MARCH

Anniversary Loan Offer

Our 'Anniversary Loan Offer' during February and March offered members up to £250 cash back as an 'Anniversary Reward' from us to our members.

175 members benefitted, with £12,625 in cash back rewards given back.

Another way to say 'thank you' for supporting us over our first 25 years.

APRIL - MAY

Green Fingers Giveaway

We know many of our members have 'green fingers' so it seemed appropriate to see what gardening inspirations were going on during periods of lockdown.

You sent in beautiful and fascinating pictures of your garden projects.

Sandra from Stoke-on-Trent was the overall winner, voted for by members & won £150 in garden vouchers. 5 more members each won a £20 garden voucher in our daily competitions!



25 YEARS OF PENNY POST

JUNE

Refer-a-Colleague

Thank you to everyone who took part in 'Refer a Colleague' month!

Jim from Hampshire was one of the lucky winners for recommending Penny Post membership to a work colleague.

"I was shocked! I could not believe it! I had to send Penny Post a message on Facebook to confirm it was real!" said Jim when we told him that he had won £250!

The second lucky winner was Samuel Bryan from Bishops Stortford, who won the 'new member' prize!

"Signing up was really straightforward", said Samuel who also won £250.



SEPTEMBER - OCTOBER

Autumn Competition

Our Autumn competition gave us valuable feedback on our new website, and netted one lucky winner from Wolverhampton with a £250 prize!

Members are at the heart of everything we do and we're focused on listening to you to give you the best possible experience.

JULY - AUGUST

Summer Holiday Festival

Members helped us make the most of our Great British Summer by submitting their amazing 'Penny Post Passports' in our Summer Holiday Festival! We loved reading your witty holiday tips and discovering your favourite holiday destinations.

Stuart Platt from Wolverhampton was the lucky winner of £250, and 3 more members won a summer hamper.

Maria from Deeside was a hamper winner, and her top holiday tip was to talk with other holiday makers to find the easy and quick routes around the resort and hotel facilities.

What a great tip!



DECEMBER

25th Anniversary Christmas Quiz

Our final competition of the year was the 25th Anniversary Christmas Quiz.

There were 12 festive questions to be answered (did you know that a snowflake traditionally has 6 points?!) and our 5 winners, who won a share of £250, were from Plymouth, Stoke-on-Trent, Chesterfield, Wallingford, and Redcar.

PENNY POST CREDIT UNION LTD

REVENUE ACCOUNT

For the year ending 30th September 2021

	2021	2020
	£	£
Loan interest receivable and similar income	2,506,008	2,801,141
Interest payable	(481,930)	(419,202)
Net interest income	2,024,078	2,381,939
Fees and commissions receivable	988	950
Fees and commissions payable	(28,334)	(28,441)
Net fees and commissions payable	(27,346)	(27,491)
Other income	1,123	500
Administrative expenses	(835,979)	(740,545)
Depreciation and amortisation	(6,933)	(6,161)
Other operating expenses	(100,153)	(112,320)
Impairment losses on loans to members	(361,699)	(654,241)
Surplus Before Taxation	693,091	841,681
Taxation	(16,837)	(18,732)
Surplus for the Financial Year	676,254	822,949
Other comprehensive income	0	0
Total comprehensive income	676,254	822,949

Note: There is no comprehensive income other than those includes on the Revenue Account

THESE ACCOUNTS ARE EXTRACTED FROM THE FULL AND INDEPENDENTLY AUDITED FINANCIAL STATEMENTS.

Every attempt has been made to transcribe the figures as given in the audited statements accurately, but they should be viewed as an abridged view of the financial position of Penny Post Credit Union as at 30th September 2021 and not the definitive audited financial statements.

These abridged accounts are merely intended to simplify the position while giving a true and accurate state of the credit union for members information and comparison. Copies of the audited statements will be available at the AGM and may be requested by members and others entitled to view them.

The abridged accounts were not audited but the full financial statements were audited by:
Lindley Adams Ltd 28 Prescott Road Halifax West Yorkshire HX1 2LG

PENNY POST CREDIT UNION LTD

BALANCE SHEET

For the year ending 30th September 2021

	2021	2020
	£	£
ASSETS		
Loans and advances to banks	<u>23,113,175</u>	<u>17,232,987</u>
Loans and advances to members	13,074,895	13,106,451
Tangible fixed assets	7,745	8,444
Prepayments and accrued income	<u>53,998</u>	<u>49,636</u>
Total assets	<u><u>36,249,813</u></u>	<u><u>30,397,518</u></u>
LIABILITIES		
Subscribed capital - repayable on demand	30,367,131	25,190,839
Other payables	<u>65,934</u>	<u>66,185</u>
	30,433,065	25,257,024
Retained earnings	<u>5,816,748</u>	<u>5,140,494</u>
Total liabilities	<u><u>36,249,813</u></u>	<u><u>30,397,518</u></u>

Proposed distribution to members*

Dividend Bearing Accounts	Proposed Rate	Proposed £	
Regular Saver Account	1.55%	320,883	*At the AGM the directors will propose these dividends based on the results for the current year. If approved, these dividends will be included in next years financial accounts once it has been paid.
Plus Account	2.05%	47,893	
Christmas Account	2.55%	12,831	
Jam Jar Account	2.05%	5,323	
Young Saver/Juveniles Account	2.05%	1,629	
PrizeSaver	1.55%	<u>1</u>	
		388,560	
Interest Bearing Account - paid during year			
Prime Account	1.5%	24,663	

PENNY POST CREDIT UNION

OUR VISION

“To be recognised as the premier credit union dedicated to the financial well-being of Royal Mail employees and their families.”

OUR MISSION

“To offer competitive loan and savings services created exclusively for our Royal Mail family; based around product innovation, the use of appropriate technology and underpinned by ethical business practice.”



OUR VALUES

OPENNESS

We will be totally transparent with you in what we do. We'll tell you our running costs, what we are doing with your savings, why we have made the decisions we have, what the regulators think of us, and more. Obviously, we can't tell you about another member, nor would we tell anyone about you, but if you want to know anything else – just ask.

TRUST

We will do 5 things to help build the trust between us:

- We will say what we mean and mean what we say;
- We will do what we say we are going to do;
- We will ensure we know what we are doing, and if we aren't sure we will find out and learn and,
- We will care for you as individuals and work with you to grow and maintain a sustainable and successful Penny Post Credit Union.
- We ask you do the same – tell us what you think.

FAIRNESS

Different people mean different things by fairness; some believe it means treating everybody the same and others think it means treating people according to their personal circumstances. We will do both. We will give everyone the opportunity to talk to us about their personal needs and will seek to come up with a solution that balances your needs and the needs of all our member community that we serve.

MUTUALITY

The Penny Post Credit Union is run by members for the benefit of the members. There is no them. We are you.

A BRIGHT FUTURE AHEAD



At the Special General Meeting in November 2021, members voted by a large majority, to accept a Transfer of Engagements from Voyager Alliance Credit Union. This will complete on 1st February 2022.

Voyage Alliance has many similarities with Penny Post, in that it serves working members through payroll deduction schemes. The Voyager Alliance membership is largely made up of transport workers and managers, retail sector employees and members of 7 trade unions.

This Transfer is a great opportunity for Penny Post, and fits with our strategy to grow membership, our loan book and offer a wider range of products and services to members.

The Penny Post Team based at the Wolverhampton office will continue to focus on serving Penny Post members, whilst the Team in Manchester will focus on serving Voyager Alliance members.

Over the coming months, we will be working together to improve services to benefit all members of our new larger credit union. Exciting times!

MEET THE BOARD



Dave Jones - President

Board member for 9 years and 7th year as President. Dave joined Royal Mail in 1987 & was an early PPCU member. Dave is currently Branch Secretary of the Wolverhampton & District CWU.



Kenny Beardmore - Director

Board member for 10 years & on the Audit and Risk Management Committee. After 28 years with Royal Mail, Kenny gained qualifications in Health & Safety and Fire Safety & now runs his own Consultancy.



Graham Jones - Vice President

MBA/MistLD/MinstLM/MCIPD Board member since 1996 & led the way in creating PPCU. Graham is on the Resources Committee & brings over 37 years of managerial knowledge, skills and aptitudes to the Board.



Mark Ward - Director

Board member for 8 years & chair of the Marketing Committee. Mark has been a Royal Mail employee for 28 years and is Treasurer currently the Treasurer of Wolverhampton & District CWU Amal Branch.



Martin Green - Secretary

Board member for 4 years & oversees the Business Plan. Martin joined Royal Mail in 1971 and enjoyed a varied career, spending the last 16 years of his Royal Mail career as Bullying and Harassment Investigator.



Andy Morris - Director

Board Member for 4 years and on the Audit & Risk Management Committee. Andy has worked for Royal Mail for 29 years and is currently the Branch Chairman of Wolverhampton & District CWU Amal Branch.



Ian Brookfield - Treasurer

Board member for 5 years, specialises in finance & is on the Resources Committee. Ian worked on Royal Mail delivery for 10 years before leaving to become leader of the City of Wolverhampton Council.



Deepak Sharma - Director

Board member for 2 years & on the Marketing Committee. Deepak has worked for Royal Mail for 24 years and is an CWU Area Processing Representative for Wolverhampton & District Amal Branch.

THE TEAM

Chief Executive Officer

Matt Goulding

Learning & Development Officer

Helen Nuttall

Loan Team Leader

Nicola Asbury

Chief Finance Officer

Louise Ingleby

Customer Service Team Leader

Hannah Copson

Loan Team

Lynda White

Charissa Roswess

Michelle Robinson

Chief Marketing Officer

Andrea Broady

Customer Service Team

Lewis Price

Tanya Aspbury

Ravan Chahal

Chief Operations Officer

Jas Kaur

Credit Control Team

Eileen Fox

Rod Jones

Business Support Officer

Tracey Moore



PENNY POST CREDIT UNION



Members' savings are protected by the Financial Services Compensation Scheme (FSCS).

Penny Post Credit Union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Firm Reference 213680

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