



**Alexander Sloan**

Accountants and Business Advisers

---

**NEFIRST CREDIT UNION LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

Firm Reference Number: 215686

# NEFIRST CREDIT UNION LIMITED

## CREDIT UNION INFORMATION

---

**FCA number** 215686

**Registered Society number** 679C

**Directors** Angela Surtees  
Keith Greenwell  
Lorraine Holmes  
Michael Walker  
Paul Darby  
Symon Agnew  
Joanne McMahon

**Secretary** Lorraine Holmes

**Registered office** 23-25 Front Street  
Stanley  
County Durham  
DH9 0JE

**Auditor** Alexander Sloan LLP  
180 St Vincent Street  
Glasgow  
G2 5SG

---

# NEFIRST CREDIT UNION LIMITED

## CONTENTS

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditor's report	3 - 5
Revenue account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 27

---

# NEFIRST CREDIT UNION LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 30 SEPTEMBER 2024*

---

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

#### **Principal activity**

The principal activity of the Credit Union continued to be that defined in the Credit Union Act 1979. The Credit Union's common bond covers everyone who lives or works (including voluntary work) in County Durham, Tyne and Wear and Northumberland.

The credit union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

#### **Results and dividends**

The results for the year are set out on page 6.

#### **Directors**

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

Angela Surtees  
Keith Greenwell  
Lorraine Holmes  
Michael Walker  
Paul Darby  
Symon Agnew  
Joanne McMahon

#### **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".

#### **Principal risks and uncertainties**

The main financial risks of the credit union are set out in the notes to the financial statements.

# NEFIRST CREDIT UNION LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

---

### Statement of Directors responsibilities

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

Legislation requires the Directors to prepare financial statements for each financial year. 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 the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014 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; and
- 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 Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014. Directors 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.

### Auditor

A resolution for the re-appointment of Alexander Sloan as auditors of the credit union is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
.....  
Lorraine Holmes  
**Secretary** 18/3/2025  
Date: .....

# NEFIRST CREDIT UNION LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NEFIRST CREDIT UNION LIMITED

---

#### Opinion

We have audited the financial statements of NEFirst Credit Union Limited (the 'credit union') for the year ended 30 September 2024 which comprise the revenue account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 surplus 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 Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014.

#### 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 annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual 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.

# NEFIRST CREDIT UNION LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NEFIRST CREDIT UNION LIMITED

---

#### **Matters on which we are required to report by exception**

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 kept 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 below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the credit union through discussions with management, and from our wider knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the credit union, including Corporate and Community Benefit Society legislation and taxation legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the credit union's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

# NEFIRST CREDIT UNION LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF NEFIRST CREDIT UNION LIMITED

---

#### ***Extent to which the audit was considered capable of detecting irregularities, including fraud***

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with PRA, FCA and HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters which we are required to address**

The financial statements of the Credit Union for the year ended 30 September 2023 were audited by another auditor who expressed an unmodified opinion on these statements on 25 March 2024.

#### **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 union's 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.

*Alexander Sloan LLP*

**Alexander Sloan LLP**

18/3/2025

.....

**Accountants & Business Advisers  
Statutory Auditor**

180 St Vincent Street  
Glasgow  
G2 5SG



# NEFIRST CREDIT UNION LIMITED

## REVENUE ACCOUNT

**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Notes	2024 £	2023 £
Loan interest receivable and similar income	3	653,093	503,353
Interest payable and similar charges	4	(13,000)	(13,224)
Net interest receivable		640,093	490,129
Fees and commissions receivable	5	72,069	73,099
Fees and commissions payable	6	(21,001)	(17,654)
Net fees and commissions		51,068	55,445
Other operating income	7	45,260	64,397
Administrative expenses	8	(465,452)	(458,903)
Depreciation and amortisation		(10,901)	(14,300)
Other operating expenses	9	(42,150)	(29,563)
Impairment on loans for bad and doubtful debts	16	(94,718)	(73,165)
<b>Surplus before taxation</b>		123,200	34,040
Corporation tax	13	(33,581)	(17,020)
<b>Surplus for the year</b>		<b>89,619</b>	<b>17,020</b>

The Revenue Account has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 27 form an integral part of these financial statements.

# NEFIRST CREDIT UNION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024

---

	Notes	2024 £	2023 £
Surplus for the year		89,619	17,020
Other comprehensive income		-	-
Total comprehensive income for the year		<u>89,619</u>	<u>17,020</u>

The notes on pages 11 to 27 form an integral part of these financial statements.

# NEFIRST CREDIT UNION LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2024

	Notes	2024 £	2023 £
<b>Assets</b>			
Cash and balances at central banks	14	5,943	4,336
Loans and advances to banks	14	3,665,940	4,214,838
Loans and advances to customers	15	2,202,369	1,964,244
Tangible assets	17	7,040	17,941
Other receivables	18	55,568	93,917
Prepayments		-	10,446
<b>Total assets</b>		<b>5,936,860</b>	<b>6,305,722</b>
<b>Liabilities and reserves</b>			
Customer accounts	19	5,259,582	5,746,141
Other liabilities	20	126,311	109,883
Deferred income	22	55,910	48,736
Provisions for liabilities	23	4,476	-
Subordinated loans	21	300,000	300,000
		5,746,279	6,204,760
General reserve	29	185,321	94,962
Other reserves	29	5,260	6,000
Total reserves		190,581	100,962
<b>Total liabilities and reserves</b>		<b>5,936,860</b>	<b>6,305,722</b>

18/3/2025

The financial statements were approved by the Board of Directors and authorised for issue on ..... and are signed on its behalf by:

*Paul Darby*  
.....  
Paul Darby  
Director

*Joanne McMahon*  
.....  
Joanne McMahon  
Director

*Lorraine Holmes*  
.....  
Lorraine Holmes  
Secretary

The notes on pages 11 to 27 form an integral part of these financial statements.

# NEFIRST CREDIT UNION LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Appropriation Reserve £	General Reserve £	Total £
<b>Balance at 1 October 2022</b>	5,794	78,148	83,942
Year ended 30 September 2023:			
Surplus and total comprehensive income for the year	6,000	11,020	17,020
Other movements	(5,794)	5,794	-
<b>Balance at 30 September 2023</b>	<b>6,000</b>	<b>94,962</b>	<b>100,962</b>
Year ended 30 September 2024:			
Surplus and total comprehensive income for the year	5,260	84,359	89,619
Other movements	(6,000)	6,000	-
<b>Balance at 30 September 2024</b>	<b>5,260</b>	<b>185,321</b>	<b>190,581</b>

The notes on pages 11 to 27 form an integral part of these financial statements.

# NEFIRST CREDIT UNION LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	£	2024 £	£	2023 £
<b>Cash flows from operating activities</b>					
Surplus for the period			89,619		17,020
Depreciation and amortisation	12	10,901		14,300	
Corporation tax expenses	13	33,581		17,020	
Provision movement	16	94,718		102,508	
Interest income on loans	3	(511,707)		(412,072)	
Distribution on members shares	4	5,380		5,604	
			(367,127)		(272,640)
<b>Working capital adjustments</b>					
Change in other receivables and prepayments		48,795		(61,878)	
Change in other liabilities		1,747		(35,588)	
Change in provisions		4,476		-	
Change in deferred income		7,174		7,139	
			62,192		(90,327)
<b>Cash flows from changes in operating assets and liabilities</b>					
Loan repayments less loans advanced	15	178,864		158,833	
Customer balance cash movement		(491,939)		(301,570)	
Movement on funds on deposit	14	651,795		130,083	
			338,720		(12,654)
Corporation tax paid			(18,900)		(6,254)
<b>Net cash flow from operating activities</b>			104,504		(364,855)
<b>Investing activities</b>					
Purchase of tangible fixed assets	17	-		(17,173)	
<b>Net cash used in investing activities</b>			-		(17,173)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			104,504		(382,028)
Cash and cash equivalents at beginning of year			565,818		947,846
<b>Cash and cash equivalents at end of year</b>	31		<b>670,322</b>		<b>565,818</b>

The notes on pages 11 to 27 form an integral part of these financial statements.

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

---

### **1 Accounting policies**

#### **Background information**

NEFirst Credit Union Limited is registered in the UK as a society under the Co-operative and Community Benefit Societies Act 2014, whose principal activity is to operate as a credit union, within the meaning of the Credit Union Act 1979. The credit union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the credit union. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the Directors have a reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Income**

Fees and charges receivable either arise in connection with a specific transaction, or accrue evenly over the year. Income relating to individual transactions is recognised when the transaction is complete.

Interest receivable on loans to members and bank interest are recognised using the effective interest rate basis and are calculated and accrued on a daily basis.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values in equal instalments over their useful lives on the following bases:

Leasehold improvements	3 years
Fixtures and fittings	3 years
Computers	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.5 Impairment of fixed assets**

At each reporting period end date, the credit union reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the credit union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

---

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the revenue account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the revenue account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of less than 8 days.

#### 1.7 Financial instruments

The credit union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the credit union's balance sheet when the credit union becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include loans to members and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the revenue account, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, because no loans are individually significant. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Any impairment losses are recognised in the revenue account, as the difference between the carrying value of the expected cash flows.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the credit union transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

---

### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

#### **Basic financial liabilities**

Basic financial liabilities, including members deposits are classified as debt and are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through the revenue account. Debt instruments may be designated as being measured at fair value through the revenue account to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the credit union's contractual obligations expire or are discharged or cancelled.

### 1.8 Taxation

The tax expense for the period comprises current tax. Tax is recognised in the revenue account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

#### **Current tax**

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from the surplus as reported in the revenue account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The credit union's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

### 1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the credit union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

---

### 1 Accounting policies

(Continued)

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.13 Government grants

Grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Revenue grants are recognised as income over the periods when the related costs are incurred. Capital grants are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

### 2 Judgements and key sources of estimation uncertainty

In the application of the credit union's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### *Loan Impairment*

The credit union assesses, at each reporting date, if there is objective evidence that any of its loans to customers are impaired. The loans are assessed collectively in groups that share similar credit-risk characteristics. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Any impairment losses are recognised in the Revenue Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

#### *Life Insurance Provision*

As set out in the notes to the financial statements, the credit union has made a provision for Life Insurance. The level of provision required is subjective and depends on a number of factors including individuals' balances and the age of death. The level of provision is estimated by the credit union based on history of claims.

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 3 Interest receivable and similar income

	2024 £	2023 £
Interest income on loans	511,707	412,072
Interest income on bank deposits	141,386	91,281
	<u>653,093</u>	<u>503,353</u>

### 4 Interest payable and similar charges

As shares are classed as a liability the dividend on these shares is classed as interest for accounting purposes under FRS 102:

	2024 £	2023 £
<b>Interest and similar charges paid during the period</b>		
Dividend on dividend bearing shares	5,380	5,604
	<u>5,380</u>	<u>5,604</u>
Interest on borrowing	7,620	7,620
	<u>13,000</u>	<u>13,224</u>

The distributions on members' shares represents distributions paid in the year which were approved at the last Annual General Meeting. The dividend rates approved at the previous AGM were:

	2024 %	2023 %
<b>Distribution rates paid during year</b>		
Ordinary share dividend	0.10	0.10
	<u>0.10</u>	<u>0.10</u>

At the forthcoming Annual General Meeting, the Directors will propose the following dividends based on the results for the current year. If approved, these dividends will be included as a cost in next year's financial statements once they have been paid.

	2024 %	2023 %
<b>Distribution rates to be proposed at the Annual General Meeting</b>		
Ordinary share dividend	0.10	0.10
	<u>0.10</u>	<u>0.10</u>

### 5 Fees and commissions receivable

	2024 £	2023 £
Entrance fees	29,715	34,959
Service charges	19,619	21,302
Banking service charges	22,735	16,838
	<u>72,069</u>	<u>73,099</u>

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 6 Fees and commissions payable

	2024 £	2023 £
Bank charges	16,944	13,985
Banking service charges	4,057	3,669
	<u>21,001</u>	<u>17,654</u>

### 7 Other operating income

	2024 £	2023 £
Grant income	43,230	46,710
Donations received	2,030	17,687
	<u>45,260</u>	<u>64,397</u>

### 8 Administrative expenses

	Notes	2024 £	2023 £
Staff costs	11	255,334	226,023
Death benefit insurance		36,154	35,721
External auditor's remuneration		9,768	5,280
Member communication and advertising		17,406	30,825
Legal, professional and credit control costs		6,041	3,875
Computer and software expenses		124,455	115,747
Travel costs		3,968	4,229
General administration costs		12,326	37,203
		<u>465,452</u>	<u>458,903</u>

### 9 Other operating expenses

	2024 £	2023 £
Regulatory costs	4,372	4,921
Costs of occupying offices	37,778	24,642
	<u>42,150</u>	<u>29,563</u>

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 10 Directors' remuneration

The average monthly number of Directors at the Credit Union during the year was:

	2024 Number	2023 Number
Directors	7	7

The directors do not receive remuneration for their services to the Credit Union.

### 11 Staff costs

The average monthly number of persons (excluding Directors) employed by the credit union during the year was:

	2024 Number	2023 Number
Administration and support	11	11

Their aggregate remuneration comprised:

	2024 £	2023 £
Wages and salaries	238,374	214,186
Social security costs	12,915	8,254
Pension costs	4,045	3,583
	255,334	226,023

### 12 Operating surplus

	2024 £	2023 £
Operating surplus for the year is stated after charging:		
Fees payable to the credit union's external auditor for the audit of the financial statements	9,768	5,280
Depreciation of owned tangible fixed assets	10,901	14,300
Operating lease charges	37,778	24,642

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 13 Corporation tax

	2024 £	2023 £
<b>Current tax</b>		
UK corporation tax on taxable surplus for the current period	31,697	17,020
Adjustments in respect of prior periods	1,884	-
	<u>33,581</u>	<u>17,020</u>
Total current tax	<u>33,581</u>	<u>17,020</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the surplus or deficit and the standard rate of tax as follows:

	2024 £	2023 £
Surplus before taxation	<u>123,200</u>	<u>34,040</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	30,800	8,510
Tax effect of income/expenditure not taxable in determining taxable surplus	897	8,510
Adjustments in respect of prior years	1,884	-
	<u>33,581</u>	<u>17,020</u>
Taxation charge for the year	<u>33,581</u>	<u>17,020</u>

### 14 Loans and advances to banks

	2024 £	2023 £
Cash held at banks	664,379	561,482
Bank deposits	<u>3,001,561</u>	<u>3,653,356</u>
Loans and advances to banks	3,665,940	4,214,838
Cash in hand	<u>5,943</u>	<u>4,336</u>
Total cash and bank balances	<u>3,671,883</u>	<u>4,219,174</u>
<b>Loans split by repayment period</b>		
Cash and cash equivalents	670,322	565,818
Amounts maturing in over 8 days	<u>3,001,561</u>	<u>3,653,356</u>
	<u>3,671,883</u>	<u>4,219,174</u>

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 15 Loans and advances to customers

	Notes	2024 £	2023 £
<b>Loan movement</b>			
Opening balances		2,335,415	2,154,684
Interest on loans		511,707	412,072
Loans advanced during the period		3,736,231	2,922,353
Loans repaid during the period		(3,915,095)	(3,081,186)
Loans derecognised		(105,974)	(72,508)
		<u>2,562,284</u>	<u>2,335,415</u>
Loan impairment provisions	16	(359,915)	(371,171)
		<u>2,202,369</u>	<u>1,964,244</u>
<b>Loans split by repayment period</b>			
Capital repayments due within 1 year		1,736,982	1,566,654
Capital repayments due after 1 year		825,302	768,761
Loan impairment provisions	16	(359,915)	(371,171)
		<u>2,202,369</u>	<u>1,964,244</u>
<b>Loans split by type</b>			
Loans to individual members		2,562,284	2,335,415
Loan impairment provisions	16	(359,915)	(371,171)
		<u>2,202,369</u>	<u>1,964,244</u>

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 16 Loan impairment

	Write off Provision £	Arrears Provision £	Total Provisions £
<b>Loan impairment provision</b>			
Opening balances	-	371,171	371,171
Provision movement	41,075	(52,331)	(11,256)
	<u>41,075</u>	<u>(52,331)</u>	<u>(11,256)</u>
Closing balances	<u>41,075</u>	<u>318,840</u>	<u>359,915</u>

Under Financial Reporting Standard 102 (FRS 102), the criteria for derecognising (writing off a loan) is different from when the credit union would write off the loan for internal purposes. Loans written off by the Board that do not meet the criteria in FRS 102 for being derecognised are not written off in these financial statements. The loans the credit union feel should be written off but which do not meet the criteria in FRS 102 for being derecognised are fully provided in the write off provision which is shown above. As a result there is no net effect on the surplus or net assets of the credit union from this requirement of FRS 102.

	Notes	2024 £	2023 £
<b>Impairment revenue account charge</b>			
Impairment provision movement		(11,256)	30,000
Bad debts derecognised	15	105,974	72,508
Bad debts recovered		-	(29,343)
		<u>94,718</u>	<u>73,165</u>

### 17 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 October 2023 and 30 September 2024	28,090	62,933	101,530	192,553
	<u>28,090</u>	<u>62,933</u>	<u>101,530</u>	<u>192,553</u>
<b>Depreciation and impairment</b>				
At 1 October 2023	28,090	45,984	100,538	174,612
Depreciation charged in the year	-	9,909	992	10,901
	<u>-</u>	<u>9,909</u>	<u>992</u>	<u>10,901</u>
At 30 September 2024	28,090	55,893	101,530	185,513
	<u>28,090</u>	<u>55,893</u>	<u>101,530</u>	<u>185,513</u>
<b>Carrying amount</b>				
At 30 September 2024	-	7,040	-	7,040
	<u>-</u>	<u>7,040</u>	<u>-</u>	<u>7,040</u>
At 30 September 2023	-	16,949	992	17,941
	<u>-</u>	<u>16,949</u>	<u>992</u>	<u>17,941</u>

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 18 Other receivables

	2024	2023
	£	£
Amounts falling due within one year:		
Other debtors	55,568	93,917

### 19 Customer accounts

	2024	2023
	£	£
<b>Deposit movement</b>		
Opening balances	5,746,141	6,042,107
Deposited during the period	6,460,761	5,654,262
Withdrawn during the period	(6,947,320)	(5,950,228)
	5,259,582	5,746,141
<b>Deposits split by type</b>		
Standard dividend bearing member shares	4,568,678	4,878,921
Corporate dividend bearing shares	234,726	413,089
Juvenile member deposits	456,178	454,131
	5,259,582	5,746,141

### 20 Other liabilities

	2024	2023
	£	£
Corporation tax	31,697	17,016
Other creditors	66,422	70,714
Accruals and deferred income	28,192	22,153
	126,311	109,883

### 21 Loans and overdrafts

	2024	2023
	£	£
Subordinated loans	300,000	300,000
Payable after one year	300,000	300,000



# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 21 Loans and overdrafts

(Continued)

This debt is subordinate to the interests of all other creditors, including members and juvenile depositors, except deferred shares. In accordance with the PRA rulebook it is counted as regulatory capital. The debts are repayable on various dates starting 13 February 2026. Interest is charged on the subordinated loans at a rate of 2.54%.

### 22 Deferred income

	2024 £	2023 £
Opening balance	48,736	41,597
Increase in period	51,484	99,558
Release in period	(44,310)	(92,419)
	<u>55,910</u>	<u>48,736</u>

### 23 Provisions for liabilities

	2024 £	2023 £
Life insurance provision	<u>4,476</u>	<u>-</u>
Movements on provisions:		
		Life insurance provision £
Additional provisions in the year		11,750
Reversal of provision		(7,274)
At 30 September 2024		<u>4,476</u>

The credit union provides for the estimated cost of life insurance. The life insurance provision, subject to terms and conditions will, in the event of a member's death, cover for members up to the age of 60, 100% of their shares balance and 25% for members aged between 60 to 80 years. Note 2 of the Financial Statements covers Judgement and Key Sources of Estimation Uncertainty and explains how the level of provision is estimated.

### 24 Retirement benefit schemes

	2024 £	2023 £
<b>Defined contribution schemes</b>		
Charge to revenue account in respect of defined contribution schemes	<u>4,045</u>	<u>3,583</u>

The credit union operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the credit union in an independently administered fund.

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

---

### **25 Financial risk management**

The credit union manages its shares and loans so that it earns income from the margin between interest receivable and interest payable (including dividends paid).

The main financial risks arising from the activities of the credit union are credit risk, liquidity risk and market risk. The Board reviews and agrees policies for managing each of these risks which are summarised below:

#### ***Credit risk***

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayment to the credit union, resulting in financial loss to the credit union. In order to manage this risk, the Board approves the lending policy and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate the likelihood of repayment has changed. The credit union also monitors its banking arrangements for credit risk.

#### ***Liquidity risk***

The policy of the credit union is to maintain sufficient funds in liquid form at any time to ensure that it can meet its liabilities as they fall due and meet the liquidity ratios set by the regulators. The objective of the policy is to provide a degree of protection against any unexpected developments that may arise.

#### ***Market risk***

Market risk generally comprises of interest rate risk, foreign currency risk and other price risk. The main risks impacting the credit union are set out below:

Interest rate risk: The main interest rate risk for the credit union arises between the interest rate exposure on loans, bank deposits and shares that form an integral part of a credit union's operations. The credit union considers rates of interest receivable when deciding on proposed dividend rates. Dividend rates are based on the historical results of the credit union and the credit union's strategic plans. The credit union does not use interest rate options to hedge its own positions.

Foreign Currency Risk: All transactions are carried out in sterling and therefore the credit union is not exposed to any form of foreign currency risk.

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 26 Credit risk on lending

The credit union holds the following security against its loans to members:

	2024 £	2023 £
<b>Security for loans</b>		
Attached shares	149,978	152,376

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full. The status 'past due' includes any loan where payments are in arrears. The amount included is the entire loan amount and not just the overdue amount.

	2024 £	2023 £
<b>Loans not individually impaired</b>		
Not past due	2,073,667	1,629,521
Up to 3 months past due	151,078	250,819
	<u>2,224,745</u>	<u>1,880,340</u>
<b>Loans individually impaired</b>		
Between 3 and 6 months past due	50,239	51,933
Between 6 months and 1 year past due	48,230	64,225
Over 1 year past due	197,995	338,917
Individually impaired and written off for internal purposes	41,075	-
	<u>337,539</u>	<u>455,075</u>
Total loans	2,562,284	2,335,415
Impairment allowance	(359,915)	(371,171)
	<u>2,202,369</u>	<u>1,964,244</u>

### 27 Credit risk on bank and investments

The credit union invests funds not yet actively deployed in the following investments:

	2024 £	2023 £
Bank accounts	664,379	561,482
Bank term deposits	3,001,561	3,653,356
	<u>3,665,940</u>	<u>4,214,838</u>

The credit union believes the full amount of these investments is recoverable.

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

#### 28 Interest rates on financial instruments

The following table shows the interest earned during the year divided by the average loan balance and the dividend/interest paid during the year divided by the average share balance. The average balance is taken as the average of the opening and closing balances.

	2024		2023	
	Amount	Interest rates	Amount	Interest rates
	£	in year %	£	in year %
<b>Financial assets</b>				
Loans to members	2,562,284	20.90%	2,335,415	18.35%
Loans and advances to banks	3,665,940	3.59%	4,214,838	2.04%
	<u>6,228,224</u>		<u>6,550,253</u>	
<b>Financial liabilities</b>				
Juvenile deposits	(456,178)	-	(454,131)	-
Dividend bearing shares	(4,803,404)	0.10%	(5,292,010)	0.10%
Loans to the credit union	(300,000)	2.54%	(300,000)	2.54%
	<u>(5,559,582)</u>		<u>(6,046,141)</u>	

#### 29 Reserves

##### General Reserve

The general reserve represents the base capital of the credit union and is the retained surpluses and deficits which have not been allocated to another specific reserve.

##### Appropriation Reserve

The appropriation reserve represents funds allocated by the Board for the future payment of dividends. As the dividends are not a commitment at the year end date they are not included within creditors.

#### 30 Capital

The credit union classes all of its reserves as capital. The credit union manages its reserves through its financial and budgeting policies and procedures. The Prudential Regulation Authority sets out requirements for regulatory capital that the credit union must maintain. The credit union's compliance with the requirements at the year end is set out below:

	2024	2023
	%	%
Actual regulatory capital ratio	<u>7.71</u>	<u>6.04</u>
<b>Regulatory requirement</b>		
Regulatory minimum capital ratio requirement	<u>5.00</u>	<u>5.00</u>

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 31 Analysis of changes in net funds

	1 October 2023 £	Cash flows £	30 September 2024 £
Cash and cash equivalents	565,818	104,504	670,322
Bank deposits maturing in over 8 days	3,653,356	(651,795)	3,001,561
	<hr/>	<hr/>	<hr/>
	4,219,174	(547,291)	3,671,883
Borrowings excluding overdrafts	(300,000)	-	(300,000)
	<hr/>	<hr/>	<hr/>
	3,919,174	(547,291)	3,371,883
	<hr/>	<hr/>	<hr/>

### 32 Financial commitments, guarantees and contingent liabilities

#### Contingent Liabilities

The credit union participates in the Financial Services Compensation Scheme (FSCS) which provides protection for its members up to the level of protection offered by the FSCS. As a result of the credit union's participation it has a contingent liability, which cannot be quantified, in respect of future contributions to the FSCS, as required by the Financial Services and Markets Act 2000.

### 33 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	4,500	18,000
Between two and five years	-	4,500
	<hr/>	<hr/>
Total lessee operating lease commitment	4,500	22,500
	<hr/>	<hr/>

### 34 Related party transactions

The credit union classes the Directors and members of the senior management team as key management.

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Wages and salaries	94,907	85,597
Pension expense	1,698	1,502
	<hr/>	<hr/>
Aggregate compensation	96,605	87,099
	<hr/>	<hr/>

# NEFIRST CREDIT UNION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

---

### 34 Related party transactions

(Continued)

#### Transactions with key management

Balances held by members of key management and their close family members in the credit union are set out below. Loans to key management and their close family members are on standard terms and conditions.

	2024	2023
	£	£
Loans to key management and their close family	2,572	4,711
Shares held by key management and their close family	9,937	10,581
	<u>          </u>	<u>          </u>

**The following page does not form part of the statutory accounts**

# NEFIRST CREDIT UNION LIMITED

## DETAILED REVENUE ACCOUNT

**FOR THE YEAR ENDED 30 SEPTEMBER 2024**

		<b>2024</b>	<b>2023</b>
	Notes	£	£
<b>Income</b>			
Interest income on loans	3	511,707	412,072
Interest income on bank deposits	3	141,386	91,281
Fees and commissions receivable	5	72,069	73,099
Other income	7	45,260	64,397
		<hr/>	<hr/>
		770,422	640,849
<b>Expenditure</b>		<hr/>	<hr/>
Staff costs	11	255,334	226,023
Death benefit insurance		36,154	35,721
Auditors remuneration		9,768	5,280
Member communication and advertising	8	17,406	30,825
Legal, professional and credit control costs	8	6,041	3,875
Computer and software expenses	8	124,455	115,747
Travel costs	8	3,968	4,229
Bank charges	6	16,944	13,985
Banking services costs	6	4,057	3,669
General administration costs	8	12,326	37,203
Regulatory costs	9	4,372	4,921
Costs of occupying offices	9	37,778	24,642
Depreciation and amortisation	12	10,901	14,300
Impairment on loans for bad and doubtful debts	16	94,718	73,165
Loan interest payable		7,620	7,620
		<hr/>	<hr/>
		641,842	601,205
		<hr/>	<hr/>
Surplus before taxation		128,580	39,644
Corporation tax	13	(33,581)	(17,020)
		<hr/>	<hr/>
		94,999	22,624
Distributions		(5,380)	(5,604)
		<hr/>	<hr/>
Surplus for the year		89,619	17,020
		<hr/> <hr/>	<hr/> <hr/>