



**Kilkeel
Credit Union**



Serving the Community

Financial Statements

Kilkeel Credit Union Limited

Financial Statements

For The Year Ended

30 September 2018

Kilkeel Credit Union Limited
Financial Statements
for the year ended 30 September 2018

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Kilkeel Credit Union Limited
Revenue Account
for the year ended 30 September 2018

	Notes	2018 £	2017 £
Income			
Loan interest -members		434,721	431,549
Bank deposit interest		70,497	54,831
Entrance fees		269	232
Bad debts recovered		20,151	28,923
International foundation income		3,982	3,900
Other Income		5,473	5,524
Claims experience refund		25,379	84
Affiliation fees		3,982	3,901
		<u>564,454</u>	<u>528,944</u>
Deduct Expenditure			
Office admin expenses		107,441	97,055
Rates		5,511	5,385
Light and Heat		4,300	3,551
Affiliation fees		3,988	3,436
Death benefit insurance		43,963	47,796
Loan and share insurance - net		65,109	69,789
General insurance - net		8,276	6,414
Computer maintenance and accessories		34,589	17,885
Cusop software expense		14,819	17,632
Buildings maintenance		5,550	9,121
Telephone		3,358	2,492
Printing, stationery and advertising		11,274	10,308
Social charitable and educational		2,341	2,999
Audit and accountancy fees		6,940	6,540
Chapter dues		294	245
AGM Expenses		673	460
Convention Expenses		560	888
Bank charges		10,656	11,157
Sundry expenses		1,066	651
International foundation		3,982	3,886
Travel expenses		1,521	1,023
Loans written off		48,006	53,865
Legal Fees		494	296
Professional fees		1,476	3,316
Regulatory Fees		17,067	17,177
Provison for doubtful debt		(12,787)	(11,296)
Taxation	3	13,787	10,857
Loss on disposal of fixed assets		-	88
Depreciation - premises		16,077	16,077
Depreciation - office and computer equipment		2,643	3,255
Depreciation - fixtures and fittings		4,449	1,449
		<u>427,423</u>	<u>413,797</u>
Excess of Income over Expenditure		<u>137,031</u>	<u>115,147</u>

There were no recognised gains or losses other than the income and expenditure for the above two financial periods.

President : Anna Carroll

Treasurer : Margaret Cunningham

Secretary : Shelagh Murphy

18th October 2018

**Kilkeel Credit Union Limited
Distribution Account
for the year ended 30 September 2018**

	2018	2017
	£	£
Unappropriated balance B/F	70,974	147,152
Add: Net surplus for year	<u>137,031</u>	<u>115,147</u>
	<u>208,005</u>	<u>262,299</u>
Transfer to general reserve	70,000	47,000
Membership fees	<u>269</u>	<u>232</u>
	70,269	47,232
Dividend paid	28,543	90,068
Interest Rebate paid	<u>37,937</u>	<u>54,025</u>
	<u>136,749</u>	<u>191,325</u>
Unappropriated balance C/F	<u><u>71,256</u></u>	<u><u>70,974</u></u>

President : Anna Carroll _____

Treasurer : Margaret Cunningham _____

Secretary : Shelagh Murphy _____

18th October 2018

Kilkeel Credit Union Limited
Balance Sheet
as at 30 September 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	1	<u>651,790</u>	<u>640,995</u>
Loans to members		4,171,906	4,013,399
Less: Provision for doubtful debts		<u>(75,286)</u>	<u>(88,073)</u>
		<u>4,096,620</u>	<u>3,925,326</u>
Current assets			
Prepaid expenditure		67,427	53,195
Cash on current accounts		208,357	210,833
Cash on deposit		6,957,459	6,466,325
Cash on deposit minors		679,363	639,560
Cash on current account minors		3,782	17,747
Cash on hand		40	40
		<u>7,916,428</u>	<u>7,387,700</u>
Current liabilities			
Sundry creditors and accruals		17,730	12,917
Provision for corporation tax	4	13,783	10,847
Minors deposits	5	<u>683,145</u>	<u>657,308</u>
		<u>714,658</u>	<u>681,072</u>
Net current assets		7,201,770	6,706,628
Net assets		<u>11,950,180</u>	<u>11,272,949</u>
Represented by:			
Members shares		10,597,938	9,991,258
General reserves	6	1,280,986	1,210,717
Distribution account		71,256	70,974
		<u>11,950,180</u>	<u>11,272,949</u>

The Financial Statements were approved and authorised for issue by the Board of Directors on 18th October 2018.

President : Anna Carroll

Treasurer : Margaret Cunningham

Secretary : Shelagh Murphy

Kilkeel Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2018

1 Fixed Assets

	Freehold Premises	Office & Comp Equip	Fixtures & Fittings	Total
Cost	£	£	£	£
At 1 October 2017	799,510	64,155	25,727	889,392
Additions	-	33,963	-	33,963
At 30 September 2018	<u>799,510</u>	<u>98,118</u>	<u>25,727</u>	<u>923,355</u>
Depreciation				
At 1 October 2017	171,040	55,557	21,800	248,397
Charge for the year	16,077	5,642	1,449	23,168
At 30 September 2018	<u>187,117</u>	<u>61,199</u>	<u>23,249</u>	<u>271,565</u>
Net book value				
At 30 September 2018	<u>612,393</u>	<u>36,919</u>	<u>2,478</u>	<u>651,790</u>
At 30 September 2017	<u>628,470</u>	<u>8,598</u>	<u>3,927</u>	<u>640,995</u>

2 Accounting policies

(a) Accounting convention

The financial statements have been prepared under the Historical Cost Convention.

(b) Fixed assets

Fixed assets are recognised at cost and written down in accordance with the depreciation policy below.

The Net Book Values are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

(c) Depreciation

Depreciation is calculated to write off the cost of Fixed Assets less their estimated residual value as follows:

Freehold Premises	Over 50 Years
Fixtures & Fittings	10% Straight Line
Office & Computer Equipment	15% Straight Line

(d) Loan interest - members

Interest on members' loans is calculated only when a repayment is made, the repayment being first utilised to pay interest due and any balance remaining utilised to reduce the principal of the loan. Thus, the "Loan interest - members" in the revenue account includes only interest actually paid and excludes interest due but unpaid at the year end.

(e) Bank deposit interest

Bank deposit interest comprises interest earned whether received or not during the year.

(f) Bad and doubtful debts

Specific provision is made for all loans which are considered doubtful. Where a loan is considered irrecoverable, it is charged against the income for the year or where specific provision has already been made, against such provision.

In addition the bad and doubtful debt provision is always maintained at a level equal to at least the minimum provisioning requirements set out in The Credit Unions New Sourcebook (CREDS).

Kilkeel Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2018

(g) Cashflow Statement

No cashflow statement has been prepared as the Credit Union has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small entity.

3 Taxation

The corporation tax charge for the year ended 30th September 2018 is £13,787.

4 Provision for corporation tax

Corporation tax of £13,787 has been provided, being the amount expected to be payable by the Credit Union for the year. HMRC hold £4 of interest on corporation tax on their account.

5 Minors Deposits

Article 26 of the Credit Unions (Northern Ireland) Order 1985 entitles a credit union to accept individual deposits up to a total of £10,000 from a person under the age of 16 on condition that it is held in Trust until that person is 16. These deposits are reflected separately in the financial statements.

6 General Reserves

£

Balance at 1st October 2017	1,210,717
Transfer from Distribution Account	70,269
Balance at 30th September 2018	<u>1,280,986</u>

7 Contingent Liabilities

As far as the Directors are aware, there were no contingent liabilities at 30th September 2018 not provided for in the financial statements.

8 Capital Commitments

The Credit Union did not have any capital commitments at 30th September 2018 not already provided for in the financial statements.

Kilkeel Credit Union Limited
Notes to the Financial Statements
for the year ended 30 September 2018

9 Related party transactions

The directors, supervisors and staff of the Credit Union are deemed related parties as defined by Financial Reporting Standard 8, "Related Party Disclosures". The following transactions were conducted with the directors, supervisors and staff during the year :

Shares	£
Balances at 1st October 2017	123,360
Adjustment for retirement of old and introduction of new directors, supervisors and staff	1,816
Lodgements	14,316
Withdrawals	(22,553)
Dividend and interest rebate	908
	<u>117,847</u>
	<u>117,847</u>
	£
Loans	
Balances at 1st October 2017	68,489
Adjustment for retirement of old and introduction of new directors, supervisors and staff	
Loans granted	38,600
Repayments	(37,285)
	<u>69,804</u>
	<u>69,804</u>
	£
Loan interest paid	<u>7,050</u>
	<u>7,050</u>

All such transactions have been made in the ordinary course of business and in accordance with the rules of the Credit Union.

10 Events after the balance sheet date

The directors have proposed a dividend payment of 0.25% for the year ended 30th September 2018 estimated to cost £30,455 together with an interest rebate of 10% of interest paid for the year ended 30th September 2018 estimated to cost £38,679.

Kilkeel Credit Union Limited
Statement of Directors' Responsibilities
for the year ended 30 September 2018

The Credit Unions (Northern Ireland) Order 1985 (as amended), requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the Income and Expenditure of the Credit Union for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy the financial position of the Credit Union and which enables them to ensure that the financial statements comply with the Credit Unions (Northern Ireland) Order 1985 and any amendments thereto. 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.

President : Anna Carroll _____
Treasurer : Margaret Cunningham _____
Secretary: Shelagh Murphy _____

18th October 2018

Kilkeel Credit Union Limited
Financial Statements for the year ended 30th September 2018

Independent Auditors Report to the Members of Kilkeel Credit Union Limited

We have audited the financial statements of Kilkeel Credit Union Ltd for the year ended 30th September 2018 which comprises the Revenue Account, Distribution Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Credit Union's members, as a body, in accordance with Article 47 of the Credit Unions (Northern Ireland) Order 1985 (as amended). 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.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8 the directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the credit union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the credit union's affairs as at 30th September 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Credit Unions (Northern Ireland) Order 1985.

Kilkeel Credit Union Limited
Financial Statements for the year ended 30th September 2018

Independent Auditors Report to the Members of Kilkeel Credit Union Limited Cont'd

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Credit Unions (Northern Ireland) Order 1985 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.
- a satisfactory system of control over transactions has not been maintained by the credit union in accordance with the requirements of the legislation.
- the revenue account or the other accounts to which our report relates, and the balance sheet are not in agreement with the books of account of the credit union.
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Fitzpatrick & Kearney Ltd
Chartered Accountants
& Statutory Auditors
10c Marcus Square
Newry
Co. Down
BT34 1AE

18th October 2018