

Stockport Credit Union Limited

**Report and
Financial statements**

**For the year ended
30th September 2015**

Reference Number: 213305

Stockport Credit Union Limited

Financial statements
For the year ended 30 September 2015

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Stockport Credit Union Limited

Independent auditors' report to the members

We have audited the financial statements of Stockport Credit Union Limited for the year ended 30 September 2015 set out on pages 2 to 8. 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 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.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

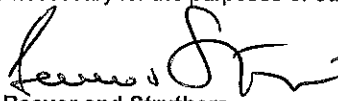
- give a true and fair view of the state of the credit union's affairs as at 30 September 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Co-operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.

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 require 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 (if any) to which our report relates, and the balance sheet are not in agreement with the books of account of the credit union, or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

St. George's House
215/219 Chester Road
Manchester
M15 4JE


Beever and Struthers
Statutory Auditors
Chartered Accountants

Dated: 27/2/16

Stockport Credit Union Limited

Income and expenditure account
For the year ended 30 September 2015

	Notes	2015		2014	
		£	£	£	£
Interest from loans to members		60,456		53,703	
Bank deposit interest		<u>2,605</u>		<u>3,292</u>	
			63,061		56,995
Other income					
Entrance and service fees		998		1,386	
Grants		70,769		50,750	
Bad debts recovered		2,066		3,031	
Other income		<u>473</u>		<u>74</u>	
			74,306		55,241
			<u>137,367</u>		<u>112,236</u>
Administrative expenses	4		<u>131,624</u>		<u>110,504</u>
Operating surplus			5,743		1,732
Corporation Tax	5		<u>(521)</u>		<u>(658)</u>
Surplus after taxation			5,222		1,074
Transfer to general reserve	9		(1,045)		(215)
Transfer (to) / from unappropriated reserve	9		(1,194)		2,302
Dividends paid	10		<u>(2,983)</u>		<u>(3,161)</u>
Retained surplus for the year			<u>-</u>		<u>-</u>

Continuing operations

None of the credit union's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The credit union has no recognised gains or losses other than the surplus or deficits for the above two financial years and therefore no separate statement of total recognised gains or losses has been presented.

Historical cost

There is no difference between the surplus transferred to reserve above and its historical cost equivalent.

The notes on pages 4 to 8 form part of these financial statements

Stockport Credit Union Limited

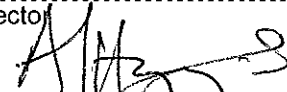
Balance sheet
At 30 September 2015

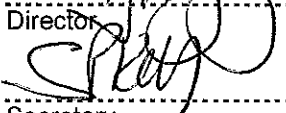
	Notes	2015		2014	
		£	£	£	£
Fixed Assets					
Tangible assets	6		19,654		23,675
Current Assets					
Loans to members	7	402,077		432,624	
Debtors		6,973		17,764	
Cash at bank and in hand		725,661		590,773	
		<u>1,134,711</u>		<u>1,041,161</u>	
Current Liabilities					
Other creditors and accruals	12	46,887		31,960	
Deferred grant		23,441		44,574	
Corporation tax payable	5	521		658	
				<u>658</u>	
Net current assets			<u>1,063,862</u>		<u>963,969</u>
Total assets less current liabilities			<u>1,083,516</u>		<u>987,644</u>
Long term liabilities					
Other loan capital	11		<u>47,935</u>		<u>50,000</u>
			<u>1,035,581</u>		<u>937,644</u>
Represented by:					
Share capital			945,819		854,412
General reserve	9		60,392		59,347
Unappropriated reserve	9		4,920		3,726
					<u>3,726</u>
Total shareholders funds	8		1,011,131		917,485
Minor deposits			24,450		20,159
			<u>1,035,581</u>		<u>937,644</u>

Approved on 27/2/16

Signed by:

K.P. Kine
Director


Director


Secretary

The notes on pages 4 to 8 form part of these financial statements.

Stockport Credit Union Limited

Notes to the accounts
For the year ended 30 September 2015

1 Statement of accounting policies

The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the credit union in the preparation of the financial statements.

Deferred grants

Deferred grants in respect of capital expenditure are credited to the income and expenditure account over the estimated useful life of the relevant fixed assets. Deferred grants in respect of revenue items are credited to the income and expenditure account to match with relevant expenditure. The grants shown in the balance sheet represent the total grants receivable to date less the amount so far credited to the income and expenditure account.

Unappropriated reserve

In preparing the financial statements the credit union has adopted the following Financial Reporting Standards: FRS 21 'Events after the Balance Sheet date' (IAS 10).

If the credit union declares dividends to the members after the balance sheet date, the credit union does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements.

An Unappropriated Reserve is used to ensure the credit union makes provision for any future dividend to its members and for any other purposes as approved by the Board.

Interest from loans to members

Interest is charged at rates as determined from time to time by the committee. The interest shall be recognised in the revenue accounts over the period of the loan.

Loans to members

Loans are made to members for the provident or productive purpose upon such security (or without security) and terms as the rules of the credit union provide.

Dividends

Dividends are payable in accordance with the rules of the credit union after making suitable provision for the transfers to the general reserve.

Stockport Credit Union Limited

Notes to the accounts
For the year ended 30 September 2015

1 Statement of accounting policies (continued)

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Fixtures & Fittings	3 years straight line
IT and Computer Equipment	3 - 7 years straight line

Other Loan Capital

This represents monies received by the credit union to provide secured loans to members. Bad debts from such loans are offset by a release of the original capital to income.

2 Principal activity

The principal activity continued to be that of a credit union offering saving and loan opportunities to its members.

3 Statement of board of Directors responsibilities

Co-operative and Community Benefit Societies Act law requires the board of 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 board is required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The board of directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the credit union and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The board is 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.

Stockport Credit Union Limited

Notes to the accounts
For the year ended 30 September 2015

4	Administrative expenses	2015	2014
		£	£
	Association dues	2,160	2,046
	Fidelity bond	1,472	1,267
	Rent	1,027	710
	Repairs and maintenance	358	32
	Salary costs	71,919	47,941
	Apprentice costs	120	1,080
	Training costs	645	1,130
	Loan and share insurance	6,661	7,317
	General insurance	346	292
	Computer expenses	2,590	1,080
	Advertising and promotions	95	195
	Printing, Postage and Stationery	4,744	3,405
	Telephone	1,238	1,092
	Volunteers' expenses	2,910	2,956
	Registration fees	907	872
	Bank charges	1,293	689
	Paypoint fees	954	1,789
	Sundry expenses	373	293
	Bad debt costs	22,723	24,680
	Auditors' remuneration	1,780	1,740
	Recruitment costs	-	2,068
	Legal, professional and court fees	3,288	6,708
	Depreciation	4,021	1,122
		<u>131,624</u>	<u>110,504</u>
5	Taxation		
		2015	2014
		£	£
	U.K. corporation tax at 20% (2014: 20%)	521	658
	Over provision in prior year	-	-
		<u>521</u>	<u>658</u>

Under section 487 Income Taxes act 1988 the credit union is only liable to UK corporation tax on investments of its surplus funds.

Stockport Credit Union Limited

Notes to the accounts
For the year ended 30 September 2015

6	Tangible fixed assets	IT & Computer Equipment £	Fixtures & Fittings £	Total £
	Cost:			
	At 1 October 2014	23,547	6,449	29,996
	Additions	-	-	-
	Disposals	-	-	-
	At 30 September 2015	<u>23,547</u>	<u>6,449</u>	<u>29,996</u>
	Depreciation:			
	At 1 October 2014	589	5,732	6,321
	Charge for the period	3,428	593	4,021
	On disposals	-	-	-
	At 30 September 2015	<u>4,017</u>	<u>6,325</u>	<u>10,342</u>
	Net book value:			
	At 30 September 2015	<u>19,530</u>	<u>124</u>	<u>19,654</u>
	At 30 September 2014	<u>-</u>	<u>717</u>	<u>23,675</u>
7	Loans to members		2015 £	2014 £
	Loans to members		449,304	487,557
	Bad debt provision		(47,227)	(54,933)
			<u>402,077</u>	<u>432,624</u>
8	Reconciliation of movements in shareholders' funds		2015 £	2014 £
	Surplus for the financial year		5,222	1,074
	Dividends paid		(2,983)	(3,161)
	Shares issued in the year		91,407	144,644
	Net addition to the shareholders' funds		93,646	142,557
	Opening shareholders' funds		917,485	774,928
	Closing shareholders' funds		<u>1,011,131</u>	<u>917,485</u>

Stockport Credit Union Limited

Notes to the accounts
For the year ended 30 September 2015

9	Reserves	Unappropriated Reserve £	General Reserve £
	At start of year	3,726	59,347
	Transfer with I&E account	1,194	1,045
	Balance at year end	<u>4,920</u>	<u>60,392</u>

10	Dividends	2015 £	2014 £
	Paid during the year	<u>2,983</u>	<u>3,161</u>
	Proposed after the year end (not recognised as a liability)	<u>3,200</u>	<u>3,200</u>

11	Other loan capital	£
	At the start of the year	50,000
	Received in the year	-
	Written off loans in the year	-
	Administrative fees	(2,065)
	At the end of the year	<u>47,935</u>

12 Other creditors and accruals

The Credit Union received £25,000 during the prior year with the expectation that this will be classed as deferred shares. At the year end, a formal agreement had not yet been signed and therefore continues to be included within creditors.