

COMPANY REGISTRATION NUMBER: NI606891
CHARITY REGISTRATION NUMBER: NI100693

**Ulster Federation of Credit Unions
Company Limited by Guarantee
Financial Statements
30 September 2022**

Ulster Federation of Credit Unions

Company Limited by Guarantee

Financial Statements

Year ended 30 September 2022

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Ulster Federation of Credit Unions

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 30 September 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2022.

Reference and administrative details

Registered charity name Ulster Federation of Credit Unions

Charity registration number NI100693

Company registration number NI606891

Principal office and registered office Credit Union House
218-220 Kingsway House
Dunmurry
Belfast
Antrim
BT17 9AE

The trustees

Mr W Carnwath
Mr B Hoey
Mr W Brown
Mr D Graham
Mr R Lennox
Ms N McComb
Mr A Marsden
Mr W McKeown
Ms B Reid
Mr W Carter
Mrs A McKay
Ms H Scott

Independent examiner Johnston Graham Limited
216/218 Holywood Road
Belfast
BT4 1PD

Structure, governance and management

Ulster Federation of Credit Unions is a charitable company, limited by guarantee and incorporated on 31 March 2011, and was formally granted charitable status on 20 June 2016.

The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company and is governed by these articles. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Ulster Federation of Credit Unions

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 30 September 2022

Objectives and activities

The objectives of the company are to promote the following purposes:

- to advance education amongst the public in matters pertaining to credit unions and their potential in relieving poverty and need.
- to provide education and training in the knowledge and skills pertinent to the establishment and management of credit unions in Northern Ireland and the Republic of Ireland.
- to provide services, advice and information to assist the establishment and development of credit unions in Northern Ireland and the Republic of Ireland.

In setting the objectives and planning activities for the year. The trustees have given careful consideration to the Charity Commission for Northern Ireland's guidance on public benefit to ensure that the activities have helped to achieve the Charity's purpose and provide a benefit to the beneficiaries.

Achievements and performance

The company is governed by a committee of elected representatives from all over Northern Ireland, previously elected by each credit union to their respective county zone.

During the year to 30 September 2022, the UFCU provided support and advice to over credit unions to assist them with ongoing development needs. An ongoing programme of training and education was carried out throughout the year to enable credit unions to operate more efficiently in the management and development of individual credit unions thereby increasing their potential to relieve poverty and need within their communities.

Financial review

Incoming resources for the year totalled £110,171, compared to £105,853 in the previous year. Resources of £100,253 were expended, resulting in a surplus for the year of £9,189 and unrestricted funds of £61,967 at 30 September 2022.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 29 April 2023 and signed on behalf of the board of trustees by:



Mr W Carnwath
Trustee

Ulster Federation of Credit Unions

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Ulster Federation of Credit Unions

Year ended 30 September 2022

I report to the trustees on my examination of the financial statements of Ulster Federation of Credit Unions ('the charity') for the year ended 30 September 2022.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of Charities Act (Northern Ireland) 2008 (the '2008 Act') and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the accounts of the company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements as carried out under section 65 of the 2008 Act. In carrying out my examination I have followed the general Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the 2008 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with my examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Johnston Graham Limited
Independent Examiner

216/218 Holywood Road
Belfast
BT4 1PD

Ulster Federation of Credit Unions

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 30 September 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	5	–	–	5,000
Charitable activities	6	110,171	110,171	100,853
Total income		<u>110,171</u>	<u>110,171</u>	<u>105,853</u>
Expenditure				
Expenditure on charitable activities	7,8	100,352	100,352	106,990
Total expenditure		<u>100,352</u>	<u>100,352</u>	<u>106,990</u>
Net income/(expenditure) and net movement in funds		<u>9,819</u>	<u>9,819</u>	<u>(1,137)</u>
Reconciliation of funds				
Total funds brought forward		52,148	52,148	53,285
Total funds carried forward		<u>61,967</u>	<u>61,967</u>	<u>52,148</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Ulster Federation of Credit Unions

Company Limited by Guarantee

Statement of Financial Position

30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	13	139,866	144,768
Current assets			
Debtors	14	51,487	52,597
Cash at bank and in hand		145,218	131,168
		<u>196,705</u>	<u>183,765</u>
Creditors: amounts falling due within one year	15	101,684	103,465
Net current assets		<u>95,021</u>	<u>80,300</u>
Total assets less current liabilities		234,887	225,068
Creditors: amounts falling due after more than one year	16	172,920	172,920
Net assets		<u>61,967</u>	<u>52,148</u>
Funds of the charity			
Unrestricted funds		61,967	52,148
Total charity funds	17	<u>61,967</u>	<u>52,148</u>

For the year ending 30 September 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 24 April 2023, and are signed on behalf of the board by:



Mr W Carnwath
Trustee

Ulster Federation of Credit Unions

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 September 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in Northern Ireland and a registered charity in Northern Ireland. The address of the registered office is Credit Union House, 218-220 Kingsway House, Dunmurry, Belfast, Antrim, BT17 9AE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

(a) No cash flow statement has been presented for the charity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Ulster Federation of Credit Unions

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Ulster Federation of Credit Unions

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Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Fixtures and fittings	-	20% straight line
Equipment	-	33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Ulster Federation of Credit Unions

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Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The members of the charity have a limit of guarantee of £1.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Grants				
Grant income	—	—	5,000	5,000

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Affiliation fees	100,506	100,506	94,050	94,050
Rent received	4,000	4,000	4,000	4,000
Insurance commission	4,000	4,000	1,000	1,000
Stationery income	165	165	293	293
Loan interest	1,500	1,500	1,500	1,500
Other income	—	—	10	10
	<u>110,171</u>	<u>110,171</u>	<u>100,853</u>	<u>100,853</u>

Ulster Federation of Credit Unions

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Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Charitable activities	<u>100,352</u>	<u>100,352</u>	<u>106,990</u>	<u>106,990</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2022 £	Total fund 2021 £
Charitable activities	<u>100,352</u>	<u>100,352</u>	<u>106,990</u>

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>5,181</u>	<u>5,883</u>

10. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,290</u>	<u>1,260</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	<u>65,142</u>	<u>63,283</u>

The average head count of employees during the year was 2 (2021: 2). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Number of administrative staff	<u>2</u>	<u>2</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

12. Trustee remuneration and expenses

No trustee received remuneration from the charitable company during the year (2018: Nil).

Ulster Federation of Credit Unions

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 October 2021	175,000	10,529	7,408	192,937
Additions	—	—	279	279
At 30 September 2022	<u>175,000</u>	<u>10,529</u>	<u>7,687</u>	<u>193,216</u>
Depreciation				
At 1 October 2021	35,000	7,866	5,303	48,169
Charge for the year	3,500	887	794	5,181
At 30 September 2022	<u>38,500</u>	<u>8,753</u>	<u>6,097</u>	<u>53,350</u>
Carrying amount				
At 30 September 2022	<u>136,500</u>	<u>1,776</u>	<u>1,590</u>	<u>139,866</u>
At 30 September 2021	<u>140,000</u>	<u>2,663</u>	<u>2,105</u>	<u>144,768</u>

14. Debtors

	2022 £	2021 £
Prepayments and accrued income	1,487	2,597
Other debtors	50,000	50,000
	<u>51,487</u>	<u>52,597</u>

15. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	1,427	2,666
Other creditors	100,257	100,799
	<u>101,684</u>	<u>103,465</u>

16. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other creditors	172,920	172,920
	<u>172,920</u>	<u>172,920</u>

Ulster Federation of Credit Unions

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Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

17. Analysis of charitable funds

Unrestricted funds

	At 1 October 2021 £	Income £	Expenditure £	At 30 September 2022 £
General funds	52,148	110,171	(100,352)	61,967

	At 1 October 2020 £	Income £	Expenditure £	At 30 September 2021 £
General funds	53,285	105,853	(106,990)	52,148

18. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	139,866	139,866
Current assets	196,705	196,705
Creditors less than 1 year	(101,684)	(101,684)
Creditors greater than 1 year	(172,920)	(172,920)
Net assets	61,967	61,967

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	144,767	144,767
Current assets	183,765	183,765
Creditors less than 1 year	(103,464)	(103,464)
Creditors greater than 1 year	(172,920)	(172,920)
Net assets	52,148	52,148